

Expert Advisory Committee  
Meeting Minutes  
January 5, 2012

*Attendees: John Fleig, Jennifer Wood, Chris Koller, Monica Neronha, Jim Borah, Elizabeth Lange, Lou Giancola, Joan Kwiatkowski, Jane Hayward, Ted Almon, Deb Faulkner, Elaine Jones, Jim Raiola, Lindsay McAllister, Brian Pagliaro, Don Wineberg, Doug Harrison, Will Delmage, Mark Reynolds, Craig Syata, Elizabeth Earls, Kathryn Shanley*

- I. Call to Order – Dan Meuse, Office of the Lt. Governor, welcomed the group, and explained that the purpose of today’s meeting is to take a look at making recommendations on guiding principles and priorities for the Exchange. Those recommendations will go to the Board and the Executive Committee
- II. Presentation[[http://www.healthcare.ri.gov/documents/experts%20strategic%20presentation%2001\\_05\\_12.pdf](http://www.healthcare.ri.gov/documents/experts%20strategic%20presentation%2001_05_12.pdf)]

Exchange Design Decisions – Exchange Strategies.

- III. Commissioner Koller began by explaining that these are starting recommendations for a vision, mission and guiding principles which once this group has gone over, we will then walk back and discuss in detail what the group agrees with, disagrees with, would like added, etc. To be clear there will not be a vote today, nor a vote going forward. The expectation of the Commission is that by having a conversation, some level of consensus can be reached on a common sense picture for Rhode Island. After we go through these slides, Jennifer Wood will step in and facilitate the conversation about what we have seen today.
  - a. Ted Almon asked a question on the Environment Slide:  
Hypothetically, how many people would move up above 400% if given the money back from employers to employees for coverage, employer contribution?
    - i. Chris Koller: The 1/3 figure is not unique to Rhode Island, in fact in some states that number is higher. Still, this is something that we need to look at moving forward, especially as we consider the issue of how much of the employer contribution is “taxable income” in the exchange era, etc.
  - b. Note on the draft mission slide - the two paragraphs beginning “it will” and “the exchange will” are function points.
  - c. Monica Neronha – just to clarify, this is slightly different than was presented on 01/04 to the Exchange Work Group? Yes, beginning to slightly incorporate some resonating suggestions into the slides.

- d. Jane Hayward – It occurs to me that policy is not the word to be used in the goals. Perhaps Exchange Outcomes, or an overarching set of state health policy goals. Also a request for where this all sits, health reform. It has been a developing picture this past year, but we tend to go back to source documents, there are many pre-existing charges within statute for organizations such as OHHS and OHIC. When the Governor came in and created the Healthcare Reform Commission a significant stakeholder group was formed, along with an Executive Committee, all within that Executive Order, to create a structure for making recommendations. This and the stakeholder group that met yesterday feed towards the Exchange Board, which will continue to make recommendations to the Governor. What was noted yesterday and today, is that the Exchange is a tool in the health care reform toolbox, but it is one immediate project. The reality is that it can at times leave the other reform initiatives back a bit – working to make sure not neglecting those other initiatives.
  - i. Ted Almon – but would you agree that the Exchange, within this toolbox can either be a screwdriver or a jackhammer, something in between?
- e. Lou Giancola – individual market-base, believe those words are disappointing, as they might be undermining. Also, say we achieve those goals, but don't use the payment system to change the system – troublesome.
  - i. Jennifer noted that actually the top five include delivery system reform, which if you would like to contend that we should elevate payment reform more specifically within the goals, then we can capture that, and consider it to go back and see how it impacts the message.
  - ii. Ted Almon: Open venue, ACA is agnostic about market base. Isn't using individual insurance still implying the same thing? Only in that we in RI make that a priority; if we as RI decide that we want to do a lot more for employers because we believe the delivery system changes an important local goal, and the exchange is the way to make that happen, then to Jenn's point, we elevate that goal.
  - iii. Lou Giancola: Goals are really better outcomes, lower costs for the whole state.
  - iv. Jenn Wood: This is the conversation we want to have this morning, taking issue with points you believe may be "dooming" it to triviality.
- f. Ted Almon: If this is the job, you better have the right tool to do it effectively
- g. Lou Giancola: if the primary and secondary goals are to improve population health outcomes, lower cost, and improve access to coverage, then it seems that the mission is to improve outcomes by

providing access to high quality and lower cost health care. It defines the range of options available.

