

Health Insurance Reform Advisory Committee

Minutes

May 17, 2006

10 AM until Noon

Room B

350 Winter Street NE

Salem, Oregon

Members Present: Ed Nieuburt, Dean Kortge, Lisa Trussel, Nancy Nevins, Kim Wirtz, Angela Kimball, Steve Doty, Dan Field, and Rocky King.

Members Absent: Steve Tagmyer, Lori Long, Lynn-Marie Crider, Ellen Pinney, LoriAnn Sheridan, Rick Rebel, and Laura Cooper.

Insurance Division Staff Present: Joel Ario, Shelley Bain, Gary Holliday, Cindy Jones, Linnea Saris, and Elizabeth McMahon.

Others Present: Grace Flux, Tina Kennedy, Tom Jovick, Ellen Landolf, Brenda Etzel, Elise Brown, Jim Gravette, Hien Duong-Tran, Theresa Neibert, Susan Matthies, and Diane Lund.

CALL TO ORDER

Oregon Insurance Division Administrator Joel Ario called the HIRAC meeting to order at 10:05.

APPROVAL OF MINUTES

The minutes of the March 15, 2006 HIRAC Meeting Minutes were reviewed. Dean Kortge moved to adopt the minutes; Ed Nieuburt seconded Mr. Kortge's motion. The March HIRAC Meeting Minutes were approved and adopted.

DISCUSSION

Discussion Items

1. SB 1 rules

Joel reported that the SB 1 rules had been filed with the Secretary of State's office. Carriers asked if the Division has responded to the carriers' concerns raised by Mike Becker. Joel said that six of the carriers' issues were directly addressed and the Division had made changes to the proposed rules in response. The SB 1 Hearing will be held on June 26, 2006.

Joel gave a brief report on the Enzi bill from the Federal Senate. The committee discussed how the bill pertains to state insurance regulation. Further discussion of rate bands ensued. The Division and HIRAC will consider rate band issues at a later date.

Dan Field recommended that the Division consider having a public forum to discuss insurance reform issues and to bring together discussions that are ongoing throughout the state. Following a discussion of possible insurance reform issues the committee would like the Division to consider the following topics that were agreed upon:

- Should rate bands be changed? Rate bands will go back to 2:1 absent legislative action in the 2007 session.
- Should other factors be considered in rate bands? Factors raised include gender, industry, duration of coverage, and wellness factors.
- Should the small employer rating laws be expanded from groups with 2-25 employees to groups with 2-50 employees? If so, should such an expansion be in conjunction with other changes to rating laws?
- Are there special regulations for micro-groups with 2-5 employees that should be considered?
- Should provisions for groups of one be considered?
- Should there be changes made to the current guarantee issue requirements in the small group market? Currently, carriers who offer coverage in the small employer market must offer all of their small employer plans to any small employer with 2-25 employees.
- Are there strategies that could increase dependent participation in small employer group plans, which should be considered?
- Are there any regulatory streamlining methods that should be considered?
- Are there changes that should be considered for the portability market?
- If the Legislature were to adopt an individual and/or employer health insurance coverage mandate, what affect would such legislation have on the health insurance market in Oregon?

The Division will schedule a public forum discussion for sometime in June.

Joel gave the committee a report in the Division proposed Legislative Concepts for the 2007 Session.

Transparency/UCR

The first concept would require insurers to provide additional information to consumers on their actual out-of-pocket costs. The concept would also give the Division authority to develop a standardized definition for Usual, Customary, and Reasonable (UCR).

Medical Discount Cards

Joel reported that this concept would require Medical Discount Cards to register with the Division, provide a 30-day free look, and require review of advertising. The Division does not intend that the proposal apply to insurance companies who offer discount cards as a part of a health benefit plan.

NEXT MEETING

The next HIRAC meeting will be July 19, 2006 from 10 AM until noon in Room B.

Meeting adjourned at 11:40 by Joel Ario.