

State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
September 16, 2014, 4:30 P.M. to 6:00 P.M.
State of Rhode Island Department of Labor and Training
1511 Pontiac Avenue, Building 73-1
Cranston, RI 02920-4407

Attendance

Members

Co-Chair Commissioner Kathleen Hittner, Co-Chair Stephen Boyle, Karl Brother, Pat Mattingly, Hub Brennan, Howard Dulude, Manny Echevarria, Al Charbonneau, Peter Quattromanni, Al Kurose, Mike Souza, Vivian Weisman, Bill Schmiedeknecht, Robert Cagnetta, David Feeney, Tammy Lederer

Issuers

Blue Cross & Blue Shield of Rhode Island: Gus Manocchia, Shawn Donahue, Megan Dennen, Brian O'Malley

Neighborhood Health Plan of Rhode Island: Ken Pariseau

State of Rhode Island Office of the Health Insurance Commissioner Staff

Herb Olson, Linda Johnson, Sarah Nguyen, Cory King

Not in Attendance

Gregory Allen, William Martin, David Mathias, Wendy Mackie

Minutes

1. Introduction and Welcome

Dr. Hittner and Mr. Boyle called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance. The minutes from the June 3, 2014 HIAC meeting were reviewed and approved with no changes. Dr. Hittner introduced pharmacist David Feeney as the newest member of the Council and also announced the departure of Phil Papoojian from the Council.

2. HIAC Strategic Discussion Follow-Up

Marti Rosenberg of the Providence Plan facilitated a discussion on HIAC's strategic plan. This was a follow-up to the discussion that began at the last HIAC meeting on June 3.

While one of the suggestions had been to move periodically move the location of the HIAC meeting to different venues around the state in order to engage new and different audiences, it was also agreed that moving the meeting location would be confusing and likely lead to lower attendance. Marti proposed that the HIAC meetings stay at the Department of Labor and Training but that the Small Employer Taskforce hold their regular forums and workshops in different regions of the state in order to enhance accessibility.

The Taskforce's programming would be designed to educate health insurance purchasers and provide them with enough information to allow for better understanding of and participation in HIAC discussions.

HIAC members requested topics for these Taskforce programs, including:

- Health care affordability: both at a statewide policy level and affordability to the consumer
- Tax benefits of offering health insurance
- All Payer Claims Database
- Health insurance price transparency
- Risks of self-insuring
- Rate review process
- CurrentCare
- Patient centered medical home
- Upcoming change in definition of Small Group
- HealthSource RI
- Limited Network plans

Hub Brennan expressed some concern over potential "mission drift," which was acknowledged by Marti and others present.

Council members also requested future HIAC meetings include policy and legislative updates and a briefing on the All-Payer Claims Database.

3. Office Updates

Staffing

Commissioner Hittner notified the council that someone had been hired for the Associate Director for Planning, Policy, and Regulation and would be starting with the Office shortly. The Commissioner also notified everyone that Herb Olson would be leaving at the end of the month and that the process to find a replacement was under way.

Form and Rate Review

Sarah Nguyen gave an update on the 2014 Form and Rate Review process which concluded in July while the HIAC was on break. She presented a table breaking down the number of plans in each market. The numbers had not yet been finalized with the carriers.

A discussion ensued regarding the number of plans. Karl Brother said that there were “too many choices” which would make it difficult for consumers to make decisions. Peter Quattromani expressed that part of the frustration employers experience is that some plans are available on the Exchange but others are not. Linda Johnson clarified that there actually fewer distinct plans than the numbers suggested because of the way OHIC classifies minor variations in coverage as separate plans. She also pointed out that OHIC’s approval of a plan designed for the Exchange didn’t necessarily mean it would be sold on the Exchange as HealthSource RI has to approve the plans as well.

Monitoring and Compliance

Next, Commissioner Hittner related some details regarding United Healthcare’s exceeding of their small group cap in 2013. The primary reason United gave OHIC staff for being out of compliance was unanticipated demographic changes.

Commissioner Hittner first suggested a monetary settlement to United CEO Stephen Farrell. This proposal was rejected, and so OHIC filed a complaint on May 19. This initiated a process that would have involved several hearings, the outcome of which was uncertain. Any monies received by the state from United at the conclusion of this process would have gone to the state’s General Fund.

Simultaneously, OHIC was engaged in Rate Review, and United’s filings included the largest increases among all of the carriers. The Commissioner decided to incorporate the discussion of resolving the small group rate cap issue into 2015 rate negotiations with United. Taking this into consideration, OHIC revised United’s small group EHB base rate increase down from 12% to 9%. Commissioner Hittner said, “I think this is much more than we could have gotten through a long, drawn out process,” referring to the hearings that would have to have taken place. She also made it clear that United has not admitted to any wrongdoing.

Additionally, the Commissioner explained that United did not meet their primary care spend in 2013. United agreed to transfer to the CSI project \$465,000, an amount equal to their primary care shortfall.

The Commissioner also explained that while Tufts Health Plan is not currently subject to the primary care spend target, it notified OHIC that it would not meet its projected primary care spend and agreed to transfer funds to the CSI project for behavioral health.

The Council generally agreed that these were good resolutions, but Karl Brother, Vivian Weisman and Bill Schmiedeknecht expressed concerns about United not acting in good faith. “We have the Blues playing ball,” Bill said, “and United not. The playing field doesn’t seem fair.”

Affordability Standards Implementation

Cory King gave a presentation that included an update on the SIM grant. If awarded, the grant would be administered by the Executive Office of Health and Human Services. The Healthy Rhode Island Steering Committee would be responsible for determining the strategic direction.

A list of potential organizations that might be involved in this strategic planning generated discussion among the Council members who felt that not all appropriate stakeholders were represented. Al Charbonneau expressed that he would like to see some of the state government entities removed in favor of business and consumer organizations. Al also questioned the value of focusing on “policy levers.”

Cory explained that while OHIC had some input, the structure he was presenting came from the Lieutenant Governor’s Office. He said the list was not final.

Public Comment

Tina Spears, Rhode Island Parent Information Network, spoke regarding the stakeholders list from Cory’s presentation on the SIM grant. She said the Lieutenant Governor’s office’s intent was to paint with a broad brush and the structure was designed to maximize flexibility but also approach the healthcare system from a consumer-focused, health-promotion perspective.

Keith Demty of Health Benefit Advisors spoke regarding the number of plans and full employee choice, saying “employee choice ultimately increases risk to insurance groups which leads to adverse selection which leads to increased cost. While this committee looks to control cost, the exchange allowing for employee choice is inherently introducing adverse selection and driving cost.” He also commented on United’s approved rates, saying that he wasn’t sure how they could justify “12% and 16% rate increases” if “their loss ratios were so low that they had to actually give money back.”

Next Meeting

The next meeting of the Health Insurance Advisory Council will be October 21, 2014, 4:30 P.M. to 6:00 P.M. at the State of Rhode Island Department of Labor and Training, 1511 Pontiac Avenue, Building 73-1, Cranston, RI 02920-4407.