



Advisory Board
HealthSource RI
One Weybosset Hill / 33 Broad Street
2nd Floor, Conference Room A
1:00 pm – 2:30 pm
Tuesday, July 22, 2014
Agenda

I. Call to Order

Board Members Present: Geoff Grove, Vice-Chair, Michael Gerhardt, Peter Howland, Linda Katz

Staff Present: Amy Black, Dara Chadwick, Patrick Holland, Lindsay Lang, Marti Rosenberg

Others Present: Don Weinberg (Chair, Expert Advisory Committee),

Vice-Chair Gove announced that Chair Meg Curran has tendered her resignation, and passes along her regrets to the board. Board members expressed gratitude for her service and asked to send a letter to her.

II. Approve minutes from June 17th Exchange Advisory Board Meeting

Board members unanimously approved the minutes from the June 17th meeting. Vice-Chair Grove noted that since that meeting where the Office of the Health Insurance Commissioner made a presentation of insurance rates filed, the rates were finalized.

III. Director's Report –

Lindsay Lang made a presentation about customer renewals for 2015. She noted that CMS had recently granted states a little more flexibility in how to run renewal operations. Rhode Island is moving toward having a much more active and engaged approval process than in the original rule or in the federal marketplace.

Lang reported that HSRI may begin Open Enrollment a little earlier than the federal marketplace's open enrollment period is scheduled to begin. With changing plan designs and changing rates, it is critically important for customers to contact HSRI to get help understanding the new plan designs, as well as what those plan designs will mean for their family's coverage.

In addition, because there are some lower rates in 2015, including the lowest rate of the applicable benchmark plan on which the Advanced Premium Tax Credit is based, tax credits will be lower in 2015. HSRI plans to launch a communications outreach plan, sharing this information, as well as news about more competitive rates and more choice.. HSRI plans a layered approach to

communications, with participation by the contact center, in-person outreach, and HSRI's marketing and communications team, including newsletters, notices and emails. There will also be messaging about how changes in income will lead to changes in tax credits.

Director Ferguson noted that the core value of what HSRI is doing is to help Rhode Islanders start to compare and think about components of their health care coverage. HSRI's choice to not automatically re-enroll people in similar plans reflects its mission of educating Rhode Islanders. People who come through the enrollment process again will have an opportunity to better understand their choices, including how they get their care. There will be limited network options available, including additional and less expensive options. There are now three carriers for individual Rhode Islanders, with a wide range of plans. HSRI's value proposition is as a neutral third party to help people understand their health care coverage and the options available to them.

Board members discussed the potential effect on the Contact Center and on the technology of the system. Linda Katz raised the issue that the Contact Center is also dealing with the 42,000 families who must renew their RIte Care benefits, approximately 6,000 families each month. She noted that the Outreach meetings have been good places to address the types of notices going out to these families and the ways in which they are being served, but that the state needs to ensure that it is appropriately reaching out to different populations.

Board member discussed the outreach and communications plans, and how HSRI will help Rhode Islanders understand tax credits and what information they will need at tax time next year.

Director Ferguson offered updates on HSRI's small business effort (SHOP). HSRI is targeting an enrollment figure of 15,000 lives during the next six months.

Ferguson said that HSRI's efforts with the carriers and its collaboration with the Insurance Commissioner during the last 18 months has led to final outcomes far beyond what she would have expected. Having three carriers in the individual market is a huge change. On the SHOP exchange, there are also a broader range of plans, including plans that are less expensive. HSRI is drafting updated rate sheets so that people can compare what a plan cost in 2014 and what it will cost in 2015. Businesses will also be able to tell what their plans will cost for the entire year in 2015, which is a new level of price transparency.

IV. Looking Forward – HSRI Strategic Plan Discussion

Marti Rosenberg facilitated a discussion with Advisory Board members on HSRI's future decisions on funding and sustainability.

First, Patrick Holland presented information that HSRI had shared with the House Finance Committee in June. The information included estimated assessment possibilities for 2016, on various revenue bases:

1. Exchange enrollment only (with increase in small group definition of 100 FTEs for SHOP)
2. Full insured individual, small group, and large group markets
3. Total of #2 + self-insured market
4. Total of #3 + State of Rhode Island employer account
5. Total of #4 + total Medicaid spending

The analysis was based on several assumptions, including the HSRI operating budget for 2016, the average premium (per member per month) and enrollment on both the SHOP (approximately 52,000) and individual sides (approximately 42,000) for 2016. Holland noted that the budget breakdowns will shift and that these are conservative expectations.

Based on the assumptions, the analysis highlighted the direct relationship between the size of the assessment pool and the amount of assessment (on premiums) needed. Specifically, if funded by revenue base option 1 (Exchange enrollment only) then the assessment needed would be approximately 5%, or five times greater than revenue base option 5 (the largest possible pool of enrollees).

Holland also noted that for HSRI simply to provide affordable health coverage (tax credits and Medicaid) without addressing transparency and plan design is not what the Board, Governor, or state wanted.

There has been much discussion on the question of moving HSRI to the federal exchange. The federal exchange fee is assessed across the market of users and non-users. Rhode Islanders would need to take into account two components: the amount that is assessed and who pays for that amount.

Holland also presented comparisons to other states, showing that most states (including CA, CT, CO, DC, HI, MN, NV and OR) have chosen Option #1. Assessments that these states are using range from 1.4% to 5%.

Washington State has chosen option 4 (community and self-funded mixed), with an assessment of 1.18%. Washington, DC has a lower assessment of 0.6%, which is a market-wide assessment. Five other states (KY, MD, MA, NY and VT) are undecided.

The Advisory Board then discussed HSRI's value proposition. They questioned what benefits HSRI can provide beyond an eligibility system for tax credits. Board members made the following points:

- HSRI provides important benefits to the small business community and the state as a whole.
- HSRI's emphasis on delivery system change and its effect on the rates makes Rhode Island's health care system more responsive.
- HSRI is likely to result in accrued savings for the future that could manifest even five years from now for business' bottom lines and family budgets.

Director Ferguson offered that it would be difficult to argue that this range of plans would have been offered without the exchange – adding that the clarity and transparency offered has pushed a range of options. HSRI is creating change in the system, with benefits across the system, she said.

The Advisory Board members discussed the sustainability and payment options and concluded:

- Members support a broad-based effort to support HSRI because of its far-reaching impact across health care and the economy.
- HSRI should be lodged in state government as a quasi-public, with an accountable Board of Directors.

V. Public Comment

Don Wineberg, Chair of the Expert Advisory Committee, noted that there had been two contradicting court decisions that day. One decision said that the federal exchange could not offer tax credits and the other said that it could. (State exchanges like HSRI are not affected by this decision.) These will go to the Supreme Court.

Next Meeting – August 19, 2014