

Oregon Medical Insurance Pool
Board Meeting Minutes
October 6, 2010
Wilsonville Training Center
Wilsonville, OR

Board Members Present

Andrew McCulloch, Kaiser Permanente
Barney Speight, Oregon Health Authority via teleconference
Dave Houck, Public Representative Emeritus
Jared Short, Regence
Ken Provencher, PacificSource
Robert Gluckman, M.D., Providence
Robin Richardson, ODS Health Plans
Sue Sumpter, Public Representative

Board Members Absent

Cory Streisinger, Dept. of Consumer & Business Services
Suzan Turley, Public Representative

OMIP Staff

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

Others Present

Karin Swenson-Moore, Regence via teleconference
Teresa Miller, DCBS - Insurance Division via teleconference
Mark Lazzo, Regence
Judith Anderson, OMIP legal counsel, Dept. of Justice
Sophary Sturdevant, Regence
Susan Rasmussen, Kaiser

Minutes

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

Children's Access

Mr. Jovick discussed changing our statute language to allow children under the age of 19 to be eligible for the pool outside of the two months in which commercial market open enrollment occurs. He prefers to have the legislation passed by February, when the first commercial open enrollment period ends. The Board voted to approve proceeding with the legislative concept to accept children under the age of 19 in OMIP, but only during the 10 months when no commercial coverage is available to them. The motion passed with all in favor.

Benefit changes for 2011

The benefit subcommittee recommended that any benefit changes made in OMIP should be made also in FMIP.

Waive the 6-month pre-existing exclusionary period for children under the age of 19.

Mr. Jovick discussed removing the 6 month wait period for children under 19 which was initially rejected by the benefit subcommittee. OMIP would not be competing with FMIP because OMIP gets a different population. Those who have been without coverage will go to FMIP and the rest who have had previous coverage would go into OMIP.

Currently, no children who come are eligible for OMIP portability coverage have a pre-existing wait period. Mr. Jovick believes would be minimal risk to the pool to remove the pre-existing wait period for children. OMIP is currently the only health insurance coverage option in Oregon that imposes a 6 month pre-existing wait period for children; removing it would further align the program with the commercial market. The motion was presented by Ms. Sumpter and passed with all in favor.

Remove the 2 million lifetime maximum

OMIP does not recommend removing the \$2 million lifetime maximum until we pursue the potential for reinsurance. The Board recommended that OMIP pursue an analysis of reinsurance options before considering removal of the lifetime maximum.

Preventive benefits at 100% under PPACA

The benefit subcommittee agreed we should pay the preventive benefits covered under the Patient Protection Affordability Care Act at 100%. There was a question as to whether we would allow this benefit for preferred providers only or to expand it to include participating providers as well. Because of the scope of the Regence primary care provider panel, OMIP staff indicated there would be negligible impact of allowing coverage for the benefit by both preferred and participating primary care physicians. The board voiced no objections to allowing coverage of the preventive benefits by both providers. The Board unanimously approved paying for the preventive benefits according to the PPACA, and OMIP will allow first dollar coverage for PPACA preventive benefits for both preferred and participating providers.

Increase the out-of-pocket maximum for all OMIP medical plans

The \$500 deductible plan is no longer prevalent in the commercial market so when OMIP surveys the market to establish standard market premiums, staff looks at premiums for \$1000 deductible plans. Over 90% of OMP losses are in the \$500 plan and it has 48% of the enrollment. The benefit subcommittee recommended increasing the out-of-pocket maximum for \$500 deductible plan only.

Dr. Gluckman recommended either eliminating the \$500 plan or increasing the out-of-pocket maximum to \$1500. Mr. Jovick noted that eliminating the \$500 plan would adversely impact the FHIAP population, because most of its OMIP population is the \$500 plan. Ms. Sumpter agreed that OMIP should increase the 500 plan out-of-pocket maximum to \$1500 as well. Dr. Gluckman moved that OMIP increase the out-of-pocket maximum for the \$500 deductible plan to 1500 per individual/3000 per family; this would result in a 1.9% reduction in medical claims. The motion passed with all in favor.

For a future board meeting, Regence offered to bring data to reflect the out-of-network utilizations to see what the impacts are if we raised the out-of-pocket maximums to \$4000.

Skilled Nursing Benefit

The Benefit subcommittee recommended changing the benefit from 60 days per spell of illness to 60 days per calendar year. This makes the benefit easier to understand and easier to administer. If someone is coming close to exhausting the benefit, Regence would “borrow” from other benefits if necessary. The board approved the benefit change unanimously.

Impose a \$1,000 calendar year maximum for TMJ

The board agreed to not adopt the \$1,000 calendar year maximum on TMJ services.

Other benefit changes the Board agreed upon

The board unanimously approved the following additional benefit changes:

- Remove the deductible carry-over provision.
- Increase the ER copay to \$200.
- Revise home health to 130 visits per calendar year.
- Add a nutritional counseling benefit of 3 days lifetime maximum.

The Hydraulics of the OMIP Assessment Revisited

Mr. Jovick gave a presentation on factors affecting the OMIP assessment. The topics included:

- Factors that impact the assessment
- Overview of assessment projection model
- Why the assessment higher is in the 2nd half of the year
- How the assessment can be either maintaining or increasing when enrollment is decreasing.

This presentation reviewed the impact of five different and distinct populations in OMIP and how each of them has an effect on the assessment.

Premium Rates

Ms. Sumpter recommended a 7% surcharge for medical plans based on the information given in tables 1-6 presented to the Board. She felt this was fair due to the current economic hardships people are facing.

A motion for 110% surcharge was presented by Mr. Richardson with a second by Ms. Sumpter. The motion passed with all in favor. There was no opposition to FMIP or Portability rate increases.

Public Comment

None