

DRAFT
Health Insurance Reform Advisory Committee
Meeting Minutes
July 24, 2002

Members Present:

Rocky King, OMIP
Dean Kortge, Pacific Benefits Consultants
Nancy Nevins, LifeWise
Ruth Rogers Bauman, The Regence Group
Ed Nieubuur, Providence Health Plan
Vicki Brister, Brister Insurance Services
Barney Speight, Kaiser Foundation Health Plan of the Northwest

Members Not Present:

Mary Neidig, DCBS Director
Wendy Van Elverdinghe, Oregon Health Action Campaign
Lisa Trussell, Associated Oregon Industries
Lynn-Marie Crider, Oregon AFL-CIO
Mike McCallum, Oregon Restaurant Association

Staff Present:

Joel Ario, Insurance Administrator
Maxi McKibben, Rates & Forms Assistant Manager
Marcy Meink, Administrative Specialist

Others Present:

Muriel Dittler, ODS
Mark Jungvirt, IPGB
Michelle Baker, Kaiser Permanente
Tom Jovick, OMIP
Jann Goodpaster, Insurance Division
Michael Morter, Insurance Division
Carol Simila, Insurance Division
Jim Gravette, PacificSource
Lori Long, Health Net
Peggy Anet, HIAA
Kim Wirtz, Regence BCBSO

Welcome and Agenda Review

Joel Ario welcomed everyone and reviewed the agenda. A item that isn't on the agenda is the Reunderwriting memo from the NAIC. This is just an informational handout that won't be covered at the meeting today.

Minutes of last meeting

The minutes of the February 27, 2002 meeting and the 5-23-02 joint HIRAC/IPGB meeting were approved as drafted.

Enrollment History Chart

This chart shows the number of enrolled lives in the different market sectors. Are OMIP enrollees included in the individual market? Maxi M. to check into this. Rocky stated that OMIP's report shows approximately 200,000 more lives than the Insurance report does. Maxi is to work with OMIP and identify the discrepancies between the reports. If you see any other problems, report to Maxi. The Insurance report on the WEB will be updated with footnotes to explain the findings.

Portability Charts

Maxi didn't receive too much feedback or comments. One recommendation was to allow a 24-month waiting period for transplants. Creditable coverage would apply to any waiting period. The members agreed to this recommendation. The 24-month waiting period for transplants will be added to the low cost and prevailing charts. A request for clarification on outpatient definition was made. After much discussion among the members the following changes were adopted to both the low-cost and prevailing portability matrixes:

24-month waiting period for transplants with creditable coverage.

Outpatient/ambulatory services changed to outpatient services including outpatient surgery and ambulatory services.

Surgery performed in a doctor's office copay not to exceed \$50 under a HMO low cost or prevailing plan.

X-Ray/Lab changed to X-Ray and Lab regardless of site of service.

Home Health Care – 60 visits per calendar year. Carrier to administer benefit the same as its prevailing group plan.

HMO plans have a maximum family out of pocket, the indemnity plans do not. Should the indemnity plans apply a maximum family out-of-pocket limit? Maxi to confirm what is applicable in the group market and follow the prevailing provision of the market.

Ed N. commented that his group is adding a maximum dollar amount on transplants of \$250,000.

A question was asked if corneal transplants were still on the Medicaid list. Maxi is to confirm what transplants are on the Medicaid list and will revise our list accordingly.

Add the following wording under transplants: the above transplants cannot be excluded and must be covered the same as any other medical benefit.

Effective date for the revised portability benefit designs is the first renewal on or after 1/1/03. The matrixes will be posted on the Insurance Division web site under the Rates & Forms New Developments section. OMIP requested a 90 day lead time after implementation of the revised portability plans. The committee agreed with the understanding that OMIP would implement the new portability plans as soon as is reasonable.

Minutes Correction

Rescind approval of the portability plans as stated in the HIRAC 2/27/02 minutes. The committee voted to approve the portability plans as edited today. Goes to Mary N. for approval.

Marketing of Individual Health Benefit Plans

OID has been asked to provide direction in the marketing of individual health benefit plans to small employers. The test is if employer contributes toward the premium or claims a tax benefit for providing health coverage, the coverage is subject to the small employer group reform. If the employers don't, the coverage is not subject to the reform. Barney S. commented that the marketing of individual health benefit plans needs to be handled legislatively – currently statute seems clear.

1995 Session adopted law to guarantee issue health insurance to small employer groups. No carrier wanted to guarantee issue an individual health benefit plan. Barney S. prefers to do a rule that says individual products in the small market are prohibited.

Joel discussed his draft bulletin addressing the marketing of individual health benefit plans. Joel will take into consideration all comments received and send a draft of the bulletin to HIRAC members when the changes are made. Joel ask everyone to review the draft and give him feedback. . The rationale for the bulletin is that there are different rules in the individual market then in the group market. Core of discussion has been around having guaranteed issue.

House Bill 2519 Waiver Update

Rocky gave update on the waiver application to feds to get FHIAP funding. They are trying to get decision by 8/1 to implement by 10/1. An issue is that anyone eligible for Medicaid must enroll in Medicaid because they are part of mandatory population under Medicaid. Governor thinks the individual should have the choice. This is a sticking point. They will be meeting again on 7/25.

There are 2000 group openings in FHIAP as of 7/24/02. If you call up to get a group application, you'll get it in 1 to 7 days. The list for individual, however, is an 18 to 24 month wait. Currently, the only individual applications being accepted are replacements.

Rocky thanked companies for responding. Estimate varies on how long it will take to fill the 2000 group openings. Timeline is approximately 1 year.

HB 3126 IPGB Plans

Brick wall has gone up. Law says the plans must be subsidizable and meet benchmark plan. The proposed IPGB plans do not meet this test. Rocky and his staff need to sit down with the people that passed the law to come to an agreement on the intent of the law. If not possible,

need to go back to the legislature and tell them to address the law. An issue still to answer is if the changes get made that IPGB has proposed, will HIRAC want to also implement the changes in small group market.

Standardization of Small Group

Vicki B. brought a question from the Oregon Association of Health Underwriters. The Association would like a standardization on dependents aging off coverage. HIRAC members agreed that this type of issue is not one for HIRAC to decide. Each carrier defines dependents. OID has no statutory authority to require a carrier to establish a uniform age for children aging off the parent's policy.

Dean K. and Vicki will do some emails to get more clarification on how to define small employer groups.

Creditable Coverage

Study done relating to OMIP enrollment. Lack of information on forms being submitted for creditable coverage. Problem for eligibility folks to get determination of who's coming from where and how long did they have coverage. The committee requested Maxi to look into the possibilities of developing a standard for all carriers to use in documenting creditable coverage.

Oregon Standard Health Statement

Recommendations have been made on revising OSHS. Muriel, ODS wanted to make HIRAC aware that a group is reviewing the OSHS and will be presenting their recommendations to OID. The purpose is to be able to clarify some of the questions and add some questions.

Joel is agreeable to review the groups' recommendations. The committee recommended that a subgroup of HIRAC get together and come up with a draft. The subgroup needs to include consumers, agents and carriers including OMIP. This was moved, seconded and passed. The subgroup is to present their recommendations to Joel.

Next Meeting

Not currently scheduled. Items that would necessitate a meeting would be if HB 3126 goes forward and small group market rules/reforms.

Draft of Standards to determine small employers and recommendation of revising the Oregon Health Statement should be directed to Maxi. Maxi will forward to the members of HIRAC and other interested parties as applicable.