

Health Insurance Reform Advisory Committee (HIRAC)
September 13, 2001
Meeting Minutes

Members present: Ruth Bauman, Vicki Brister, Lynn-Marie Crider, Rocky King, Nancy Nevens, Ed Nieuburt, Lisa Trussell, Wendy VanElverdinghe

Members absent: Dean Kortge, Michael McCallum, Barney Speight

DCBS staff present: Joel Ario, Lori Long, Maxine Mckibben, Mary Neidig

Mary Neidig called the meeting to order at 9:00 a.m.

Ms. Neidig summarized the HIRAC charge under HB 2519 to provide consultation to Insurance Pool Governing Board (IPGB) on the development of a benchmark basic health benefit plan.

Rocky King updated the committee on the proposed benchmark basic health benefit plan. Mr. King described the Board's "casting the widest net" approach and outlined the cost sharing levels and twenty-one covered benefits. Mr. King stated that IPGB staff report that most of the plans currently sold in Oregon's group market would meet the benchmark as outlined.

Mr. King noted that the Board is still generally comfortable with the cost sharing and benefits levels as outlined with the exception of prescription drugs. The Board is considering adding a specific cost sharing level for prescription drug coverage.

Ruth Bauman and Ed Nieuburt discussed how cost sharing for prescription drug coverage could be included in the benchmark plan.

The Committee discussed how to determine a maximum out-of-pocket number for prescription drug coverage and whether or not it would require an actuarial analysis.

Lisa Trussell stated a concern that the benefit levels in the benchmark plan are too high and that prescription drug coverage is often purchased separately. She added another concern that the benchmark will not be adjustable over time and therefore in a couple of years would no longer reflect the market.

The committee discussed how the benchmark could provide for changes over time through indexing or biennial reviews by IPGB.

Ms. Neidig asked each committee member to share his or her thoughts on the

benchmark plan.

Ms. Trussell stated flexibility and simplicity is the key for a useful benchmark plan to provide access for many small employers to the subsidy program. She noted the diabetes education mandate passed by the 2001 legislature is not included in the list of covered benefits. She stated many of her association's members are looking for health plans that offer a higher level of cost share than outlined in the benchmark. She questioned how well the cost share reflects where the market is heading.

Vicki Brister expressed her agreement with the "casting the widest net" approach. She added the federal government will most likely be unsatisfied with our first attempt at a benchmark plan.

Mr. Nieubuurt stated he doesn't think the market is moving quickly towards high-deductible plans. He believes the benchmark is reflective of the market and added that some cushion had been built in on the deductible. He suggested that adding a prescription drug or hospital threshold amount could be useful.

Ms. Bauman agreed with Mr. Nieubuurt that the market is not yet demanding high-deductible plans, but added it may be moving in that direction. She stated she thinks the benchmark accurately reflects where the market is now.

Lynn Marie Crider stated she would like to see the plan stay simple and limit the administrative burden to both the employer and the employee. She agrees that additional thresholds may be helpful and added she would like the additional actuarial work done to assure the amounts are suitable to the target population.

Wendy VanElverdinghe stated she agreed that simplicity and accessibility are important.

Nancy Nevens stated it is important to keep the benchmark as simple as possible and that including actuarial analysis would be too difficult.

Ms. Neidig asked for input from John Santa on the progress of the Health Services Commission's HB 2519 charge to rework the benefit levels under the Oregon Health Plan.

Mr. Santa said that the cost sharing levels being considered by IPGB are less than what the Health Services Commission is discussing because the Commission is finding it difficult to cut benefits from the list of services covered.

The committee discussed further how to advise IPGB to develop a cost share for prescription drugs, but could not come up with a specific option.

Ms. Neidig thanked the committee for their comments. She stated she would provide each member with a copy of her written comments to IPGB, summarizing HIRAC consultation on the benchmark basic health benefit plan.

The meeting was adjourned at 12:00 p.m.

Next meeting: Monday, October 15, 2001
 Labor and Industries Building
 350 Winter Street
 Room 260
 Salem, Oregon