

Health Benefits Exchange Board Meeting  
Tuesday April 24, 2012  
1:00pm  
RI-CIE  
Meeting Minutes - Draft

*Attendees: Meg Curran (Chair), Don Nokes (Vice-Chair), Chris Koller, Pam McKnight, Amy Zimmerman, Linda Katz, Mike Gerhardt, Richard Licht*

- I. Call to Order: Chair Meg Curran called the meeting to order at 1:00pm. She welcomed members and advised that today we would hear two presentations, one regarding Policy Issues for the next six months for this group, and one regarding qualified health plans. There will be a question and discussion session that follows, so other than clarifying questions on the slide, members were asked to please withhold questions until that point of the session.
  
- II. Policy Issues Outlook – the Next Six Months – Presentation by Jennifer Wood, slides available upon request:  
Clarifying Questions/Comments:
  - a. Mike Gerhardt: Curious to what you did not put on the list, for example, sustainability models.
    - i. Jennifer Wood: There are a number of other critically important topics not here yet – for example Basic Health Plan design and decision has to come back before this group, but because we require additional federal guidance to proceed, we did not add it to the list.
    - ii. Mike Gerhardt: So you would say this is a work in progress?
    - iii. Jennifer Wood: This is just meetings that we know that we already have enough materials to present. In no way infer that something isn't there it is not coming.
  
- III. Qualified Health Plans – Presentation by Angela Sherwin, slides available here:  
Clarifying Questions/Comments:
  - a. Mike Gerhardt: We know we have the Expert Groups – where does that stand on the active purchasing issue.
    - i. Angela Sherwin: We will speak to that in a few slides, but to an extent that even in the early stages the carriers for example, voiced concerns about being too active a purchaser. The issue brief goes into what the overall recommendations were last summer and the next few slides will delve into what the conversation was at the Expert Advisory Committee around these items.
  - b. Mike Gerhardt: They have to cover EHB and the state mandates?
    - i. Commissioner Koller: Have to cover EHB, which may or may not include state mandates depending on which plan is selected by the

state. If the state chooses a plan or a product that is modeling its EHB.

- c. Director Licht: What is the difference between health plan adequacy and EHB. I understand one comes from federal statute
  - i. Commissioner Koller: Health plan adequacy is a set up laws developed in the mid 1990s to define a class of entity called a health plan bigger than a product smaller than an insurance company. It has to do with the adequacy of network, quality management standards, medical necessity, a whole host of things.
- d. Commissioner Koller: The health plans offered in the exchange how do we want to differentiate those there than offered in the rest of the market. Conceptually, how do we want our plans to be different from the market?
  - i. Director Licht: Isn't there a question before that – do we want it to be different.
  - ii. Commissioner Koller: We cannot avoid it, as we have set out principles and goals.
  - iii. Director Licht: I understand that, but for simplicity sake why do we have to have those be different than in all the markets. How do we want our plans to be different, and my response is don't we have to ask do they need to be different.
  - iv. Commissioner Koller: Plans that are simply different than what is currently available, unless we are an open clearing house, we are having some selection criteria.
  - v. Director Licht: I guess I was putting it in the context of the insurer saying it is complicated enough meeting requirements on the slide colored in salmon. Can't we put them on the exchange if they meet the principles than design a different plan specifically to meet the principles.
  - vi. Mike Gerhardt: Take a look at the recommendations from the work group that what is in the market now, it can be improved.
- e. Mike Gerhardt: We have the standards up there, assuming the at is the compilations of al of our thoughts, how is that conveyed to carriers? Is it regulations?
  - i. Angela Sherwin: The ten that are on the page right now, that are minimum, those are in statute and are fleshed out further in federal regulation. We would then need to enact state regulations.
- f. Director Licht: The Executive Order authorizing the Department of Health to issue regulations pertinent to the Exchange. The Governor technically can not issue regulations, he can issue an Executive Order, but he can also decide what is going on the exchange presumably based on our recommendations?
  - i. Jennifer Wood: We believe that for purposes of clarity there will be regulations that guide the work of insurers. One of the reasons we have this and other groups, is to communicate informally to the insurers. The belief is that insurers will want by the fall of this year to have some significant guidance. Since this is an “invent as you go” world, the insurers will look to this group and to

government to frame plans. They will have to propose back to the entity that will qualify them to offer these products. And that is precisely why it is before your group for consideration.

- g. Commissioner Koller: When I think about our work, and how we communicate with the potential issuers, do we want to just pick up existing products that fit in the spectrum, do we want to define our own products, etc. Medicaid not only talks about the covered benefits and benefit design that we talk about -have to speak to a primary care physician, will have materials in several different languages etc. If use that as a catalyst, that is fine but it adds a whole host of different items to the “cloud” on this slide.
  - i. Director Licht: My point goes to this – we do not have hundreds of thousands of uninsured people who will purchase through the exchange. Nothing requires the insurer to list a product on the exchange; we want to entice them to list their product on the exchange. If we make it too complicated why would they want to participate?
- h. Don Nokes: If we come up with a unique plan, and a carrier does bid on it and offer it through the exchange, do they have to offer it outside the exchange or will they want to?
  - i. Commissioner Koller: Currently by law no, there is legislation that has been proposed that would require that mostly for reasons of avoiding adverse selection. Do not want to have carriers offering different set of products, and having adverse selection.

