RI Health Benefits Exchange Board Meeting
Thursday September 6, 2012
1:00pm – RI Foundation
Meeting Minutes

Attendees: Meg Curran (Chair), Secretary Costantino, Director Licht, Commissioner Koller, Mike Gerhardt, Linda Katz, Marta Martinez, Amy Zimmerman

Absent: Tim Melia, Pam McKnight, Don Nokes

I. Call to Order: Chair Meg Curran called the meeting to order at 1:00pm. She welcomed the members, as well as Exchange Director Ferguson.

II. Director Ferguson Update: We have been pulling staff together, done a number of immediate issue reviews, worked with other departments (OHIC, EOHHS, Dept. of Admin), and with the Chair. In speaking to the Chair, one of the things that we realized is that as these issues become tee'ed up, and the data becomes available we need to talk about the relationship of the Board and my office. There are deadlines that are coming up, and there are ongoing and continued discussions, those have not been fully fleshed out from a cost perspective, and from the perspective of really knowing what is pushing the envelope at the federal level, while awaiting guidance. We are combing through the stakeholder meetings, going through all the discussions held so far to ensure we have a good synopsis of all of the issues from the stakeholders that have been participating. We are working through issues that are overall health reform, and how that works in the context of the process. I do not have a specific set of issues to present to you today to work through, but as we go along in the course of the next month to two months there will be more of that. Today we will be discussing more of the Essential Health Benefits as a focus point.
    a. Meg Curran: Do you have an idea, going forward, the skeletal structure of the decision points for issues we have discussed in the past. What is likely to work for you going forward n terms of regular meetings and input?
        i. Director Ferguson: I would be interested in hearing what you all think. I believe that we at the state and staff level have a lot of work to pull together in the next few weeks, and so I am trying to think through what the best rhythm of those discussions should be and what would come first and where, and I do not have a map of that as of yet. We are pulling together the projects that cut across all different components of this, and part of the struggle always is the relationship between health reform and the exchange. I think that the states' approach and the Governor's approach has been that they are linked, and we need to find that right balance on the

functional level. It is a challenging puzzle to put together in the most effective way, but I would envision the board being in a position to talk through many of those if not all of those issues.

b. Linda Katz: I appreciate the challenge, I would just suggest that since the blueprint has to be submitted to the feds in November, it would be helpful for the board members to have an outline, a list of what the decisions are that need to be made. It seems to me like items such as the Navigator program is an exchange central issue, and while appreciating the challenge, it would be very helpful to lay all this out. I would hope that part of our goal is as decisions are made about QHP about the Navigator programs, about an RFP that we would have an opportunity to have input as we did around the Technology RFP.
    i. Director Ferguson: That is an interesting question and a good example of where there are different ways of coming at things.
    ii. Linda Katz: The individual market, the navigator program, I would think it would be more straightforward than the SHOP.
    iii. Director Ferguson: There are options on the SHOP that may be comparable to the individual side, and there are those that may overlap but we need to make decisions on the short term, paving the way for the long term. There are issues that have only begun to be discussed in the last 30-45 days that we may want to separate or connect some of those components.
    iv. Linda Katz: Okay, I would just put in a pitch then that as the decisions are being made that at least the members of the Board will be consulted.
    v. Director Ferguson: I completely agree, just a matter of it will be two weeks or next week or in three weeks.
    vi. Linda Katz: Alright, perhaps if we can just discuss having the blueprint or outline to be put out.
    vii. Director Ferguson: We can do that, so long as we have the understanding things may get pushed etc.

c. Meg Curran: Is there anything else, beside the blueprint, the board should look at in advance?
    i. Linda Katz: I think once we see the blueprint we can assess what is coming down the pipe. I also feel that as an advisory board we should be paying attention to what the public comments were as we may wish to incorporate those.
    ii. Director Ferguson: Right, and I think that for today's presentation you will start to see an incorporation of that.
    iii. Director Ferguson: In order for the state to have an exchange there is a blueprint, which the state must put together to respond to and talk through with the feds. What we would do is provide it to board members what those elements are and what some of the dates are with the caveat that we are probably going to be asking for the changes in the dates, and some extensions that accommodate some of the discussions

that we need to take place. There is a difference between doting "I's" and crossing the "t's" on what the core components are, and the larger questions of how much we will do collectively. I want to ensure we have our ducks in a row on that before we get to far with the mechanics. Which is why I am being more vague than I would like to be.

