

RI Health Benefits Exchange Board
Meeting Minutes
May 15, 2012
1:00pm – RI Foundation

Attendees: Meg Curran (Chair), Don Nokes (Vice-Chair), Linda Katz, Mike Gerhardt, Pam McKnight, Commissioner Koller, Tim Melia, Director Licht, Secretary Costantino, Amy Zimmerman

Absent: Dwight McMillan, Marta Martinez

- I. Call to Order – Meg Curran called the meeting to order at 1:00pm. She welcomed members and advised that today we would hear from Angela Sherwin and Dan Meuse with an update on the Gate Review.

- II. Rhode Island’s Gate Review: Exchange Program Development & Unified health infrastructure project. Angela Sherwin, Office of the Health Insurance Commissioner and Dan Meuse, Office of the Lt. Governor present with additional comment from Deb Faulkner (Faulkner Consulting Group), Matt Stark (Faulkner Consulting Group) and Tricia Leddy (Department of Health) – slides available upon request.
 - a. Questions/Comments Clarifications
 - b. Commissioner Koller: Can you speak a bit about development vs. ongoing resource needs?
 - i. Angela Sherwin: Sure – there are key technology issues that the policy side needs. Developing the policies and procedures and determining how the program will operate is different from base needs. What are the exchange resources needed what are the UHIP resources,
 - c. Director Licht: Human resources, fiscal resources, both?
 - i. Angela Sherwin: Largely human resources in so far as we have already made our request for financial resources. The Caveat is that our financial resource commitment is a cooperative agreement and so as we think through future needs, we can refine that agreement.
 - ii. Director Licht: The bullet is development vs. ongoing resources, so you have the funds to develop it, but not the money to maintain it.
 - iii. Angela Sherwin: We have some money to support initial operations for the first year. The key next step for us and a priority for the board is to develop the financial models that we will need to follow in future.
 - d. Secretary Costantino: When we first started talking about this months ago, there was a discussion of those financial models and what we will need to use to keep it self sustaining. Has there been further modeling or options we can look at and at what point appropriate that we see it.

Angela Sherwin: We have been modeling a variety of revenue options as well as cost options and anticipate that will be something to share soon. \

- i. Dan Meuse: there are a couple of different models that Wakely is tossing around, so what we wanted to do is get as accurate a picture as possible and to do that we have a health insurance survey that we are conducting to have a better idea of how many folks will go into exchange based scenario.
- ii. Secretary Costantino: Forgetting the details like that, you could run an example with a number at random, and show from that point on what is the model what is the proposal or options. How do we see what the potential options are or is it premature for that?
- iii. Dan Meuse: I would personally say it is a little premature right now. Our models right now are idea shaped, but haven't run enough numbers through those models to show this is what we can propose. In the next 6-8 weeks we should have more of an idea to say this is what we are looking at.
- iv. Secretary Costantino: Let's take MA as an example where they have a fee – and that may be food for MA, but should there be any deliberation beyond consultants in a row, at some point shouldn't there be a presentation here to discuss those options and see what the full range is that the consultant are looking at. Feel it would be good to see.
- v. Angela Sherwin: We can bring that back for sure. The baseline assumption is that the fee structure like in MA is not feasible as a stand alone given RI's small size. Thinking about the exchange in this funny position meaning it is not typical state agency nor is it a typical private business, so how can we give it the financial identity between the two.
- vi. Director Licht: That is not an unusual concept and had the legislation passed a year ago we would have been a quasi public that could have handled that. I feel what the Sec points out is important because at least in broad-brush strokes, we need to know what the cost of operating an exchange will be, what I means in terms of issuing a fee or something else. This is because it may be, hypothetically, too high if the goal is to have affordable health care, and thus it would lead us to pursue partnering with other states sooner than later.
- vii. Jennifer Wood: We will definitely move up in the order of primacy what is the full array of potential financial structures, and what are the models given the size of RI.
- viii. Commissioner Koller: I would support that. The other point, resources defined a bunch of different ways, not only dollars but people. I feel there will need to be some sort of monitoring

by this Board around how we are doing with all types of resources.

