

Oregon Medical Insurance Pool  
Board Meeting Minutes  
September 5, 2012  
Wilsonville Training Center of Clackamas Community College  
29353 Town Center Loop East, Room 111  
Wilsonville, OR

**Board Members Present**

Chris Ellertson, Non-designated Representative  
Suzan Turley, Public Representative  
Don Antonucci, Regence  
Ken Provencher, Health Care Services Contractor Representative  
Rocky King, Public Representative Emeritus  
Sue Sumpter, General Public Representative  
Dave Houck, Public Representative Emeritus  
Robert Gluckman, M.D., Non-designated Representative  
Patrick Allen, Department of Consumer and Business Services  
Andrew McCulloch, Health Maintenance Organization Representative

**Board Members Absent**

Kelly Ballas, Oregon Health Authority  
Robin Richardson, Reinsurer Representative

**OMIP Staff Present**

Tom Jovick, Administrator  
Napua Catriz, Administrative Assistant  
Linnea Saris, Program Development Specialist  
Cindy Lacey, Data Analyst & Policy Advisor  
Don Myron, Program Development Specialist  
Matt Smith, Budget Analyst OPHP

**Others Present**

Steve Villanueva, Regence  
Lynn Nishida, Regence  
Brian Niebert, OHA  
Roseanne Combs, Regence (via teleconference)

**Approval of Minutes**

Ms. Sumpter motioned to approve the July 11, 2012 Board meeting minutes. Mr. Antonucci seconded the motion and all approved.

## **Administrators Report**

### *Stat Packs*

Mr. Jovick explained that Regence had graciously accepted the task of producing stat packs starting in 2013. OMIP staff will supplement that stat pack with demographic information. OMIP staff also will produce the stat packs for the October Board meeting.

### *Reserve Accumulation*

During the July 11<sup>th</sup> Board meeting, OMIP staff recommended an assessment of \$4.31 per member per month for assessment #43; the Board voted to maintain the assessment at \$5.09 (equal to assessment #42) and asked staff to set aside the difference as a reserve for claims run out in 2014. This difference is \$6 million. The March 31 count of covered lives is higher than originally anticipated; it is up by 44,000. OMIP is working with the Insurance Division to verify an accurate number.

OMIP's current reserve is \$2 million plus one month of claims, which currently totals \$14 million; together with the assessment difference of \$6 million dollars, the total current reserve is \$22 million. We have estimated and intend to confirm with Regence actuaries that \$17- \$20 million will be the amount needed in reserves by January 1, 2014 to pay claims run-out in 2014.

### *Enrollment*

Enrollment in FMIP is currently 1,400; we are adding approximately 50 people per month Enrollment in OMIP is about 11,500; it loses about 111 per month. Guaranteed issue for children in the commercial market has resulted in decreased enrollment of children in OMIP. The Children's Reinsurance Pool has added 96 children since our last assessment of \$3 million in July and now totals 1,524 ceded children; 80 of these children are from Healthy KidsConnect.

### *Rate Development*

We are in the process of preparing rates, but not all carriers have their filings in and approved. In portability we are projecting a 6% rate increase based on the filings that are in and approved. We will know definitively how OMIP and FMIP rates compare to next year's market average once we have made adjustments based on benefit relativities from Regence actuarial services for the commercial plans compared to OMIP. Last year we decreased our rates by 3% to equal the market average for the Medical Plans. The Board levied a 6% surcharge, which resulted in a 3% rate increase.

### *Navigator Grants*

Familias En Accion and Project Access NOW contracts are finalized; Familias is up and running. Familias En Accion has already contacted patients, particularly those who are receiving dialysis. Both organizations have been working with nurse case managers at Regence and coordinating work.

OMIP staff will take an active role in coordinating the work of the navigators and Regence nurse case managers. We are currently providing Familias En Accion the contact information for particular Latino enrollees; Project access NOW will soon receive the contact information for other high cost, high utilization patients.

Familias navigators have been able to engage patients more quickly than we had originally anticipated. Mr. Jovick explained to Board members that they will receive a presentation at the October meeting of what navigators are finding. Don Myron took the lead on developing grants with the Oregon Health Authority procurement office.

The Board thanked the Familias navigators and Regence nurse case managers for their hard work and dedication in working with OMIP/FMIP enrollees. They also expressed gratitude to Regence for providing consistent case manager assistance to the Familias En Accion and Project Access Now navigators in coordinating the care the enrollees need and assisting the navigators in working with patients.

