

Oregon Medical Insurance Pool
Board Meeting Minutes
October 12, 2011
Wilsonville Training Center
Wilsonville, OR

Board Members Present:

Teresa Miller, Dept. of Consumer & Business Services Representative
Dave Houck, Public Representative Emeritus
Sue Sumpter, General Public Representative
Robin Richardson, Reinsurer Representative
Ken Provencher, Health Care Services Contractor Representative
Suzan Turley, Public Representative
Jared Short, Domestic Insurance Representative
Chris Ellertson, Non-designated Representative

Board Members Absent:

Rocky King, Oregon Health Authority Representative
Andrew McCullouch , Health Maintenance Organization Representative
Robert Gluckman, M.D., Non-designated Representative

OMIP Staff Present:

Tom Jovick, Administrator
Napua Catriz, Administrative Assistant
Linnea Saris, Program Development Specialist
Don Myron, Product Development Specialist
Cindy Lacey, Data Analyst & Policy Advisor
Paulos Sanna, Research Analyst
Judith Anderson, OMIP Legal Counsel
Matt Smith, Budget Analyst OPHP

Others Present:

Blair Thomas, Lund Report
Don Antonucci, Regence
Steve Villanueva, Regence
Laurel Klaus, Regence
John Powell, Regence
Tom Burns, CAREAssist
Barry Burke, Research & Data Analyst
Nick Budnick, Oregonian
Susan Rasmussen, Kaizer

Dr. Csaba Mera, Regence

Approval of Minutes:

Approved

Administrators Report:

Mr. Jovick discussed the children's reinsurance pool and the OMIP/FMIP enrollment as of July this year. The Oregon Medical Insurance Pool received a State High Risk Pool supplemental extension award of \$2,342,102. Of that total, \$1,496,941 is approved for Operational Losses and \$845,161 for a bonus Grant. Mr. Jovick explained that traditionally the Operational Losses portion of the grant has been used to offset the assessments but can be utilized otherwise. The bonus grant must be used for programs that directly benefit enrollment.

The general focus on expenditures, provider contracts, and utilization of services in today's discussion are based on premiums and expenditures in relation to assessments. CAREAssist and Dialysis costs are special cases of general cost and utilization control issues generally due to this population being chronically ill. Mr. Burns of CAREAssist has been working with OMIP to control the cost and utilization per unit of service in the CAREAssist population. Outside of the CAREAssist population, drug costs are high and these drugs are not eligible for the 340B discount available through CAREAssist. When providers contribute to an organization with very little discount or do not contract with Regence, they support premiums that provide coverage, paying significant sums for services. In addition, they are spending small amounts of money to support premiums that provide coverage paying significant sums of money for their services to those individuals. There is a concern with providers or provider related entities paying premiums only as long as they directly benefit from the coverage and risk.

Premium Rates and benefits for 2012:

Mr. Jovick reviewed OMIP's surcharge history, rate and benefit summary and recommended applying operational grants to reduce the assessment. The Board voted to close enrollment in OMIP 500 deductible plan grandfathering current subscribers and increasing the surcharge by 6%. The Board would like to look at adding a higher deductible plan at the next January Board meeting.

CAREAssist Rebate Update:

Mr. Burns reported cost saving actions implemented by CAREAssist. CAREAssist has moved clients from OMIP to the Oregon Health Plan, encouraged clients to utilize in-network providers by refusing to pay out-of-network cost and, built a new drug purchasing program. Mr. Burns is currently working with Ms. Nishida from Regence to identify drugs that can be purchased at wholesale by CAREAssist to benefit a greater discount for CAREAssist enrollees.

Update on Dialysis Costs:

The September 7, 2011 OMIP Board meeting presentation raised concerns about the rising cost for OMIP patients with end stage renal disease (ESRD) on dialysis. Regence has performed additional, extensive data analysis and a claims detail audit of dialysis patients to clarify a number of issues that were previously identified by means of cost trends, facility utilization, claims audit and cost mitigation. It is clear from the case management experience and detailed claims analysis that the OMIP dialysis members have a higher disease burden than the commercial dialysis members. The claims detail analysis provides hematocrit and hemoglobin levels; erythropoietin usage also display Ht/V values. The Ht/V value provides an objective metric that reflects the disease burden and efficacy of dialysis for these patients.

Rule to Define Eligibility of Charitable Organizations to Pay Premiums/Out-of-Pocket Costs:

Mr. Jovick made a recommendation that allows staff to work with legal counsel on drafting an administrative rule that would allow charitable organizations to subsidize premiums or out-of-pocket costs, in part or fully, only if they receive no more than a specific percentage of their revenues from providers or provider-related entities. The rule should also establish a certification process requiring such organizations to demonstrate they qualify under the requirements as established by rule to pay premiums or out-of-pocket costs. A draft of the rule will be reviewed then discussed at the next Board meeting.

Public Comment:

No public comment

Adjourned at 3:58pm