

Oregon Medical Insurance Pool
Board Meeting
June 24, 2009
Conference Call

Board Members Present via Phone & at OMIP Office

Robert Gluckman, M.D., Providence
Stephen Lynch, Health Net of Oregon
C. J. McLeod, ODS Health Plans
Bart McMullan, M.D., Regence
Ken Provencher, PacificSource
Cory Streisinger, Dept. of Consumer & Business Services
Sue Sumpter, Public Representative

Board Members Absent

Andrew McCulloch, Kaiser Permanente
Dave Houck, General Public Rep Emeritus
Suzan Turley, General Public Representative

OMIP Staff

Barry Burke, Data & Policy Analyst
Becky Frederick, Fiscal Manager
Tom Jovick, Program Manager
Rocky King, Administrator
Don Myron, Program Development Specialist
Linnea Saris, Program Development Specialist
Marcy Tipsword, Administrative Assistant

Others Present

Rhonda Morin, Oregon Health News
Lynn Nishida, Regence
Sophary Sturdevant, Regence
Scott Fitzpatrick, Dept. of Consumer & Business Services

Minutes

The minutes of the May 1, 2009 OMIP Board meeting were recommended for approval by Mr. McLeod and seconded for approval by Mr. Provencher. The motion was approved unanimously.

Administrator's Report

Mr. King reported the following information:

- Enrollment is currently just under 15,000
- Only group showing net increase is CAREAssist. They are showing almost a 20% increase over last year
- 2009 loss ratios have dropped back to 190% range
- Premium increase has impacted minimum growth in cost per policy

- There is little increase in projections going forward
- There will be some FHIAP over the next 6 months due to limited opening of FHIAP

Ms. Sumpter asked how legislative healthcare changes are going to impact OMIP in the future. This led into the legislative update discussion

Legislative Update

Ms. Streisinger suggested scheduling time at next meeting to go over legislative impacts because we will have better sense of what all the changes will be in September. This will also give time to see federal impacts.

Ms. Streisinger indicated that the major reform bills passed.

Both the TPA Expansion bill and the stop loss carrier assessment change bill did not pass.

Assessment #37

- OMIP staff are recommending approval of a 6 month assessment of \$43,078,939 or \$4.43 pm/pm.
- Includes \$2.2 million in operational grants from CMS
- Includes 13% projection on cost and utilization trend and 13% rate increase in January 2010.
- There are 1,619,134 total lives reported on the counting of insured lives report.
- Assessment dropped from \$4.78 to \$4.43.
- Project next assessment to be in \$5.00 range plus or minus 10% unless there is significant membership change.

Dr. Gluckman asked about potential impact of the opening of OHP on our enrollment.

Mr. King indicated that we did not anticipate any impact due to the OHP Standard opening. They will be bringing on 25,000 to 30,000 adults. Dr. Gluckman also asked if the CAREAssist increase was factored in and the answer is yes.

Mr. Provencher made a motion to approve the OMIP recommendation on the assessment.

Mr. McLeod seconded the motion and it was approved unanimously.

RFP Timeline

Mr. Lynch indicated that the current RFP timeline is not good due to other issues going on. These issues include the legislative schedule and OMIP's transition into the Oregon Health Authority among other things. His opinion is that we should wait to move forward on the RFP. OMIP staff looked into whether or not they had rights to extend the current TPA contract.

Ms. Streisinger said that since there could be potential conflicts of interest, those having any needed to verbally declare them. The following people declared conflicts:

Mr. Provencher, Mr. McLeod, Ms. Sumpter, Dr. McMullan who has an actual conflict, not just potential which means he cannot participate in discussion but can listen.

The current TPA contract expires in February 2011 which means the new RFP would have to be out on the market by February 2010. This timeline does not match up with ability to formulate changes with OMIP's future. We are unsure of how Oregon Health Authority transition and legislative session will affect OMIP's future. Current law doesn't give us the option to extend the current TPA contract.

Mr. King, Ms. Streisinger, Mr. Jovick and OMIP staff got a legislative fix into an existing health bill in 30 hours. It made it through Ways and Means and is on its way to floor for a final decision.

This amendment language says Board may extend existing contract with TPA for a period not to exceed 24 months at mutually agreed to terms.

Mr. Provencher clarified that we could go through RFP process and have TPA in place but contract is 3 year contract by law so we would not be able to easily terminate if there are changes that occur. Mr. King said they are afraid this could discourage carriers to apply if they thought they may only have a short term contract. Ms. Sumpter asked if we know if Regence would be okay if we extended the contract and would they remain at the same rate. Ms. Streisinger said the rates would have to be negotiated and Regence would have to agree with whatever new terms and rates were negotiated. It would be a Board decision on whether or not to except any new rates.

Mr. Provencher wants to understand ramifications of not going ahead with the RFP as planned. He isn't sure if we are going to know more in a year. Mr. King said that a pool phase out and/or a different reinsurance market are possible things that may happen which could have a significant impact on OMIP.

