

Official Minutes



Market Stability Workgroup

Notice Posted: April 13, 2018
Date of Meeting: April 18, 2018
Meeting Time: 8:00 am
Meeting Location: Institute for the Study and Practice of Nonviolence
265 Oxford St
Providence, RI 02905

Workgroup Members Present: Cristina Amedeo, Steve Boyle (co-chair), Ralph Coppola, Jane Hayward, Peter Hollmann, Liz McClaine (on behalf of Peter Marino), Joshua Miller, Janet Raymond, Larry Warner, Rebecca Webber (on behalf of Kim Keck), Samuel Salganik, Teresa Paiva Weed, Bill Wray (co-chair)

Workgroup Members Absent: Gayle Goldin, John Gregory, Sue Pearlmuter, Susan Storti

Minutes

- I. Meeting was called to order at 8:08am by Co-Chair Stephen Boyle.
- II. Logistics and Charge of Market Stability Workgroup
 - a. **Introductions**

Co- Chairs, Bill Wray and Stephen Boyle introduced themselves to all present and requested that each member of the Workgroup introduce themselves:

 - Samuel Salganik –Attorney & Health Policy Analyst, RIPIN
 - Elizabeth McClaine – (attending for today in place of Peter Marino) Neighborhood Health Plan of Rhode Island
 - Peter Hollmann, MD – Chief Medical Officer, Brown Medicine
 - Larry Warner, Strategic Initiative Officer, The Rhode Island Foundation
 - Rebecca Webber – (attending for today in place of Kim Keck) Blue Cross Blue Shield of Rhode Island
 - Zach Sherman – Director of HealthSource RI
 - Marie Ganim – Commissioner, the Office of the Health Insurance Commissioner (OHIC)
 - Stephen Boyle – President, The Greater Cranston Chamber of Commerce
 - Bill Wray – Chief Risk Officer, The Washington Trust
 - Ralph Coppola – Senior Advisor, Meridien Financial Group
 - Teresa Paiva Weed – President, Hospital Association of Rhode Island
 - Jane Hayward – President & CEO, Rhode Island Health Center Association
 - Cristina Amedeo – Managing Director of United Way’s 2-1-1 & The POINT

Official Minutes



- Janet Raymond – Senior Vice President, Greater Providence Chamber of Commerce
- Senator Joshua Miller – Chair of the Senate Committee on Health & Human Services
- Rosemarie Day – Facilitator for the Workgroup and owner of Day Health Strategies

Bill Wray asked if there were any members of the public that were with any agencies that would like to be recognized. Ms. Karen Malcolm of Protect Our Health Care Coalition stood and introduced herself and her organization.

b. Meeting Logistics

Co-Chairs Boyle and Wray explained to the meeting attendees that the group would regularly meet on Tuesday mornings at 8:00am at the Institute for the Study and Practice of Non-Violence with the exception of this meeting and Meeting 2, which would be on Wednesdays.

An additional scheduling conflict was called out, and the Workgroup discussed changing the time for the meeting scheduled for April 26, 2018. The panel was given the options of 1:00 – 3:00 pm or 2:00 – 4:00 pm to meet. After assessing the preference of the group, Bill Wray decided the group would meet 2:00-4:00pm, pending availability of the site.

c. Charge of Market Stability Workgroup

Bill Wray reviewed the charge of the Workgroup: to review all facts presented to them over the next eight weeks and propose sensible state-based policy options that would sustain a balanced risk pool, maintain a market that is attractive to all stakeholders, and protect gains in coverage that were achieved under the ACA.

d. Syllabus Review

Marie Ganim presented the eight-week syllabus that would be the guide for each week's discussions. Each topic was reviewed, with the explanation that for certain topics there would be guest speakers who would be addressing the group. She requested feedback on the proposed syllabus but there was none.

III. Progress, Challenges and Opportunities

a. Progress Under the ACA in Rhode Island

Zach Sherman addressed the panel about the progress that has been made since the Affordable Care Act (ACA). Highlighted were statistics on the drop in uninsured rate to date from 12% down to 4%, healthcare enrollment of more than 75,000 low-income adults through Medicaid expansion and a reduction in

Official Minutes



requested premiums through OHIC's rate and form review process of \$236m since 2012.

He then recalled for the group the core components of the ACA, and how they act like a carrot and a stick through the affordability assistance, mandates and benefit/service reforms.

Peter Hollman remarked that though Zach was discussing insurance prices only, it's worth noting that in order to have affordable insurance you have to have affordable healthcare and that's done through system and delivery reform – so it would be helpful to keep that in mind through all of this.

Ms. Paiva Weed reminded the group that even prior to the ACA, Rhode Island had programs in place that were working, and she specifically mentioned Rite Share – a State program that will pay all or part of the cost for employee health insurance coverage should they meet the state's criteria.

This led Bill Wray to ask the providers in the group about the rate of uncompensated care following the implementation of the ACA, to which Ms. Paiva Weed noted that there was a decrease in uncompensated care, but there was a shift to costs incurred due to uncollected co-pays, high deductibles and co-insurance.

Zach Sherman noted we'd go into the impact of the ACA in Rhode Island specifically and uncompensated care would be a part of that.