- e. Tim Melia: Was there any discussion about allowing larger employers into the exchange purchase?
 - i. Deb Faulkner: It did not come up at this time, certainly that door is open for further conversation, but at this most recent Gate Review that is did not come up.
- f. Commissioner Koller: We really did not get much input on employee choice options?
 - i. Deb Faulkner: No we did not. There was an approval of what we are talking about for options to consider and there is a suggestion to get back on the phone with tax attorneys to ensure options are real, but not much guidance. There are a few states that are thinking a lot about what will work for their employers but for the most part many states have not thought through their employer strategies as far as I can tell.
 - ii. Dan Meuse: I would say in addition to our federal partners listening to what we say, the feds are also in the process of putting together an exchange for those states who are not doing their own, thus they look to us a little bit trying to go back and forth for ideas and options to think through policy issues and how to claim questions.
- g. Mike Gerhardt: But they have to issue regulations, right – so it is some of a chicken and egg thing, is it not?
 - i. Deb Faulkner: Yes, and it has been a bit challenging to determine who to best speak to there, a few folks have come forward and been helpful.
- h. Tim Melia: Are they waiting for the Supreme Court decision?
 - i. Deb Faulkner: No, do not believe that is the case.
 - ii. Matt Harvey: SHOP is not on the front burner right now for many states, and indeed for the national plan, working on other points first, i.e. eligibility etc.
- i. Secretary Costantino: In terms of the benefit plan, the EHB, and how we handle mandates, what is the time frame for all o this?
 - i. Deb Faulkner: The EHB process is being handled out of the LT Gove’s office.
 - ii. Dan Meuse: The decision for what the state choosing for its state benchmark plan must be made by Sept 30; the stakeholder process has started, and we have had two meetings thus far. Our goal would be that by mid august the stakeholder opinions and viewpoints and the analysis we need would be to give us six weeks or so. The feds gave us the deadline of quarter three 2012.
 - iii. Secretary Costantino: You have a bunch of RI mandates, and at the end of the day some may be a part of the federal mandates, others may not – then we chose?

- iv. Dan Meuse: If we select a small group plan, then they will be built in.
- v. Secretary Costantino: Thus every mandate as a part of state law will be a part of our EHB program?
- vi. Dan Meuse: It depends on the plan we select. If we chose a small group plan or a state employee plan then we would have state mandates as a part of the EHB package.
- vii. Secretary Costantino: What would the option be if there are some mandates do not want in that plan?
- viii. Dan Meuse: We could chose as a state a federal plan that does not necessarily cover all the state mandates that are on our books, then the legislature would have to decide to either act to remove those mandates not included from the books, or enact legislation for an alternate means of paying for those.
- ix. Secretary Costantino: How does the Sept 30 date align with legislative action?
- x. Dan Meuse: Poorly – this is for plans that begin coverage on and after Jan 1 2014 so there is another leg session between when selected and when they go into effect.
- xi. Mike Gerhardt: If I understand correctly then FEHP plans are the only options for a plan that do not include all mandates?
- xii. Dan Meuse: Yes, there is an assumption that the benchmark plan choices fail to adequately cover all the ten EHB categories that are laid out – specifically pediatric vision and habilitative, so the feds say you can augment in those categories.
- xiii. Don Nokes: The bill didn't allow us to put in an EHB that is different than what the state allows – if we pick a plan that does not cover the mandates in the state, then we need to proceed to the assembly to see if it is acceptable because it has to be inside and outside, yes?
- xiv. Dan Meuse: Whether or not a plan has to include them by state law, [...] where there is a state law that say you have to include something that is not something the EHB will include then the state must determine it is paying the mandates not include. The legislature has to determine o we keep them on the books or do we not.
- xv. Commissioner Koller: there is a 65 page report that is available on the OHIC and the Healthcare Reform Commission website on this entire topic where you can review these.
- j. Director Licht: To make this simpler, how does the basic health plan decision effect what we have just been speaking about?
 - i. Dan Meuse: the basic health plan is not terribly impacted by the EHB decision. It comes down to less about benefit design and more about programmatic options are as set down by the Feds.

