

Executive Committee
RI Healthcare Reform Commission
Meeting Minutes
August 18, 2011
2:00pm

Attendees:

Lt. Governor Elizabeth Roberts – Present
Governor’s Policy Director, Brian Daniels - Present
Secretary of Health and Human Services Steven Costantino – Present
Director of Administration, Richard Licht – Absent
Health Insurance Commissioner, Christopher Koller - Absent

- I. Call to Order: The meeting was called to order at 2:09pm.
- II. Approval of the Updated 2011 Work Plan for the Health Benefits Exchange
 - a. The 2011 Work Plan is still in effect, yet this is a movement to amend a point under the work plan section regarding the health benefits exchange.
 - b. This was developed in more detail to flesh out the bullet in lieu of the point regarding health benefits exchange legislation. This provides specificity on how this part of the project will move forward.
 - c. Secretary Costantino raised a motion to adopt; Brian Daniels seconded the motion. There was unanimous consent from present members to adopt this amendment.
 - i. Note: Following the meeting, Commissioner Koller and Director Licht reviewed the new clause and respectively expressed their support for this amendment.
- III. Presentation of the criteria for evaluating Health Benefits Exchange Options
 - a. Tophier Spiro, Office of the Lt. Governor, presented on the criteria of the health benefits exchange, as presented to and discussed with the Exchange Stakeholder Work Group. This presentation discussed those criteria that speak to purpose, as well as feasibility.
 - i. Sec Costantino noted that there doesn’t seem to be a disagreement on purpose, but there does seem to be constant disagreement over the definition of “access”, “affordable” and of “universal.” At what point will those be defined? Mr. Spiro responded that in order for this to be successful the state would need to be specific. This is an interim step, starting to get a bit more specific through criteria, but the state will need to drill down at some point to avoid broad statements that spark disagreement.
 - ii. It was raised that there is a need to set priorities. Examples given were determining if affordability more important than

near universal coverage, or is it the other way around? It was stated that while everything should be kept on the table, it might be beneficial to establish tiers.

- iii. There was a question on the reduction of costs for individuals and small businesses, inquiring if it is possible to cost shift elsewhere so that rates remain low in the exchange, or are we talking system wide? Mr. Spiro noted that right now that is an open question; the state must consider the way that exchange policies can affect system wide policies. A question was posed about criteria surrounding accessibility. The federal government is deliberating the federal health benefits package.
 - 1. The state will need to determine if it will simply adopt the federal package or opt to do more. If it does opt to adopt a plan that does more than the federal package, the state will need to pick up the cost.
 - 2. The Lt. Governor asked that the group keep in mind that perhaps the committee can work to help with the definitions on cost sharing.
- iv. The question was posed if there is somewhere in developing the exchange which will specifically “encourage employer participation”? There is a market advantage to try to make it easier for employers to offer and contribute to, and offer health insurance. The Lt. Governor noted there is a need to convey how to make the Exchange attractive to use, beyond the basic ease of use.
- v. Sec Costantino inquired as to the metric for sustainability. Is there a percentage of small business participation that is tied to sustainability? Mr. Spiro noted that the consultants are busily working on the first developing an operation budget for the exchange. Then working on various assumptions on take up, i.e. union insured, how many would go through the exchange vs. outside market over time. There are going to be estimates of enrollment for both individuals and small businesses. Over the long term the exchange has to be self-sustaining, by 2015. The key for financial sustainability is to make sure that the fee is not too high. Make sure not charging an excessive fee. LG - Trying to create a business – what in the prior characteristics are going to create product that will have a sustainable financial plan.
- vi. There was a comment made about the cost to state government, and ensuring the impact to financial sustainability. There could be lower disruption from 133 FPL, and more disruption at 200 FPL - so the question is where is there more disruption. Theoretically, there could be a Right Care plan being more generous than the Basic plan, or they could be the same; if we estimate the cost below 95%, there

may be a probability that they could exceed that, and thus the state would be at financial risk. This is what the consultants are working on. The threshold issue is whether we can get it below 95% and whether it impacts the financial sustainability of the exchange.

- vii. Which administrative costs are referred to here – these were deliberately left vague and broad – could be the cost of insurers or providers? Is there a conclusion that it is a major factor? Mr. Spiro noted he is not concluding that. If there is concern that some may see it as judgments of this group that we build recommendations on, we will be sure to label it clearly so that each is aware of where the comment comes in.

