

Health Insurance Reform Advisory Committee

Minutes

November 17, 2004

10:00 AM – 12:00 PM

Conference Room B

Labor & Industries Building

350 Winter Street NE

Salem, Oregon

Members Present: Dean Kortge, Steve Doty, Ed Nieuburt, Ruth Rogers-Bauman, Rocky King, Lisa Trussel, Lori Long, Nancy Nevins, Kim Wirtz

Members Absent: Rick Rebel, Steve Tagmyer, Lynn-Marie Crider, Ellen Pinney, LoriAnn Sheridan, Angela Kimball, Dan Field, Dr. Bruce Goldberg, Laura Cooper

Insurance Division Staff Present: Joel Ario, Shelley Bain, Kathi Kalk, Elizabeth McMahon

Others present: Grace Flux, Muriel Dittler, Kathleen Barrie, Tom Jovick, Craig Urbani

Call to Order

Shelley Bain convened the November 17, 2004 HIRAC meeting at 10:07 a.m. in Conference Room B.

Approval of Minutes (September 29, 2004)

The September 29, 2004 minutes were approved with the spelling of Dean Kortge's name to be corrected.

Coordination of Benefits

Muriel Dittler gave an update from the Coordination of Benefits subcommittee:

- The committee will complete their analysis of the differences between 1996 and the proposed changes prior to the next HIRAC meeting.

Portability Plans

Shelley Bain gave an update on the revised portability plans:

- The Director approved the plans on November 8, 2004.
- The effective date is a carrier's first renewal date on or after July 1, 2005.
- Shelley will check and to confirm that the revised matrixes are on the OID website. The current matrixes will remain on the web until the conversion to the new plans is completed.
- Shelley confirmed that there is here is no maximum out of pocket benefit for prescription drugs.

Health Statement

Shelley gave an update on the status of the Health Statement:

- The Health Statement has been finalized.
- The revised document should be on the Insurance Division website today or tomorrow.
- The committee discussed the inclusion of language on page 2 of the revised Health Statement concerning genetic testing by genetic testing advisory committee. The statement on the revised form says “for Health Reasons,” but companies are looking for updating.
- The committee requested that the term “rated up” be added to the Statement. Shelley will confirm that this term can be added.

Health Reform Bills Data Reporting

- Shelley distributed handouts of the current reporting forms and data submissions. She reported that the Division has determined that there are no input errors in the reports. However, the Division has confirmed that there are several apparent reporting errors.
- The committee recommended that the Division hold a workshop on reporting data for quarterly enrollment reports. The workshop will take place in January 2005.

Consumer Driven Health Care (CDHC)

Truth in Labeling/Consumer Protections

Health Savings Accounts (HSA) and High Deductible Health Plans (HDHP)

- The Committee discussed different examples of Consumer Driven Health Care. At the last meeting suggestion was made that CDHC/HDHP terms should be standardized.
- The Committee is concerned about agents appearing to give tax advice. Education about CDHC and HSAs should be the employer’s responsibility.
- The committee discussed whether some kind of disclosure should be required for provider fees.
- The Committee agreed that if consumers demand information the providers will be forced to disclose such information. However, currently most consumers are unable or unwilling to do the research necessary to obtain cost and quality information.
- There was general discussion current market forces that could help health care become more affordable including the push at the federal level to create associations and trusts for small employer health insurance. The committee voiced concerns that these types of associations circumvent Oregon small employer mandates and would result in cherry picking the good risks. There is concern that such action could destroy the Oregon SEHI market because only bad risks were be left to the Oregon SEHI market.

Other Items

Bid Rigging

- Joel gave an update on New York Attorney General Eliot Spitzer’s investigation into insurance brokerage firms, suspected of soliciting rigged bids for insurance contracts.
- Companies currently under investigation include Marsh & McLennan Companies, AON, ACE, AIG, The Hartford and Munich American Risk Partners. Some smaller national insurance brokers are also under investigation.

- The NAIC is reviewing California's disclosure regulations as a possible model for new disclosure requirements designed to ensure consumers are provided the information necessary to understand the manner in which brokers are compensated for the sale of insurance products.
- OID will meet with stakeholders on December 7, 2004 to discuss Oregon's proposed rules and to determine if more disclosure is needed.
- Joel believes the investigation could bleed into Life and Health companies as well.

Joel adjourned the meeting adjourned at 12:03. The next HIRAC meeting is scheduled for January 19, 2005 at 10:00 am in L&I Building Conference Room B.