d. Meg Curran: Are there particular things that we need include, in your opinion Chris?
    i. Commissioner Koller: I think we need to defer to the Director and her staff. It is what the feds are asking for, balancing managing the details and the policy questions, and of course not everything in the blueprint needs to be run past an advisory council.
    ii. Director Ferguson: WE may give you more detail than less, but I encourage you not to overwrite your powers.
    iii. Linda Katz: I was thinking just in a way to outline our necessary decisions in coming months.
    iv. Director Ferguson: It may be a good base.

III. Presentation – Lindsay McAllister, Office of the Lt. Governor, discussing Essential health Benefits, Recommending a benchmarks list of covered services for RI. Presentation available online and upon request via email to llapolla@ltgov.state.ri.us.

Introduction:

a. Lindsay McAllister: I am very happy to bring this to the Board for two reasons, one it means the deadline is soon approaching and we can check off a box. Also because we have had an incredible stakeholder process, which has allowed us to dig through the options, dig through the policy. It included a public comment period on top of our meetings that allowed for detailed responses. Today we will go through some of the basics for EHB.

Questions/Comments/Concerns:

b. Secretary Costantino: If Medicaid were to choose the same, what are the ramifications of that?
    i. Lindsay McAllister: The selection by Medicaid would only be for the newly eligible populations, one thing that could potentially positively impact churn.
    ii. Secretary Costantino: Right but in terms of added enrollees, if we chose the benchmark plan for them, they would have a different plan than existing enrollees, so what is the impact on the new enrollees?
    iii. Lindsay McAllister: Typically a typical employer plan is less than a Medicaid benefit, so you are correct that product would be a less generous.
    iv. Director Ferguson: But there are a variety of ways to approach it.

v. Secretary Costantino: Yes, but just at base, that option is out there.
vi. Lindsay McAllister: There could also be multiple benchmark plans under Medicaid.

c. Director Licht: To what extent does this effect state mandates in law?
    i. Lindsay McAllister: Initially the guidance was that if there are state mandates on the books that fall outside the categories of EHB, initially we thought the state would be responsible for covering the subsidy amount that would go towards the cost of that mandates. Further guidance suggests that the federal guidance will be covering the cost of the subsidies for any mandates that are covered in the benchmark plan menu. There is a menu of options that were laid out by HHS, a few are state based, and the remainders are federally based plans. They are mandates that we have passed in RI that would not be included in federal plans. There. If we chose a state based plans that that would include our RI mandates as a transitional approach for the first two years the feds will take up the cost for those subsidies.
    ii. Director Licht: We also operate under state of RI laws, not just federal laws - do we have any right to ignore that mandate in the EHB.
    iii. Lindsay McAllister: The scope of this decision does not allow that to happen at this point. We do not have the ability to rifle through the state…
    iv. Jennifer Wood: There is no federal pre-emption that takes us away from our state level mandates.
    v. Director Licht: Do we have any right to ignore a mandate when we design any plan on the exchange. Putting aside who pays for it don't we have to include it?
    vi. Jennifer Wood: Yes, we have to cover it regardless.
    vii. Director Licht: Okay so then our choices are somewhat limited by the General Assembly's state mandates.
    viii. Commissioner Koller: Taking a step back, this guidance came out last December; it was a highly politicized decision. People were waiting to see how extensive the categories would be, what the options would be. The feds tried to thread a needle saying you as states choose what you want to do. Yet as we go through we find there truly isn't a lot of latitude through these choices. It is a narrow band.
    ix. Lindsay McAllister: Whether we want to pick a plan that includes out mandates etc., and the realm of our decision-making became a lot narrower, from what could have been ten plans down to six. As we studied these plans we could condense some two similar into one as options to review as they were so similar.

