

Exchange Work Group
Monday March 26, 2012
8:30am
Meeting Minutes

Attendees: Angela Sherwin, Elizabeth Earls, Steve DeToy, Jay Raiola, Rachelle Dunning, Elaina Goldstein, Pam Gencarella, Mark Deion, Richard Ohnmacht, Amy Black, Craig O'Connor, Domenic Delmonico, John Cucco, Dawn Wardyga, Bonnie Smith, Chris Kent, Brian Jordan, Jodi Bourque, Scott Deluca, Terrie Martiesian, Craig Syata, Stacy Paterno, Deanna Casey

- I. Call to Order - Dan Meuse called the meeting to order at 8:30am. Thanked the members for their participation and let folks know today would begin a two part series on the Small Business Health Options Program – hereafter referred to as SHOP.
- II. Presentation - SHOP – Deb Faulkner, Faulkner Consulting Group. (Slides Available upon request).
 - a. Comments/Questions:
 - i. Steve Deto: Did you say that for the small business owners to get the tax credit they have to go through the exchange?
 1. Deb Faulkner: Yes. Small employers with under 25 employees they will be eligible for this credit if go through the exchange – an increase of the existing tax credit in 2014.
 2. Jay Raiola: One of the reasons small businesses are not using the tax credit now is that you cannot use the credit for the family premium.
 3. Elaina Goldstein: Helpful for nonprofits, who receive some deal, but not necessarily helpful at this time with ‘for-profit’ customers.
 - ii. Elaina Goldstein: What does “single carrier choice” mean?
 1. Deb Faulkner: There is concern about choices of carriers, may lead to a risk profile issue. One option to deal with that is to say not offer different carriers, but a range of products from that carrier. Many carriers have indicated a preference for that as it would reduce risk.
 - iii. Craig O'Connor: Employee choice models, defined contribution model, will those small employers still qualify for a tax credit?
 1. Deb Faulkner: With the more extreme model, employee choice, there are a lot of tax credits and definition of benefits questions; namely is it still a group plan.
 2. Craig O'Connor: Under the risk protection, namely risk adjustment – do those three R programs apply to SHOP?
 - a. Deb Faulkner: Yes, the question remains whether those three R's are sufficient or do we need programs beyond those.

- iv. Domenic Delmonico: I assume with a smaller scaled back product design things like wellness and prevention would be off to the side. Thus do you expect to see those in the product, or hope to push them in – feel it needs to be incorporated?
 - 1. Deb Faulkner: I think of those two elements differently. On the prevention side it will be easy to set the requirements for prevention in plans/ easy in exchange. Can set standards of affordability for the overall market. The question is what the role of the exchange is in all that, and can you actively demand that. We want to encourage carriers to participate, to innovate, but we also have certain standards we believe are important for all Rhode Islanders, so finding the balance in all that is the extremely important act.
- v. Domenic Delmonico: Do you have thoughts about success metrics for this – ways to determine
 - 1. Deborah Faulkner: Starting to do that now – strategic measures, operational measures – feel we can pull these out of the Exchange Goals.
 - 2. Domenic Delmonico: Are you going to include different types of
 - 3. Deborah Faulkner: There are the overall goals for the state. Definitely not the metrics with the Goals, but feel we could get measurers and metrics from these goals.

III. Other

- a. What is going on with the essential health benefits package?
 - i. Dan Meuse: The state is required by the third quarter to make its selection. There are seven choices. We are currently, at a staff level, gathering as much information on these seven choices and linking it in to the federal guidelines we have since received. The federal law has ten categories that are considered EHB – so one questions is what happens if these choices don't include one of those categories. The staff, under the direction of Lindsay McAllister OLG, is looking into this, and it is likely a new stakeholder work group will be formed around this topic. What we expect is that in the next six to eight weeks to convene that work group, to determine what the state choices are, understanding that the mandate issue has some potential legislative implications, thus looping them in as well. The process for that will be a separate work group in the next 6-8 weeks, and move forward the discussion of the different choices, what the effect would be on the market, the care available and what have to deal with from a legislative standpoint.
 - 1. Elaina Goldstein: Years ago when we were doing this, Senator asked the GAO to do an analysis of the effect of

mandated benefits. The result of all this was the way of doing the analysis was helpful at the time. The other issue to include here though, is to now include the list of Medicaid benefits.

2. Dan Meuse: Potential challenges and opportunities for aligning and misaligning those benefits packages. We recognize the mandate issue is important to a lot of folks, understanding ramifications
 3. Elaina Goldstein: Perhaps could we put on a sheet, here are the state mandated benefits now, here are the Medicaid benefits, etc.
 - a. Dan Meuse: Absolutely already helpful.
- ii. Dawn Wardyga: This discussion coming forward, what is the role for consumers, - how will the group be made up?
1. Dan Meuse: The public stakeholder work group will have the same design as all of these, widely broadcast as possible, we recognize and expect it will likely be a bigger group than this, make sure we design the process to account for that. Perhaps it will need to break down into smaller groups – this will be a high intensity short time frame process.
- iii. Pam Gencarella: Concerned about eliminating the state individual mandates?
1. Dan Meuse: We are given regulations by the federal government. These are the mandates on the books. You cannot add benefits, but if you choose something, like the federal plan that does not include all state mandates, that is an option. This is all part of the upcoming discussion.
 2. The Medicaid plan, the three small group plans, and the three federal plans. Needs to be communicated in ways to be sure partly why this will be happening in the next six weeks. I cannot imagine that they haven't put other things together, have to fill in yourself, each of the federal plans, your state may specific mandates, now check with each of the federal plans state mandate means. This is why it is not currently available for distribution so that may way continue to finalize it.
 3. Deborah Faulkner: The lack of consistency of information on this does make this more challenging. Even when all this error checking gets done, that will be the challenge of any of this communication, on the exchange in a user friendly way, it is that layering that we want to be sure we present accurately and consistently. If there was an easy template out there, it

would have been used but as it is we are working from scratch. The goal is to be as accurate as possible

4. Pam Gencarella: And also an issue that June 30 is the end of our leg session.

IV. Public Comment: No additional Comment put forward

V. Adjourn