#### IV. Questions/Discussion

- a. Amy Zimmerman: For QHP for the standards, if you want different flavors or focuses for emphasis that’s one thing, but whatever is decided on standards must be applied, or if there are some plans for more of a patient focus, how do we gear that?
- b. Angela Sherwin: The minimum standards apply to all. If we want to go above the minimum we can do so selectively. The way the connector asks for responses from carriers, you may also offer a full network product or vice versa.
- c. Amy Zimmerman: Different product development but a range in type of product?
- d. Angela Sherwin: Right, and could also segregate by market. “XYZ” criteria by not the small group market.
- e. Commissioner Koller: On a related note, some look like attributes of plans rather than standards. Should we keep thinking of these in term of standards or specifications, or just good things?
- f. Jennifer Wood: Speaking merely for myself, I found it interesting to think about both. Both about standards in term s of have to hit these marks to have a product that you are offering on the exchange. As I thought through that, I also thought could put out incentives, or a request for proposal to offer innovative insurance products that go above and beyond that, and maybe there would be preferential product placement. Maybe

the product would bounce up first if you offer some of the most demonstrably innovative products. I think this is an open question. Part of what is so challenging, and yet motivating, is that this has not been done before outside of Massachusetts. Opportunities to say “yes, and...”.

- g. Commissioner Koller: Another layer is issuer behaviors that are not plan-specific. If we start thinking about how we want the process to function, this is the group to make those recommendations. Easier to put standards out, really hard to follow them.
- h. Angela Sherwin: Regardless of how you select plans on the exchange, the exchange will have to do some quality rating, so that each that appears on the exchange will have some sort of state quality rating system. That is a requirement of the exchange in any case.
- i. Pam McKnight: Does it seem feasible to start simple and every two years see how it is progressing and add on to it?
- j. Angela Sherwin: Regardless of how big or small we start, it will be important to establish a process for changing it over time. Phasing in, or starting small and growing is an option.
- k. Don Nokes: As a small business user, I am disappointed there was not a way to offer real minimal package – keep the cost down, and have a base and then let it build. Yet with the mandate requirement it does not appear that there is a lot of room. Where is the real incentive of going through the exchange, then offer it to the general population anyway. Make this thing pay for itself as well.
- l. Mike Gerhardt: Would suggest standardization, maybe the precious metals ranges, it just gets ridiculous. People do not know how to evaluate copays and deductibles when selecting. Standardizing those within the precious metal categories may be important.
- m. Angela Sherwin: This came up at the stakeholder group yesterday as well – one of the lessons from MA was how do we balance the benefits in tiers and letting the carriers innovate. Getting the pendulum to the right place on the spectrum will be an important challenge.
- n. Don Nokes: That is critical – when looking at the plans have a consistent way of looking at them. There is a value there, and doing an apples to apples comparison that I can understand. That would be a great benefit of the exchange if we can compare.
- o. Commissioner Koller: If possible even on the bronze level, if we can convince the issuers to avoid proposing the maximum cost shift. maybe as a catalyst say we will give you cover, go present to your network including medial homes? (Hard to Hear CK at this point)
- p. Commissioner Koller: Would like to add transitions between Medicaid and the exchange.
- q. Linda Katz: Do have the principle of aligning with other health reform initiative and looking at Rite Care as a model, and it seems like from a lens of looking at taxpayer dollars invested in the system, how can we use the Rite Care model and translate to a commercial model. Other option is looking at the state employees model as well.

- r. Jennifer Wood: Much of feedback today, and with some fidelity we are able to reproduce your conversation and focus on today's themes that we were able to hear.

V. Updates:

- a. Status of procurement for technology problems: The procurement for the technology platform for the exchange is now on the street. That was quite an undertaking and there are many who have worked hard to make that possible. It is a large technology procurement, historical in the context of state procurements. That process will now involve the Director of Admin pulling together an RFP review team, and the vendor responses will come in and have to interact with that team. The due date is May 30, 2012 for the vendors. Questions are due May 7, 2012.
- b. Exchange Director: This is well along and we would expect within one month the governor will announce his final selection. Finalists have been submitted to the Governor and he is still in the process of selecting from the finalists. We anticipate this will be completed within one month.
- c. Introduce Amy Zimmerman: Good Afternoon, I am Amy Zimmerman, with the Office of Health and Human Services, am the State Health Information Technology Coordinator. Most of my time spent more on the clinical aspects of HIT. Prior to that I was at the Dept. of Health for many years. New member of the Board taking the place of Dr. Michael Fine.
- d. The week before our next Board meeting, a substantial number of the exchange team will be going to DC for a gate review. It is a notable check point for RI to tell federal partners about themselves.
- e. Last week a number of the Board members, state staff and exchange team folks went to a meeting hosted by the University of Maryland Business school in Washington DC. It was really looking at what if any are the appropriate crosswalk from the world of internet entrepreneurship activities and the public. The key take away was we interesting and provocative going forward – whole presentation about how the MA connector did it's marketing and outreach, initial theory and action was actually a mistake. What was most powerful was real stories about real people – not hearing from a great pitcher about why one should buy health insurance. In terms of sustainability, thinking about banner ads, correlative marketing, other products on the exchange website, and all the materials are online and we will email out that link from the conference. How to cross-market with other websites or sell space to enhance the financial sustainability of the enterprise. On governance, there was a discussion about the need to have consumer representatives not only on a Board of this sort, but also have the consumer voice in broader discussions, in focus groups etc. Those we some of the large categories discussed last week.

- i. Director Licht: Thought it was extraordinarily valuable.
- ii. Linda Katz: There were two other states there as well, VT and MD.
- iii. Director Licht: The only thing I found disappointing was didn't feel the CMS folks were engaged enough. They were there but did not participate as actively as they could.

VI. Public Comment: No comment made.

VII. Adjourn - Next Meeting May 15, 2012 – 1:00pm at RI Foundation