- ii. Director Licht: But basic health plan must be adopted by the legislature?
 - iii. Dan Meuse: Based on current guidance from the feds, yes.
- k. Commissioner Koller: Which of these four sections in financial management review did you detect the most nervousness about RI from our federal partners?
 - i. Deb Faulkner: Nervousness, not a lot. They did not ask questions about exchange accounting, we seem to be leading the conversation about exchange sustainability, premium processing no real concern – the one place they had real focus on was will states do state based risk adjustment.
 - ii. Dan Meuse: They kept asking us every chance we got whether RI would be collecting individual premiums or not.
- l. Director Licht: You spoke here and before about lots of decisions that must be made – how do we know which are staff decisions, which are legislative decisions and which will have to be made by the governor with the advice of this Board. It would help to be aware of the categories of decisions and what fall in our purview.
 - i. Commissioner Koller: The ACA envisions criteria for issuers on the exchange and health plans, they envisioned it in states with no existing regulations. What they do not plan for is that there are states that there are a lot of requirements for states and their requirements. The first block (issuer and health plan criteria) is more alignment than decision-making. The second block (QHP) is what does the exchange want, that is an exchange advisory board governor channel. EHB is much broader than this, and technology is staff AND advisory Board combined.
 - ii. Deb Faulkner: The Board agenda are the issue of the next nine months that we need your input on.
 - iii. Director Licht: Right but we need to know when we are making recommendations and when we are not; do think we are in an area where we should know if significant decisions are being made.
 - iv. Jennifer Wood: We did present to the board a syllabus of topics for the Board which will require the Board to be brought up to spend and given proper analyses so that sufficient work can be done.
- m. Mike Gerhardt: The issue then, active purchasing, has to really be defined and fleshed out. What does that imply for plan selection, etc, what does that mean in practical terms to how the exchange is structured?
 - i. Deb Faulkner: Yes.
 - ii. Jennifer Wood: The value of the gate review from our perspective was to see if any of the federal authorizers would give a knee jerk reaction and say that we must remove options

from the list. As that was not the case, we can continue to move forward. And today's review of this material was helpful in that we are going to push the idea of financial sustainability

- n. Linda Katz: I just wonder if we also may need to consider that we spend more time with a longer meeting and extended meeting again, but just a thought on that.
 - i. Amy Zimmerman: As recommendations are being made we catalog them along and people forget the rationale for when and why they were made. That way when you go to have a look back. There is something to line up against.
 - ii. Director Licht: When we are making a decision, I do not want to be making a decision that precludes a future decision without knowing that. If decisions are interrelated, that should be clear.
- o. Commissioner Koller: It might be helpful to understand what the exchange is going to vs. talk about what the entity is going to do – want to make sure it provide our enrollees the information it is going to need, and other stage that these entities are going to do and the exchange is doing whatever part of its bargaining that it can.
 - i. Linda Katz: Given that we have adopted principles that say we are doing an integrated system....
 - ii. Commissioner Koller: Yes but must be dedicated to eligibility also.
 - iii. Matt Stark: The fact that we have a technology solution coming down the pike has a solution potentially built in, we are not looking to have an eligibility determination done in some far off place.
- p. Mike Gerhardt: Then the idea is that the eligibility determination is that this is in real time?
 - i. Matt Stark: that is the goal.
 - ii. Linda Katz: CMS and CCIIO are developing a unified application fort his, working to streamline what we saw on the website. For many people it will not be that complicated. Need to focus on the fact that for many folks it will be a streamlined process. While eligibility is a big piece, recall again what is a staff role and what is our role.
- q. Director Licht: Challenge to think about is because of the interconnection with Medicaid and the fact that people may be moving in and out of the exchange (churn) there is a point not anxious to create additional bureaucracy for the exchange, have extensive conversations about what are our options. Can the same person be doing both, and if so, does it align.
- r. Commissioner Koller: In presentation we push marketing together with consumer outreach, but we need to be careful on whether an extended marketing piece is needed here.

- i. Tricia Leddy: We do have four separate work team, separate from consumer outreach issues, which includes marketing and outreach.
- s. Mike Gerhardt: In Massachusetts was it as integrated as you are envisioning here?
 - i. Tricia Leddy: MA does integrate with Medicaid but it is more that one does one type of service and the other takes care of the other type of service. , one purchases some service from other.
- t. Mike Gerhardt: Regarding the proposal timeline, there will be so many outstanding questions on the table due to a lack of federal guidance, so how can vendors respond properly?
 - i. Dan Meuse: True, but we there are baseline requirements we will need to review and expect vendors to meet.
- u. Commissioner Koller: On the UHIP piece, where was the biggest cautionary concern from our federal partners?
 - i. Dan Meuse: They stated that are concerned about the timelines, where we want to support you in every way possible, every state is dealing with incredibly tight time lines, you are not alone in that and we want to work with you on that.
 - ii. Matt Harvey: On a relative timeline we are doing well compared to other states, on an absolute timeline we are all doing poorly.
- v. Mike Gerhardt: Two quick status questions – possible reintroduction of the legislation and an update on exchange director
 - i. Dan Meuse: Legislation has not been introduced and we do not foresee that being put forward this session.
 - ii. Jennifer Wood: As to the exchange director search, the finalists are with the governor and he expects to make a decision in the next ten days.

III. Public Comment:

IV. Adjourn – Next Meeting June 5, 2012