- IV. Discussion of Criteria, facilitated by Lt. Governor Roberts – to ensure that opinions from this group are included in these criteria, thus ensuring it is not at the very end alone when issues or concerns raise their heads
 - a. These benefits, what is the package, what is the flexibility for the state? The federal government will decide the flexibility for the benefits plan.
 - b. Mandates. If we have a Rite Care plan that covers the mandates, where does it fit in the essential benefits/basic benefits plan. There are about state mandate 42 and the state has consultants working on comparing them to Medicaid benefits, comparing them to commercial insurance benefits. Once the Essential health benefits are issued, we will compare it to Medicaid benefits, once we are there, and if there is a difference, the state will need to decide what to do. It will be a legislative decision. If we are looking at minimizing disruption from churning from Medicaid to the Exchange, we would need a trade off on budget versus transition. Where there is confusion is around Medicaid's set of optional services. Where in that list, for example, transportation is an optional services. Under traditional health insurance benefits, one does not get transportation as an optional service – how do we align those? Medicaid is a broad program that reaches very different populations. As such, there are different benefits available to different populations.
 - c. Public Comment - Confusion about what the benefits package will be. Right now it is theoretical – decisions will need to be made, once see what the federal government puts forward. The exchange cannot change statute – anything that does must go to the legislature.
 - d. What is within the purview of the exchange in terms of containing cost, vis-à-vis system wide. Some of these questions should exist outside the exchange. There are ways to get to some of these goals outside this group. Policy purview of what the exchange will be, vs. that which will be policy changes made by the legislation in terms of general health reform going forward. There is not as much flexibility in some of these issues for insurance companies as one may think, noted it is a regulated market. This will be the ongoing debate, and

the board will be taking this up. That is the big question that the Board will be taking up. Important to note differentiating between lowering costs and shifting costs.

- e. There is now a view of the range of criteria. As the consultants return with proposals, this group will need to set some priorities. Making sure have the connection between Medicaid and the state budget on one end, and then quality and cost for the consumer on the other. If it is not something that people want to buy, or a vehicle that people want to use, it will not work.

V. Grants Update

- a. RWJ – Assistance now, just finalizing draft scope of work with SHADAC, out of the University of Minnesota. Part of the Exchange planning process is to do a broad, RI specific survey, giving the state the data they need to determine where people will go in 2014. SHADAC are quite good at putting together these surveys, and would hand it to use, and then RI would RFP out for the implementation of that survey.
- b. There is some assistance in regards to some potential opportunities to leverage some additional CHIP bonus money – there is a performance bonus for CHIP that the State is working on
- c. Working on a significant deep dive in the commercial insurance regulatory structure, and ensuring they meeting ACA requirements by Jan 1 2013 – large leg package next year likely to ensure they are harmonized.
- d. Large procurements coming forward – MMIS system (\$35M procurement) and Eligibility (another significant chunk of money). Secretary came from a meeting using (MMIS?) even outside of Medicaid. Due to the time frame, one must build business models to match eligibility, and not the other way around. Huge incentive to do this, and after a few years may be able to say RI has an eligibility system that benefits all. This is a tremendous achievement.
- e. Duals – Medicare/ Medicaid, another application coming down the pipe – is RI applying? Medicaid director will be meeting with CMS next week, to get a better sense of what they are hoping to do with states for partnering shared savings etc. Can update the committee at some point. Focusing on finalizing operational protocols with CMS and focusing on staffing that up.

VI. Additional Updates:

- a. There are huge sustainability issues across the country about information exchange issues. Brief update from Amy Zimmerman – there is a lot of high tech \$\$ put into IT to have states create health info exchange systems. As the high tech funds go away, the ability to continue to sustain those becomes difficult. This is similar in some ways to the sustainability question of the benefits exchange. Some states are opting to delve into an All-Payer Claims Database. Health

INFORMATION exchange, with the budgetary proposal that were not enacted , leads to new conversations.

- b. Update on what has been provided in RI through he Medicaid program for health IT can be posted soon – RI has started paying out incentives to both hospitals and individual eligible providers. How will success be defined? Fed gov't provided the states \$\$ in which can apply for funds to adopt an electronic health record and use it meaningfully. Is the allocation design around a certain number of practices adopting it? Feds have not stated thee is a limit; in RI we have closely tied it to the regional extension center that quality institute is working on.
- VII. Public Comment - No members of the public signed up to address the Committee.
 - VIII. Adjourn – Meeting adjourned at 3:15pm