- h. Jay Raiola: When look at the 1/3 of Rhode Islanders, have to be careful about relying on that figure on qualifications rules. Going forward, the biggest threat may be future budgetary concerns to support up to the 400% FPL, so must make the exchange flexible for future budgetary changes. Secondly, I am all for employer groups having more viable opportunities, but feel the key word in the draft mission is dependable option. Against anything that will soften or weaken the bond between employer and employee, as I see an expanding economy, and for employer groups to continue to bond with employees will need to provide flexible, extensive benefits. Many companies are now enrolling in the programs to ensure healthier employees – any connotation of losing that bond is problematic. How can insurers depend on stable blocks of business now moving it forward? Human Resource Directors want more control over benefit management, not less, and that is an important consideration.
- i. Ted Almon: Jay's points are made if you are assuming that the money from the company is using that money to strengthen a bond with the employee. I believe the money belongs to that employee in the first place.

IV. Jennifer Wood facilitates Committee discussion of the draft points raised today. Opened the floor for comments, concerns discussion.

- a. Monica Neronha: Believe this is the right mission for the state, believe this is an accurate reflection of what the law requires the Exchange to do. I believe that is different than the goals, the only goal is an exchange goal is the fourth bullet – the others appear to be the state's goals for reform, through larger efforts, not just the exchange. The question then becomes who's doing these and how, and what do we believe the exchange fits in here? Do not believe that the exchange is the "be-all-and-end-all" in these meetings. It is a single pool for the individual market, single pool for the small group market, still have a whole host of people who will be obtaining healthcare not in the exchange. Believe that if these are the goals for health reform as a whole, they are good – but not goals for the Exchange as I see it. The exchange from 2014 to 2017 is a limited population by federal standard; what can be done from 2014 to 2017 is important. Believe can be flexible, and mission and visions can change – is this for 2014 or is this 2017 or is this for both?
  - i. Jenn: On the coverage piece, it is the only place for people to access federal subsidies. That makes it slightly more exchange specific
  - ii. Monica Neronha: We know it as it exists today, we know that individuals who are eligible for subsidies chose not to take them.

- b. Don Wineberg: Agree – we’re talking about the right thing, this is a crucial discussion – yet, if you aim small, you get small results. Believe have an opportunity to articulate a vision for all health care in Rhode Island, and can be more ambitious. Reaction to the mission – Mark Twain “If had more time, I would write you as shorter letter” Be simple, easy to use, though those elements are in the guiding principles, not in the mission, and feel it may be lost if not in the mission. Believe ease of use or simplicity needs to be included there. Clarity too.
- c. Elaine Jones: As a provider of care, don’t care if everyone walking in my door has coverage, I care what I can do for them, what their health is. The point of health care reform is focusing on the misalignment of insurance coverage and cost, and has to focus on the health. If we are to focus on the care provided, the quality, just getting coverage for people will not be helpful towards those ideals.
- d. Kathryn Shanley: Reiterating concern that the goals are more towards overall reform, not just goals for the exchange. The exchange can lead to getting individuals coverage, which leads to better health, but it does not, in itself, actually create a healthier population. Concerned about scope – are these beyond what the exchange can conceivably do.
- e. Ted Almon: The authority to define goals is key – there needs to be some statutory authority to move these goals forward, and if lodging it in the exchange does it then so be it. Put it someplace.
- f. Elizabeth Lange: From my worldview believe that if leave “health” off of memos then lose sight of what that is. Really what started this whole thing is that we are a sick nation, and uninsured nation, and if we forget that fact is truly the importance of health care, then we are losing sight of what we are doing. Having it on every page is helpful to remind everyone what we are working towards.
- g. Chris Koller: If we can agree on a vision and some system goals, how does the exchange contribute to achieving the goals, is it ‘a’ vehicle or ‘the’ vehicle? If it is ‘the’ vehicle it can do it through authority or through sheer mass. I would put forth that it is ‘a’ vehicle. If don’t want to settle for a little, then do need to expand understanding of what we want the exchange to be. Not too modest as of now, but not overreaching.
  - i. Deb Faulkner: Yes, what were trying to do was to open the door. It doesn’t require individuals to buy a certain product, or follow a cost trend, but it opens the door for future reforms. Conceptually that is the middle ground that Chris is speaking of. Cannot say for sure that employers are ready for a transformation of the market, that a state purchase model is what we are ready for now, but don’t want to close that door, ending up in a place that hopefully creates a world that individuals like, employers like, but not an iron door.

