RI Health Benefits Exchange Board
Meeting Minutes
November 29, 2011
1:00pm

Attendees: Meg Curran, Don Nokes, Pam McKnight, Chris Koller, Peter Lee, Dwight McMillan, Linda Katz, Michael Fine, Marta Martinez, Mike Gerhardt, Tim Melia, Steven Costantino

Absent: Richard Licht

I. Call to Order – Chairwoman Curran called the meeting to order at 1:00pm and gave the floor to Commissioner Koller for an announcement. Commissioner Koller announced that RI had just been awarded the Level II Funding from the Federal Government for the Exchange Build.

II. Presentation on Basic Health Plan (hereafter BHP) – State Medicaid Director Elena Nicolella (presentation available: http://www.healthcare.ri.gov/documents/BHP%20Presentation%20Board%2011_29.pdf)

a. Discussion/Questions: How long is the federal financing projected to last? That federal financing would continue throughout the existence of the basic health plan.

b. 95% of the premium and 95% of the cost-sharing subsidy, what is the difference between the two? **If a person accesses coverage throughout the exchange and they are at 135% FPL, the federal government would pay the premium to the insurer and pay the coverage to provider**. A premium is the monthly amount paid to the insurer, and cost sharing would be amount due at the time of visit.

c. Will the pregnant women now in Medicaid stay in Medicaid or will they be pushed through the exchange? If there is a BHP, there will be people who are eligible for Medicaid RIte Care today, who would not be in future, as with the exchange there will not be a requirement of maintenance of effort.

d. Do we yet have a sense of what the subsidies would be? It depends on the income level, as subsidies will cover vary based on individual circumstance.

e. As far as reasons not to consider, state financial risk, could vary from year to year. This isn't just a short term concern.

f. How many of the 19K predicted to take up BHP would buy subsidies through the exchange? All would be eligible for subsidies, but that still doesn't mean that they will definitely purchase through the exchange. The state is requesting additional analysis from economists to refine numbers as currently using broader data sets not tuned to RI population.

g. What is the timing on this? Now or never, or in the future if in fact 19K do not opt in? Can the decision be deferred? The question is whether there is a way, as we build the exchange, to build it in a flexible enough way to adopt a BHP if needed in future. Currently, the state has 100% federal funding for the establishment of the exchange and its related programs. The funding is now available to put in the technology needed for programs like the BHP. There may not be funding available in future to adapt. Its not a legal problem – its a funding problem.

h. As the exchange is envisioned now, if an individual is not income eligible, but finds the BHP appealing, can they purchase a BHP on their own? No, one would need to go through the exchange.

i. The benefit package we assumed was an exchange benefit package – $438 per member per month assumed for cost.
    i. The BHP doesn't necessarily have to match what is done in RIte Care? Correct; it could be benchmark benefits.
    ii. Is the benefit set in statute? No – it has to at least be the essential benefits package.

j. Behavioral health care and the essential benefits and current mandates – no guidance from the feds yet. Important to differentiate between benefits and benefit design, the way one can move the number up and down is with the benefit design portion, which has reasonable flexibility.

k. The age of this population, as estimated, is much younger than the parents in RIte Care, half are parents, half are traditionally young - is the $438 higher than current average cost? It is a bit lower than the average RIteCare now.

l. These are year one numbers, and before a decision can be made, may need more projections for five, ten years out. It was noted that the goal is not to decide at this moment if the state should have a BHP, but rather, hoping to get the Board to consider at this time if should continue to explore a BHP, and consider whether the potential risk to the state can be mitigated enough.

m. A person at 185% of FPL is not currently eligible for RIte Share, but when the FPL numbers are moved, it expands eligibility.

n. Can the BHP be held to similar financing restrictions that are currently held to other publically funded programs? This is a policy question that the Board needs to grapple with – there would have to be in place some sort of protection so that any general revenue contributions to the BHP would not be subject to state financial constraint.
    i. Elevating the participant premiums up to the $265, now only assuming half of that. One potential question to raise with the federal government is whether
    ii. The state may have complete freedom in terms of exchange cost. A second option is to actually build a cushion, within talking to the analysts and the work group, to charge more this year than what's needed, and then have the set aside account ("Amica approach"). Titrate the amount being collected, so a not to impinge on the affordability of the product.

III. Potential Conditions for Establishing Basic Health Plan – Slides presented by Jennifer Wood
Discussion/Questions

a. There are a lot of variables that are undefined and that is why this was not issued to the Board as a total "go/ no-go" moment. Today what is important is getting guidance on whether to pursue this -- do we want to define costs, and do we want more data? Is the data as presented thus far demonstrating to the Board that it is worth it to keep pursuing it, keep drilling down, or step aside? Note, state staff has asked the federal government for guidance on several of the gaps. These slides demonstrate five things suggested by staff and identified from stakeholder groups that would be necessary in order to pursue looking at a BHP. Does this group take issue with any, or wish to add more?

b. Q. Benefit design, does consistency in option 1 talk about making the benefits the same? No, here consistent with the exception of benefit design.

c. Priority focus issue – what is the staff opportunity cost? Not unsubstantial, look carefully at this, achieving state's goal of near universal coverage makes it worth it for the extra hours of staff work. Potentially an important building block to achieving that goal. The

analysis is not done by state employees, we have vendor contracts, ask them questions, must understand what it means.

d. **For the single adults without kids, many of whom are uninsured, have to subsidize the amount in ACA, and that is the question, how unrealistic is it to assume – with or without a BHP from the state, they may take it up through a BHP – using this modeling will cost half as much**

e. It seems there is a need for a BHP, and obviously affordability will be an issue – yet for young, healthy adults who feel they don't need insurance has there been a consideration of an ultra low cost, catastrophic esque insurance? Not enough guidance from the federal government on what the essential benefits package is at this time and find out then what the stripped down is, then consider what state mandates in RI.

f. Made the case that there are reasons not to rule it out.

g. Is 31K the total BHP number exclusively, or are the 31K are also eligible to participate in the exchange? What is the total number of people eligible for the exchange? Estimate about 158K.

h. On affordability, in the RIte Care program now, covering people through Medicaid, there are three premium levels for those families, and if the family fails to pay the premium for three months, they close to coverage in four months –the affordability issue is quite clear, lower income families.

IV. Close

a. Due to time concerns, we propose to capture the above and return in a memo, noting issues that are open, kinds of things that are open, to consider. Once we have a summary, and have asked for input, then come back together for a specific recommendation.

b. Will carry over the issues not covered today onto the next agenda.

V. Adjourn