Mr. Lynch stated that it could appear as a bait and switch if we were to go forward and then have drastic changes to the program. The typical things we discuss during RFP time are the things that could be drastically changed.

Ms. Streisinger suggested conducting a straw vote since there is no law passed yet. The straw vote results were as follows:

Dr. Gluckman – yes

Mr. Provencher – yes but has more questions

Ms. Sumpter – yes

Mr. McLeod – In concept yes, agrees with Mr. Provencher and Mr. Lynch but has concerns about why not look at OPDP

Ms. Streisinger – yes

Mr. Lynch – yes

We will keep everyone posted on legislation – will talk in detail at next meeting.

Grant Awards

The grant from CMS has been awarded. It covers the time period of October of 2009 through December of 2010. OMIP received \$3,491,604 in total grant dollars.

Mr. Jovick indicated that OMIP just received word that they would be receiving the grant and the amount on Monday. This time we have to send in quarterly reports showing how much has been spent and they reimburse. Mr. Jovick acknowledged Ms. Nishida, Ms. Sturdevant and Mr. Burke for all their work on getting the numbers together for today's meeting.

The items that we would like to utilize the bonus grant on are a \$0 copay for flu vaccinations, diabetes drugs and supplies and evidence based generic medications such as cholesterol, blood pressure and antidepressants. We would also like to offer a Weight Watchers benefit to our membership.

Ms. Nishida clarified for everyone that there is no office call billed if someone is going just for immunization. There is an administrative fee but no charge for office visit; it is billed as a nurse visit. The \$126,000 proposed includes flu and swine flu vaccine as well as the administrative fee.

Ms. Sumpter asked when this would occur. Mr. Jovick indicated there would be an educational campaign for OMIP members only beginning 1/1/10 with exception being possible mid-year benefit adjustment specifically for flu. Members would also be able to go to Safeway, Walgreens etc.

Dr. Gluckman expressed concern that if patients are not on insulin and have their diabetes under control then monitoring isn't good. This could result in them having a false positive because of too much testing. Ms. Nishida indicated that Regence could do something automated that looks back in history at prescriptions. Ms. Streisinger said we would have ability to design this benefit as we see fit. Dr. Gluckman thinks it should be tied to disease management.

Also recommendations from Regence regarding dropping copay to \$0 for evidence based generic drugs related to cholesterol, blood pressure and anti-depressants. The qualifier for the antidepressant drugs is that they are often used for more than depression. We may find that people are getting these drugs for other issues. Ms. Nishida said this is just a disclaimer to make people aware; the return on investment makes sense. Dr. Gluckman agrees, not concerned about use of inexpensive drugs for things other than depression. Mr. King said increasing compliance will have a positive effect. What we are paying for brand drugs may be more costly than what we are paying by decreasing deductible so there are savings. It takes 1 ½ % increase in generic use to cover the cost of keeping the \$5 copay.

Dr. Gluckman expressed concern over evidence based medications. Beta blockers are useful but not evidence based. Mr. Lynch indicated there may be a way to go after what

is specific to our population. For example the CAREAssist drugs; even though they are brand drugs, maybe we could look into somehow reducing the cost in that arena. Purpose should be to encourage adherence to medications and where treatment has been shown to modify outcomes and improve long-term effects.

Mr. King suggested that Mr. Jovick and Mr. Burke meet with Dr. Gluckman and come up with array to move forward with on benefit committee. Mr. Jovick said that for purpose of grant, we don't need details flushed out yet. Just need approval to move forward.

The Weight Watchers program had 10,000 people sign up through PEBB once they made it available. This is one area around lifestyle that we could help with. Didn't think we could necessarily get same rate that PEBB got so we took cost info from the fees they currently charge.

Mr. Jovick said we are asking for approval from board to go ahead with pursuing these items.

Mr. McLeod clarified that the intent is to go get money then benefits committee will decide what to implement. We would have to implement all items listed but could trade for others that may have higher value such as expanding drug list. Mr. Lynch asked if this money is perpetual. Mr. Jovick said it is not perpetual because it has to be allocated by congress each year.

Ms. Streisinger said that one of the goals is to save money so if we view this as a pilot then it may pay for itself if grant goes away. The Board indicated that the items presented were a good utilization of the funds and Mr. Jovick and staff should proceed with pursuing the grant.

Town Hall & Producer Trainings

- 13 cities total
- Producer trainings were conducted in the afternoon and Town Hall meetings were in the evenings.

- 106 attendees total
- 35 of the 106 were OMIP enrollees
- 215 producers trained
- This attendance was with aggressive media campaign to television, radio and newspaper.

Ms. Sumpter went to Portland meeting and said that Mr. Jovick was amazing and very patient with all of the people at the meeting. She indicated that all of the OMIP and Regence staff at this training did an outstanding job. This included Mr. Burke.

Public Comment

Ms. Morin asked to what bill the TPA contract extension amendment was added. Ms. Streisinger indicated it was SB 456-a8.