d. Mike Gerhardt: Not just selecting a plan but selecting a plan in compliance with these ten categories and bringing it up to a federal level.
    i. Lindsay McAllister: Correct.
e. Secretary Costantino: Does the question mark on the scope and implications slide mean unknown?
    i. Lindsay McAllister: There were some areas that we were not able to get as detailed information as we would like, but I will say our carriers were extremely helpful to us throughout this process.
f. Secretary Costantino: Thinking about the comment earlier, re: Medicaid. The reality could be that someone on Medicaid would have a disincentive to get employment as their plan on an employer would be not as extensive. Pre-existing conditions, would that not be covered?
    i. Director Ferguson: If it is in the EHB package, there are no pre-existing conditions, no exclusions. If there is a single adult who may have some disability or behavioral health issues that are dealt with more effectively in Medicaid than they would be in the commercial market then yes, but that depends on how they structure this. There may be some ability to wrap, to do other things.
    ii. Secretary Costantino: Right, just trying to think of ways to reduce the churn issues there. I also have some concerns about behavioral health. Tremendous concerns about how health reform is affected by this issue. There have been concerns that commercial plans have not be looked at with this.
    iii. Lindsay McAllister: There are two sides to this; first choosing and existing commercial product tie our hands. There is explicit guidance, a second facet of that is a second conversation is a potential buy-in product, but there are many places to get at that issue.
    iv. Director Ferguson: Right, just make sure we are doing it in a way to ensure it is affordable. Again, the wrap around ability to have intersection between Medicaid and commercial plans exists and lots of ways we can ask permission, or not asking permission and asking for forgiveness. Wrap around being that someone who is eligible in that income level would get an added benefit that we pay for.
    v. Linda Katz: It is what we do now through Rite Share.
    vi. Secretary Costantino: I understand that, but in a true commercial plan I am not convince you can do that.
    vii. Director Ferguson: This is a core issue, behavioral health, habillitative, these are crucial – we do have more work to do on this, and it is key to add to the list of questions. There have

been a variety of different suggested solutions that we need to run through the proverbial wringer so that we can make sure the issues are covered adequately, when we make a decision we will make the best one we can with the information that we have and then make adjustments.

g. Mike Gerhardt: How do you divorce the plan design issue from the benefits issue when you are looing at premium impact?
    i. Lindsay McAllister: It is complicated you are right.
    ii. Commissioner Koller: You will see in the next few slights which assumptions we made, and how we did the assessment.
    iii. Mike Gerhardt: you are not looking at the existing plans then in the assumption, but taking the benefits and applying for assessment?
    iv. Lindsay McAllister: Yes.

h. Director Ferguson: It is important to differentiate between day limit services and covered services.
    i. Secretary Costantino: So we had this universe of 9 or 10 plans, these two that were chosen, what you are saying is on the services side, there is not a range in between a state employee and another plan?
    ii. Lindsay McAllister: Range in regards to covered services? There are a lot of similarities between covered services regardless of looking at state employee plans, or another….
    iii. Director Ferguson: Let's take the spreadsheet of the benefits and the services and send out the report we are referencing for you all to review and write back with your concern.

i. (Premium Impact Analysis Slide) Lindsay McAllister: Under the United plan there were no explicit limitations, but no….
    i. Commissioner Koller: I think there are limits under united choice plus on the mental health outpatient services, we will go back to that point. When we had Wakely do this analysis we had to start somewhere. Yet as we discuss it, we do realize there are people who are in Medicaid and stay in Medicaid for commercial settings. Perhaps BCBS is a better starting point here bc there are no visit levels.
    ii. Director Ferguson: Part of this is comfort levels on the part of actuaries. It didn't result in more than pennies on the dollar, so it doesn't surprise me that the difference is not that big. There are a lot of ways to going at this.
    iii. Secretary Costantino: Are there anything on the inpatient side?
    iv. Commissioner Koller: The benefits are pretty similar, so not a big cost driver.
    v. Lindsay McAllister: Really what we are looking at is the dollar, to a dollar twenty-five.
    vi. Mike Gerhardt: So we are looking at really teeny percentages, essentially the same.

vii. Lindsay McAllister: Yes, they are very, very close.
viii. Director Ferguson: I think we can construct the covered services, and then look at the data from United on the public employees side, we can extract it.
ix. Lindsay McAllister: We have the covered services list and we can do an exercise with it.
x. Secretary Costantino: I mean, I liked that slide, it would be nice to see if we had the premium impact analysis but replicated a column for the state employee plan.
xi. Lindsay McAllister: We can definitely do that.

