

Health Insurance Reform Advisory Committee

Minutes

July 19, 2006

10 AM

Room B

350 Winter Street NE

Salem, Oregon

Members Present: Ed Nieuburt, Dean Kortge, Tina Kennedy (representing Lisa Trussel), Nancy Nevins, Rick Rebel, Kim Wirtz, Steve Tagmyer, Lori Long, Steve Doty, Dan Field, and Rocky King.

Members Absent: Angela Kimball, Lynn-Marie Crider, Ellen Pinney, LoriAnn Sheridan, and Laura Cooper.

Insurance Division Staff Present: Joel Ario, Linnea Saris, and Elizabeth McMahon.

Others Present: Mark Jungvirt, Rosalie Wachsmuth, Pam Jodock, Muriel Dittler, Grace Flux, Tom Jovick, Ellen Landolf, Elise Brown, Jim Gravette, Hien Duong-Tran, Theresa Neibert, Susan Matthies, and Diane Lund.

CALL TO ORDER

Joel Ario, the Oregon Insurance Division Administrator, called the HIRAC meeting to order at 10:10 AM and explained that Shelley Bain will not be attending today's meeting because she is out of town. Therefore, some of the agenda items may need to be carried over to the next HIRAC meeting.

APPROVAL OF MINUTES

The minutes of the May 17, 2006, HIRAC Meeting Minutes were reviewed. Dean Kortge moved to adopt the minutes; Ed Nieuburt seconded Mr. Kortge's motion. The May 17, 2006 HIRAC Meeting Minutes were approved and adopted.

DISCUSSION

501 Reports

Linnea Saris thanked everyone's participation in complying with the SB 501 "Health Benefit Plan Report". So far the Division has received completed online submission from all the domestic carriers and are waiting for submission from a few foreign carriers. The Division would like to welcome any process improvements regarding the submission of this report for future reporting. The Q&A on our website was developed based on the most frequently asked questions to the Division, for completing and submitting this report. Joel advised the group that we are currently working on getting the information from the SB 501 reports published onto our

website to comply with the statute requirements. We are not sure when this will be completed but hope to have this process completed soon.

Rocky King wanted a footnote or a disclaimer added to the report to state that this is not an accurate source for comparing costs and premiums between companies. Rocky is concerned that the consumers may not understand the information displayed by this report.

Lori Long stated that the net margin by line of business on this report does not disclose RBC levels.

Joel advised the group that when the SB 501 reports are available for viewing on a searchable database, all carriers will need to verify the data submitted.

Small Groups

Joel made reference to the meeting held in June regarding discussion around small group reform. At this time the Division is not going forward with any legislative proposals but would like to know if the carriers are working on any proposals. The group would like further discussion of this topic to be added to the next HIRAC meeting. They would like to have more in depth discussion on expanding rate bands, using rating methodologies for gender, age, industry, wellness, and duration of coverage. In addition to expanding the SEHI rating regulations to the same requirements for groups of 50.

Joel stated that he would like evidence as to how the rate bands would affect the SEHI market. Joel requested that this discussion be added to the agenda for the next HIRAC meeting.

Associations/Small Groups

Joel reported that the Division will be issuing a Bulletin stating that carriers are not allowed to use health status or health statements to underwrite for any group coverage, including small group and small groups in an association. If the Division discovers any carrier using this methodology, there will be enforcement actions.

HIPPA Small Groups

Linnea reported that HIPPA Small Groups need to comply with 743.733 based on the definition of a qualified employee and as defined on the SEHI Census form. Joel advised that if anyone had any further questions to contact Shelley.

NEXT MEETING

The next HIRAC meeting will be September 20, 2006, 10 AM in Room B.

Meeting adjourned at 11:50 AM by Joel Ario.