

**DRAFT**  
**Health Insurance Reform Advisory Committee**  
**Meeting Minutes**  
**February 27, 2002**

**Members Present:**

Mary Neidig, DCBS Director  
Rocky King, OMIP  
Dean Kortge, Pacific Benefits Consultants  
Nancy Nevins, LifeWise  
Wendy Van Elverdinghe, Oregon Health Action Campaign  
Lisa Trussell, Associated Oregon Industries  
Ruth Rogers Bauman, The Regence Group  
Cyndy Harrison for Ed Nieubuur, Providence Health Plan  
Vicki Brister, Brister Insurance Services  
Lynn-Marie Crider, Oregon AFL-CIO  
Barney Speight, Kaiser Foundation Health Plan of the Northwest

**Members Not Present:**

Mike McCallum, Oregon Restaurant Association

**Staff Present:**

Joel Ario, Insurance Administrator  
Lori Long, Senior Policy Advisor  
Maxi McKibben, Rates & Forms Assistant Manager  
Marcy Meink, Administrative Specialist

**Others Present:**

Muriel Dittlen, ODS  
Kathy Barrie, OMIP  
Mark Jungvirt, IPGB  
Craig Urbani, OMIP  
Kim Wirtz, Regence BCBSO  
Mark Danburg-Wyld, Pacific Source

**Welcome and Agenda Review**

Joel Ario welcomed everyone and reviewed the agenda.

**Minutes of last meeting**

The minutes of the January 25, 2002 meeting were approved as drafted.

**Final Recommendation on Portability**

Barney S. summarized the subcommittee discussions on portability. Striving to have a prevailing benefit design that is industry-wide. Trend on prescription drugs is as shown on the table with either a 10/20/30 dollar copay or a 90/80/70 percent coinsurance. Needs to be

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actuarially equivalent. This is what the market is at or is moving toward. Barney S. motioned to accept current draft and it was seconded. Approved.

### **Low Cost Plan**

Barney S. covered what is being looked at on this plan. Alternative to prescription drug benefit and looking at alternative to make more attractive to the market. Possibility of changing \$1000 deductible to a \$15.00 copay or 50%, whichever is greater. There was discussion on what Lifewise has in the SEHI market. Seventy-five percent of the people took plans without a prescription deductible and of the remaining 25%, 2/5<sup>ths</sup> took the \$250 deductible. Ruth B. shared her research information on the percentage of difference it would make if the deductible was exchanged for a smaller deductible or a copay. What she came up with was that the difference was only going to be about 2%. Dean made a motion to accept the low cost plan as is in the proposed column under prescription drugs. Barney 2<sup>nd</sup> and it was approved.

The new benefit design would be effective 1/1/03. This should give companies plenty of time for implementation. OMIP will have to wait for the rates to come out from the other companies so they will be a couple of months behind with their implementation.

### **PPO/Indemnity**

Rocky K. Brought up the issue of the significant difference between PPO & indemnity thus people are eligible for portability but taking OMIP. Will bring to next meeting.

### **Marketing of Individual Plans**

Lori provided a handout with different options of marketing Individual Health Plans.

A short discussion of the various insurer options. Due to the need to research both state and federal regulation, this issue will be discussed at the next HIRAC meeting.

### **Dependent Opt-Out Provisions**

Specific policy – when they have other types of coverages, how does OMIP fit since they aren't legitimate opt-out. Need to clarify that OMIP isn't an opt-out. FHIAP person in individual market – clarification – should put together exclusive list that only lists legitimate opt-outs. FHIAPs weren't around at the time this rule was made. It is the carriers discretion on dependents. If this is generally accepted for carriers to do, it has to be consistent across the board. If opt-out is allowed, the guarantee issue is being undermined. Lower participation translates into broader coverage. **Clarify this language at the next meeting.**

### **Standards to define Group Size**

No conclusions drawn from separate meeting. Need standards for level playing field. It is difficult to have documentation to prove small employer with the wide realm of options. Would like to see standard documentation required by all companies. **Dean to put together a proposal on this issue and bring back to the next meeting.**

### **IPGB Update**

Rocky K. gave update on HB 3126 subcommittee meeting. Approximately 8 plans with meeting scheduled for 3/8 to narrow it down to 2 plans. Focusing on indemnity. Once group

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narrows it down, there will be 6 public meetings with agents and small employers to give out the information and seek input. Actuarial value of 40 to 80%.

**HB 2519 OHP-2 Waiver**

Rocky gave an update. Discussion around budget shortfall. Public vs. private expansion issues. Cap or not cap, cost sharing, etc. Might be picked back up after budget meetings. Underlying policy issues that haven't been put on the table.

**High Risk Pool**

OMIP reflection of what's going on in the private market. Record number of applications approved last month. Tremendous growth. Low income market tax credit proposed by Bush called "E Health". Bush put money on the table to assist OMIP. Concern over this tax credit. This is the first recession OMIP has been through so this is a unique environment.

**SEHI & Portability**

Large difference on foreign carriers between SEHI and portability rates. Rates and Forms Health Unit will take a look at the data.