j. Linda Katz: Autism isn't a mandated….
    i. Lindsay McAllister: It is mandated for the large group market, not for the small.

k. Linda Katz: I would hope that we cover materials as well as services?
    i. Lindsay McAllister: Because of the prohibition on dollar limits it does get tricky with vision as you normally see a dollar limit of $130 to use towards glasses, and that would be converted. Linda Katz: I thought one of the services required going up to age 21, the statute required it for one of them.
    ii. Lindsay McAllister: No, there has been no guidance to this end.
    iii. Linda Katz: It would seem that since Medicaid is going up to 21, then perhaps we should go up to 21 as well to avoid churn.
    iv. Lindsay McAllister: Yes that seemed to be the consensus among stakeholders as well.
    v. Linda Katz: Okay, and I want to be sure that we do not make commercial coverage unaffordable to folks, but using a card to obtain a wheelchair as needed, etc. So I would hope there is a discussion of either buy-in or wrap around services. We should keep thinking about how we use this as a unified approach for the state of RI and its residents, and ensure that those with disabilities have access to the right coverage. When I think about this I think that some of the services to be provided in habillitative we can recoup, i.e. not admitting someone to a hospital is savings over time, but there are others that can not be recouped in a purely medical model system. Thus I would hope we would think more broadly to ensure it affordable.

l. Mike Gerhardt: On the vision, clearly you want to do the material, on the other services, habillitative, that is a new benefit people have not had before, and so I am a bit covered about creeping unaffordability. I would personally err to the more conservative side and do the combined benefit limits. It is new for most people and we need to be concerned about the affordability issue.
    i. Secretary Costantino: So this is all additive to the benchmark, to the premium. At what point are you going against it, when do you come back to make these decision points to determine

affordability? Whatever the amount is monthly will we at some point have to go back on some of this stuff, or make front end decisions that trap us into a situation we cannot get out of.

ii. Lindsay McAllister: I think that is the balance, to your point, Mike, we do not have experience, but this determination is for the next two years, and presumably there would be a lot learned across all boards.

iii. Mike Gerhardt: But for these two years it is a mandate, should we then not just err on the conservative side?

iv. Linda Katz: The project is PT, OT, and ST, what is ST?

v. Lindsay McAllister: Speech therapy.

vi. Linda Katz: Okay that does not cover minor modifications to the home?

vii. Lindsay McAllister: It is services and devices, so it is a bit of ambiguity on it.

viii. Commissioner Koller: The federal guidance offered was just on PT, OT and ST. Linda Katz: I thought part of the discussion at the work group was around DME, but it is not required that it is included as a part of the services?

ix. Commissioner Koller: Right but it is not an option to be included by the feds, it would be a waiver issue.

x. Mike Gerhardt: I do not think that the United benefit for Autism (…….)

xi. Meg Curran: It might mitigate in terms of the limited benefit, may be easier to track it against. Track it against a new benefit so it does not come up against another limit, there are other members of the population who do come up against the limits.

xii. Mike Gerhardt: That is the nature of insurance though.

xiii. Meg Curran: You do not know the limits going in though.

xiv. Mike Gerhardt: Then I would argue go into it and people will see if they bump into those limits or not.

m. Linda Katz: Thinking about limiting that benefit may not make a lot of sense in PT, OT and ST. In the rehabilitative world you are trying to get back to where you were, but in the habillitative, it is a different scenario. I would say you need to at least look at separate visits for rehabilitative and habillitative.

i. Commissioner Koller: It is a unique responsibility being asked of commercial insurance. The federal statue has been vague as to what exactly that means, there are different ways to go about it.

ii. Meg Curran: It might turn out that a portion is within the limitation guidelines on an annual basis. It might turn out that there is a larger percentage of the group utilizing services that thought.

n. Linda Katz: Is the 20 PT, OT, ST 20 each or 20 total?

i. Lindsay McAllister: 20 for each service.

ii. Linda Katz: At this conclusion would like to thank Lindsay for her hard work through all of this. Lindsay McAllister: It has been a collaborative effort.

IV. Public Comment:

a. Kim Holloway: DME is rehabilitative services and devices, it is it's own separate category, that is where it comes into play, how do we categorize it for rehabilitative services.

V. Adjourn