

Oregon Medical Insurance Pool  
Board Meeting  
April 8, 2010  
Regence Blue Cross Blue Shield  
Portland, Oregon

**Board Members Present**

Dave Houck, Public Representative Emeritus  
C. J. McLeod, ODS Health Plans  
Andrew McCulloch, Kaiser Permanente  
Ken Provencher, PacificSource  
Mike Becker for Jared Short, Regence  
Barney Speight, Oregon Health Authority  
Cory Streisinger, Dept. of Consumer & Business Services  
Suzan Turley, Public Representative via teleconference

**Board Members Absent**

Robert Gluckman, M.D., Providence  
Sue Sumpter, Public Representative

**OMIP Staff**

Barry Burke, Data & Policy Analyst  
Tom Jovick, Administrator  
Don Myron, Program Development Specialist  
Linnea Saris, Program Development Specialist  
Sarah Smith, Administrative Assistant

**Others Present**

Terry Olson, Regence  
Sophary Sturdevant, Regence  
Amy Fauver, Oregon Health Authority  
Teresa Miller, Insurance Division

**Minutes**

The approval of the January 2010 meeting minutes were accepted with no objections.

**Benefit Committee**

Mr. Jovick discussed the purpose of this committee. The committee will review any benefit changes for next year, help establish the benefits for the federal risk pool, and assess what affect the HHS changes will have on the group and individual market as well as the impacts on OMIP. The committee will need to meet June-September to report at the October Board meeting

Committee members are:

Susan Sumpter  
Jared Short  
David Houck  
Dr. Gluckman was recommended

## **Legislative Committee**

Mr. Jovick discussed the purpose of this committee. Looking towards the January 2011 legislation this committee will address changes in the Insurance Division that would impact OMIP

Committee members are:

Jared Short/Kim Wirtz

Susan Turley was recommended

## **Administrator's Report**

Mr. Jovick highlighted some of the items in the Stat Pack.

- Enrollment is fewer than 15,000 at 14,287.
- Assessment 38: Revenue was greater than anticipated and expenditures were less than anticipated - \$800,000 rebate from CareAssist is larger than usual.
- Losses are \$1.7 million less than projected
- Page 46 was revised to show six months instead of one.
- CareAssist enrollment is up while other medical eligible enrollments are down.
- Premiums are covering about half of OMIP costs and the other half is assessments.
- Portability has a relatively low loss ratio.
- Claims per member per month by age tends to be relatively flat.
- Percentage of people that earn less than \$25,000 per year has increased – this is partially due to the return of the FHIAP population.
- Percentage of people that earn more than \$60,000 per year has decreased.
- Enrollment in the 500 plan has decreased and enrollment in the 1500 plan has increased – premium cost might be a factor.

## **Medical Home multi-payer pilot program**

Dr. Olson addressed this topic. A letter addressed the pilot program. The pilot would bring together a critical mass of Health Plans, with 8-12 medical groups from across the state, to demonstrate the effectiveness of aligning a new payment model with the care delivery process. Boeing Intensive Outpatient Care Program is an example of the success of this pilot program. The Board gave an indication that they would like OMIP to participate and will vote on the issue when there is more cost information available.

## **Federal legislation: Potential Impacts**

Ms. Fauver addressed this topic. The handout she spoke about is available on the OHA website. Highlighted topics are: What does this bill do for coverage and access for care? OMIP demographics may change because there will guarantee issue for children under the age of 19 with no pre-ex waiting period. Also with the extension of group to the age of 26 the likely hood of children enrolling into OMIP in the future is very slim. Also CareAssist applicants will most likely go into the federal pool because they won't have prior coverage. Hopefully all these changes will positively affect the premiums and assessment.

## **OMIP legislative concepts 2011 session**

Mr. Jovick discussed the implementation of the TPA assessment. Should we proceed even though the pool will be obsolete in 2014? If it were to pass then the first assessment wouldn't happen until July 2012. Mr. Provencher expressed the concern that our population might shift with the new federal pool to portability for self insured companies that aren't paying the assessment.

There are a few house keeping items in the concepts but the TPA assessment is the topic with the largest impact.

### **Change in Oregon insurance market**

Teresa Miller presented this topic in PowerPoint. Oregon's Health Insurance Market Place.

- There is a difference in the way the data was collected in 2007 than in 2008-2009. In 2007 we looked at Oregon residence on a policy issued anywhere in 2008-2009 it was changed to Oregon residence with policies issued in Oregon only.
- Enrollment by line of business is based on the fourth quarter totals for that year. Associations report separately in 2008 and 2009 which could explain the large decrease in numbers.
- With the new reform bill TPA's would need to register with the state so we have a data source.
- Rejection rates have changed because OMIP no longer requires a denial letter. The data collected also doesn't take into consideration multiple denials for one individual.
- Group rates increased about 1.2% while individual rates increased by about 11.3%.
- Highlighted key changes in benefits. Pre authorization is increasing, preventative services cost less, emergency cost waived if admitted, alternative treatment being covered more.

The bill does not address cost containment in a way the consumers were expecting. Great benefits and low cost are what's expected but this type of quality care will only cost more. Individual market could be the most volatile in the beginning of this reform and the affects is has.

### **Health Insurance Exchange & Reinsurance**

Mr. Speight addressed this topic. Discussion focused on should we have an exchange up and running before 2014 or not because it might have to change significantly. Why spend time on something that might have a shelf life of two years because the reform definitions have yet to surface? Why go through the research to create reinsurance if the federal government will usurp what we have created? Most of what will be in the exchange and what goes on in the exchange will be handled by the feds and not at the state level and will be dictated to us by the federal government. Value based benefit designs and definitions will be established by the feds. A waiver to do this ourselves might not come until 2016 to 2018. It is recommended that we get definitions from the feds before we move forward with this type of model.

**Public Comment** - None