

Health Insurance Advisory Council
September 20, 2011
4:30-6:00 PM – Department of Labor and Training; Cranston, RI

Minutes

Attendance:

Members: Bill Martin (Co-Chair), Chris Koller (Co-Chair), Howard Dulude, Pat Mattingly, Hub Brennan, DO, Karen Fifer Ferry, Peter Quattromani, Bill Schmiedeknicht, Rick Brooks, Karen FiferFerry, Linda Lulli, Pat Mattingly, MD, Phil Papoojian, Jack Spears, Jeff Swallow

Health Plans: Gus Manocchia, Craig O'Connor, Jason Martiesian

OHIC Staff: Maria Casale

Not in Attendance: Gregg Allen DO, Al Kurose MD, Ed Quinlan, Herb Gray, Paulette Thabault

1. Introductions
 - Members of the Council introduced themselves to guests in attendance.
2. Review of Charge and Proposed Agenda for Year
 - After an introduction by Bill Martin, Chris Koller reviewed the Council's charge. There are no proposed changes from last year.
 - After some clarifying questions the Council approved its charge as drafted.
 - Chris Koller then reviewed the relationship of OHIC and HIAC to Affordable Care Act-inspired health reform activities in RI, notably the work of the Health Insurance Exchange planning process and the Governor's Executive Committee on Health Care Reform.
 - Discussion centered on the role of the Exchange in the current market and whether it could serve as way to improve access for individuals and the uninsured, or just another place for shifting costs to (or from). Members noted the varying levels of support nationally for the ACA and the need for RI activities to withstand changes in the support and the ACA.
 - Chris Koller and Bill Martin then reviewed the proposed activities for the year for HIAC which centered on three areas:
 - Affordability Standards – monitor plans' implementation and propose changes as needed
 - Advise OHIC on following questions
1. Under what conditions should OHIC set medical trend targets for insurers in rate factor filings?

2. In those circumstances how would the process work?

- Commercial Health Insurance Market changes in RI resulting from ACA – monitor whatever reforms OHIC determines are necessary based on ACA requirements

Discussion ensued, mostly around the proposed medical expense trends target work:

- What would be role of the community partner in facilitating public input on this process?
- Would we focus on trends used by insurers or absolute numbers. Although absolute numbers would allow for more direct assessment of affordability, it is technically much harder to adjust for changes in benefits and population severity. (Eventually it was determined to stick with trend rates)
- How to set up a process which enables health plans and conveys importance of this work, not constrains them?
- How would we determine an appropriate target? What is affordable? When I get a 20% increase – whether for trend or because of changes in my group's characteristics-I can't afford that. Perhaps affordability can be defined as a price that is attractive to employers in RI relative to other states and allows for ongoing purchase("access") by insurers
- This process would not talk about benefit design – which has been used to shift costs from employer to employee and to (attempt to) change patient behavior.
- What are appropriate expectations for how the Council's process might work? One could do a lot of analysis to determine appropriate targets. How bold and up-setting is the Council willing to be?
- When do targets interfere with other standards put forth for OHIC of guarding insurer solvency and ensuring fair treatment of providers.
- Note that:
we would be setting the process, not the number
the process would govern 2013 rate factor review process, not 2012. Is that too late?
- The agenda for 2011/2012 was approved by the Council with the change that for the next meeting the Council propose a "soft" medical expense trend target to the insurers for their consideration in develop trend factors for the 2012 rate factor filing.

3. Office Updates.

Chris Koller update the Council on work of the Office over the summer including:

- Regulations promulgated and proceeding examinations
- Initiation of commercial insurance regulatory changes needed as result of ACA
- Implementation and monitoring of Affordability Standards
- Grant solicitation planning for RI's Health Insurance Exchange
- Staffing changes

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- Development of proposed agenda for second round of federal rate review funding. (A separate hand out was circulated that outlines primary work areas: the \$3.8 million over three years is to be used for some staffing, and extension of Affordability Standards work, including significant interagency work.

4. Public Comments

- Public Comments were taken

Next Meeting

October 18, 2011

4:30 pm – DLT, Cranston, RI

Agenda:

- "Soft Trend" advisory for commercial plan for 2012 filing
- OHIC report on Health Plan compliance with Affordability Standards.

The meeting then adjourned.