Steve Boyle then reminded the group that this was a large reason for why the group was called together, reminding them that part of the charge to the group was to maintain a market that is attractive to all stakeholders which includes providers.

b. **Federal Actions Impacting the ACA**

Marie Ganim outlined for the group the relatively recent federal actions that are having an impact on the ACA; the shortening of the open enrollment period, congress repealing the penalty for failing to have health insurance, permitting of the sale of non-ACA compliant plans (which will begin in 2019) and the defunding of Cost Sharing Reduction (CSR) payments.

Official Minutes



Director Sherman noted that the federal government ended up paying out more in tax credits than they would have if they had simply continued to make CSR payments.

Ms. Paiva Weed inquired if the employer mandate has also been repealed. The answer was that it wasn't clear whether it was being fully enforced, but that the staff would confirm for the Workgroup. It was also noted that in 2017 40,000 people paid the individual penalty which netted a collection of ~\$8.6M.

The group discussed concerns about Association Health Plans (AHPs) and Short Term Limited Duration (STLD) health plans – specifically the lack of regulation over them and their history of discriminatory practices.

Christina Amedeo and Sam Salganik each noted that some customers have already been exploited and duped into buying these plans not realizing that they are not legitimate health plans regulated by the State nor meeting the requirements of the ACA.

Senator Miller commented that this conversation should be widened to discuss how these plans not only effect consumers, but how it undermines the entirety of the market; not offering plans that cover the costs consumers actually need covered impacts all markets. There is an overall cost and we need to spread that across the markets and keep in mind the self-insured market is inevitably impacted by all of this.

Bill Wray added that while coverage is intuitively valuable, the end goal is health. It's important to question what is resulting in the healthiest people? What correlations can be made? He noted that his concern with the ACA originally was that it was too clever – the main goal is to have a healthy, prosperous populous. People can get fixated on the means to the end and not the end goal itself. We should recall to ask, "how is it working?" and if it's not working, ask why.

c. Key Concerns of Recent Federal Action

Marie Ganim provided an overview of the major concerns which, if taken one at a time, might be less concerning, but on the whole, issue a major blow.

Zach Sherman added that the federal government ended up spending more through the increased tax credits needed to cover the loading of silver plans with the impact of CSR payments being discontinued than it would have by just continuing to make those CSR payments.

Marie Ganim said that she and Zach had heard a lawyer from the federal government say they couldn't prevent this from going on at the state level for this upcoming year, but for 2020 they may try to do so.

d. Potential Impact on Premiums in Rhode Island

Marie Ganim shared that when tax reform passed earlier this year, the penalty was eliminated down to \$0. The potential impact to premium is what has been keeping the discussion active at the state level, and there is a range of estimates, including what is considered a more conservative estimate in the CBO's Score.

Mr. Salganik inquired about the availability of actuarial experts coming to speak to the group about the potential impact to rates. Director Sherman explained that with the May 15th rate filing deadline approaching, it would be very tight to align such resources, and those working on the rates filings at OHIC would be unable to comment due to the rules.

Zach Sherman added that it was important to note that the unsubsidized enrollees will feel the impact of rate increases more directly since the tax credits available through the ACA somewhat absorb increases in premium costs.

e. The States Have Begun to Respond

Zach Sherman provided a high-level overview of those states that have begun to respond to the concerns listed above. It was noted that Dan Meuse would be coming in a few weeks to provide greater detail on the state's responses.

Ms. Paiva Weed inquired if there were any states that were similar to Rhode Island in terms of having a State Based Marketplace (SBM) and having expanded Medicaid who were also considering a mandate and/or 1332 Waivers. Zach Sherman offered a few examples and said that we would provide a resource to help answer this question.

Senator Miller noted the criticality of considering the timing implications of acting in 2018 in order to have an impact on 2019 and 2020, explaining that the federal mandate expires in January of 2019.

Rosemarie Day told the group briefly about the work that was being done in Washington, DC.

Official Minutes



Director Sherman explained that DC was the model that this group was formed after.

IV. Wrap Up

- a. Rosemarie Day reminded the panel of their charge and asked if there was any additional information that they thought they would need.

Peter Hollman said that a discussion regarding the drivers of healthcare costs would be important for this group to consider.

Sam Salganik added that it's important to look at what people are getting for their premium dollars in terms of coverage and benefits.

Larry Werner said that consideration of barriers to better health should also be included, and in particular, the connection between the health of our population and state prosperity and growth.

Bill Wray added that this Workgroup should be cognizant of the policy discussions this state has already had, and that in so doing, we could avoid being redundant and/or repeating mistakes of the past.

Additional input was offered in response to Rosemarie's questions, including that the group should understand what was working pre-ACA and what changes had been made to the delivery of care since the ACA. Someone also suggested that economic information on the impact of the ACA to the state's productivity or other economic indicators (e.g., can we answer whether there is any connection to state prosperity and growth) should be shared with the group. It was also asked that the group be provided more information regarding the critical timelines for taking action and when certain things would need to be done in order to have the desired impact on market stability.

V. Public Comment

- a. No public comment offered.

VI. Meeting was adjourned at 10:02am