

Market Merger Task Force Meeting

January 9, 2008
Meeting Minutes

In attendance:

Task Force Members: Chris Koller, Health Insurance Commissioner; Phil Papoojian (co-chair), Ted Almon, Bill Delmage, Jim Borah, Jay Raiola, Sid Goldman, Bob Colese, Valerie Tutson, Xander Marro, Josh Miller, James Joy, Bill O'Connor,

OHIC staff: Deb Faulkner, consultant to OHIC

Others: John Lynch, Monica Nehronha, Terrance Martiesian, Eli Zupnick, Jason Martesian

Introduction

Chris Koller welcomed the group to the final meeting of the market merger task force.

Review of Draft Committee Report

Deb Faulkner walked through the summary of recommendations as drafted and distributed to the committee prior to the meeting. She solicited any comments or feedback on the general recommendations. Comments from the committee were as follows

- There was general agreement with the recommendations as specified in the report
- There was a discussion of the apparent inconsistency between our longer term objective of a “common pool” and the recommendation not to merge. One committee member commented that the benefits of merger were not sufficient to justify action. The group agreed that there was interest in taking steps toward the end goal – but not with too much disruption.

Deb Faulkner then reviewed the details of the individual mandate recommendation, as some of the information provided in the report had not been discussed in prior meetings. Again, there was general consensus with the recommendations as specified in the report

Review of the “The Story” about the Market Merger Task Force

Chris Koller reviewed a draft version of “The Story” about the Market Merger Task Force, which summarized the key findings of the committee in layman’s terms, intended as an education tool in support of the committee’s recommendations. There was general consensus around this summary, with a few key points of feedback:

- Direct pay should be referred to as the individual market, throughout the report, to reflect its position as a market, not just a Blue Cross offering
- There was significant discussion of the need for subsidies for those under 400% FPL – and when/how to get there.
- There was also a discussion of a payroll tax, as a mechanism to finance health insurance for all Rhode Islanders, with different committee members expressing support, or concern, for this type of approach.
- There was concern that the study should refer to mandates, including both individual mandates and employer mandates as key elements.

Next Steps

Chris Koller discussed the process for finalizing this report. He explained that this draft report would become the report of the committee, with a cover memo from Chris Koller specifying the position of OHIC on these issues. OHIC will submit this to the legislature, as required by the statute. OHIC will then submit legislation, consistent with the recommendations of the study, and support those recommendations with a communication/education effort, using the study analysis and results to justify these legislative proposals.

Mr. Koller commented that a key finding for his office, from this study, was that fairly significant regulation appears to work – at the cost of less innovation and less choice. There was a discussion of the implications of this finding by committee members, with some committee members expressing a desire to move aggressively toward a more regulated market (a la direct pay) for small group, and asking how to get there, and others proposing a more cautious approach, transitioning the groups of one and watching to see how that transition works for the affected groups before taking further action.

Mr. Koller thanked the committee members for their valuable participation and commitment to the work of the committee. He also thanked Phil Papoojian, for taking on the added commitment of co-chairing this committee and Deb Faulkner, for her work in staffing this project.