### *Legislation*

The Future of OMIP Subcommittee will be meeting to discuss legislation. There has been a change in discussion of OMIP potentially administering the federal reinsurance mechanism, to be a function of the insurance division. In addition, there is draft legislation that will sunset OMIP and other OPHP programs. There will be a need for the OMIP Board to stay in place for claims processing and possible grievances and appeals. There should be a small administrative office in 2013 to follow through with OMIP/FMIP claims run out and other closing functions.

Mr. King expressed from the Exchange point of view working with OMIP in 2013 on transitioning enrollees. Enrollee communications should go out in January informing them of their potential options for health insurance in 2014. Undocumented individuals will only have the option of purchasing insurance in the commercial market outside of the Exchange, where they cannot be declined insurance.

## **Benefits Subcommittee Report**

The Benefits subcommittee (Mr. Gluckman, Ms. Sumpter, Mr. Provencher, and Mr. Ellertson) discussed two benefit plan changes and rejected both.

1. Establish a single out of pocket maximum for the FMIP plans that applies to both medical and Drug expenditures.
2. Remove the maximum out-of-pocket limit for out-of-network services in all plans.

Ms. Sumpter gave an overview of the staff recommendation and of the subcommittee discussion leading up to their Board recommendations. The subcommittee agreed that establishing a single out of pocket maximum would cause a financial burden to our members. They also decided against removing the maximum out-of-pocket limit for out-of-network services so that enrollees in remote areas would not face undue hardship. Utilization of navigators should help in connecting patients with in-network providers.

Given that there were no recommendations to the Board, it was agreed to accept the Benefits subcommittee report.

## **Care Management Subcommittee Report**

The Care Management Subcommittee (Dr. Gluckman, Ms. Turley, Mr. Antonucci) serves as a work group that provides guidance to staff about policy issues affecting enrollee care or coverage and makes recommendations to the board on benefit or policy changes. Dr. Gluckman reviewed staff recommendations and the subcommittee's discussion leading up to their Board recommendations.

1. Should OMIP give credits for an applicant's prior coverage if that prior coverage has a higher deductible or benefits that require larger cost-sharing compared to OMIP Medical Plans<sup>1</sup>?

Board Decision: OMIP should continue to enforce the policy of not giving credits for benefit plans that are not comparable to OMIP. In addition, OMIP should not give credits for benefits that were subject to an exclusionary period and the enrollee did not satisfy that exclusionary period. In effect, they should be treated as if they did not have that benefit until they have satisfied the exclusionary period. For example, if a person was subject to a 12-month exclusionary period for surgery, making the benefit unavailable for 12 months from the coverage effective date, then OMIP would not grant credits on the six month wait period unless the individual had been covered by the individual plan for the entire 12-month period. For student health plans, OMIP should not give credits because the coverage is typically minimal.

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<sup>1</sup> OMIP Portability Plans must issue credits based on the federal definition of "creditable coverage".

2. Should OMIP limit credits on individual coverage to applicants who come from individual plans that have deductibles less than or equal to \$2,500?

Board Decision: Board members request that staff provide data that may be available from the applications about the trends in enrollees coming from individual plans and any evidence that indicates whether they are coming because the out-of-pocket costs for the commercial plans are higher than OMIP's.

3. Should OMIP credit transplant benefits when a person must terminate existing coverage, in order to be placed on a donor list for a transplant?

Board Decision: OMIP should allow credits for prior coverage only if the applicant's life would be threatened without the transplant. If the applicant's life is not threatened without the transplant, the applicant could enroll in OMIP, but would be subject to the six-month waiting period for prescription benefits. The board asked that Regence develop the criteria for deciding what is considered to be life threatening situations that could be applied as a basis for authorizing exceptions to this policy.

4. Should FMIP allow transplant benefits in excess of the \$250,000 cap?

Board Decision: Dr. Gluckman motioned to remove the cap on transplantation and allow movement from an FMIP plan to a higher deductible OMIP plan during open enrollment. Ms. Sumpter seconds the motion. All in favor.

5. Should OMIP allow enrollees to switch from FMIP to OMIP coverage to obtain a better benefit?

Board Decision: Based on the decision to eliminate the FMIP cap for transplant coverage, the board expects that there would be no reason for FMIP enrollees to want to switch coverage to OMIP to get a better benefit. However, the board agreed to continue the policy of allowing movement from FMIP to OMIP during open enrollment and only into a higher deductible plan

### **Public Testimony**

No public testimony

Meeting adjourned at 2:33 p.m.