- ii. Ted Almon: Been trying to do this for a long time and know that we cannot believe this is just going to happen by itself.
- h. John Fleig: With the ACA there is a big pull of purchasers in the small group market, and with the ACA as you know 80% of every dollar has to be spent towards healthcare, so the only way an insurer can make money is to save on administrative costs so there is control there. Don't disagree that we want to do something big at some point, but 2014 is here now. To be ready for 2014 to go too big could be problematic.
  - i. Ted Almon: But if break it down into little pieces then won't ever get anywhere
  - ii. John Fleig: Interested to see what the pieces are: how would an exchange influence cost trends. Haven't seen cost controls work in past.
- i. Jennifer Wood: The legislation that was not passed last summer was meant to be a vehicle for payment reform; it is worthwhile for this discussion to see there are mechanisms that have been proposed that will again be proposed that will make the exchange more impactful. There are many in this room that do see a role for an exchange by narrowing that towards payment reforms. It can be incremental or in one fell swoop.
- j. Chris Koller: Believe delivery system reform is a function of a couple things which is provider behavior, driven by reimbursement, and believe payment reform will need to be done at some point. Think that is what is missing in the current system: employer-based purchasing encourages a really passive role for employers and consumers. Individuals buying less insurance than they need fundamentally create a passive concern in the consumer. What is ambitious here is that this makes a bet on more individual purchase of insurance. Even if we do not establish the central authority, we have big purchasers right now, and they create fairly passive consumers. Shouldn't understate the ambitiousness of individuals purchasing health insurance.
- k. Craig Syata: Agree. The primary purpose of the exchange is to fill a void that exists in every state, but it is a monumental task of taking a pool of individuals who are uninsured. It is not so basic -- it is a monumental goal to just get near universal coverage. Don't think that the primary goal is going to be easy to achieve. Feel it is crucial that we focus on that initiative in the first few years, then can move from there.
- l. Lou Giancola: Do appreciate the work that is done, but the vision as laid out is a focused future state. My question to consider is that by defining the priorities as we have, can achieve the future state. Concerned that we have said the right things for the future state, but unclear if have the ability to get there with the mission and goals just yet.

- i. Jenn: If this is adopted as the vision for the exchange then it says you don't stop when you get everyone covered. Saying the exchange isn't doing this alone, other elements in government, other elements with insurers, providers etc.
    - m. Mark Reynolds: Is there a way of carrying that concept of working with other elements of government into the mission statement? The guess is the exchange will not come out of the wash "the be all and end all" of reform to get to the future state. That is not to say it shouldn't be a key vehicle to working with other programs.
      - i. Dan Meuse this was a question from yesterday-- whether this a vision for the state or for the exchange – its a bit of a double vision.
      - ii. Jennifer Wood: People tended to push to remain this for both.
    - n. Ted Almon: Either by regulatory solutions or by market solutions are the only two ways this vision can be achieved. I stress that we need to get it done.
    - o. Monica Neronha: In the mission we talk about a transparent, sustainable entity. In the vision and goals there is different wording – but all seem to point to sustainability and fiscal prudence. Feel that needs to be built into this concept, that how ever we decide to build this it needs to be sustainable and not a cost driver for the state and not a cost driver for the consumer. That's a key point that shouldn't be glazed over.
      - i. Jennifer Wood: Absolutely, will look at the wording around fiscal stability.
    - p. Lou Giancola: Would like to underscore Mark's point, need to make reference in the mission or somewhere that working with other state initiatives.
      - i. Jennifer Wood: Vision, Mission and goals are time-limited parameters for any strategic program; usually it's a 3-5 year max, then needs to be continuously revisited.
      - ii. Don Wineberg: Believe the mission should not change, should be a focused item, understanding that goals should work.
- V. Public Comment – Call for public comment. No response.
- VI. Adjourn – Important to review today's discussion and then email the staff anything believed to be of additional importance to today's conversation.