

Oregon Medical Insurance Pool  
Board Meeting Minutes  
January 5, 2011  
Wilsonville Training Center  
Wilsonville, OR

**Board Members Present**

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

**Board Members Absent**

Teresa Miller, Dept. of Consumer & Business Services

**OMIP Staff**

Barry Burke, Data & Policy Analyst Manager  
Cindy Bowman, Legislative Coordinator  
Tom Jovick, Administrator  
Don Myron, Program Development Specialist  
Linnea Saris, Program Development Specialist  
Sarah Smith, Administrative Assistant  
Nathan Warren, Budget Analyst

**Others Present**

Karin Swenson-Moore, Regence via teleconference  
Judith Anderson, OMIP legal counsel, Dept. of Justice  
Alison Nicholson, Regence  
Susan Rasmussen, Kaiser  
Tom Burns, Director of Pharmaceutical Programs, OHA

**Minutes**

The approval of the October 2010 meeting minutes was accepted with no objections.

**Administrator's Report**

Mr. Jovick reported that, according to the DHS procurement office, if OMIP wants to pursue reinsurance options, it must establish a Request for Proposals ( RFP) process to solicit competitive proposals. He and staff will pursue the possibilities. He noted that the demands of the upcoming legislative session could delay this activity.

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

- Enrollment is steadily dropping and has been since 2008. In January 2008, enrollment exceeded 18,000 and, currently, it is down to about 13,600.
- Even though we are still seeing steady enrollment additions, our terminations are exceeding our enrollments.
- CareAssist is 8% of our population.
- Medical eligibles are still 65% of our population.
- The enrollment for the plan 500 is down to about 45% of our population, most likely due to the reductions in the FHIAP population. The plan still accounts for most of our losses.
- The percentage of enrollees under the age of 19 has decreased slightly, and this could be due to Healthy Kids or the open enrollment in the commercial market.
- Percentage of people who are enrolled 6 months or less is trending down; last year it was 14%, this year it's about 12%.
- The percentage of individuals enrolled more than two years is trending up.
- 45% of our population reports annual earnings under \$25,000 annually.
- Our median age is trending up most likely due the loss of some of the younger population.
- Our loss ratio is still about 200% overall.
- Generic rate is up to 75%.
- 81% of our population does not receive a subsidy.
- Current enrollment in the 1500 plan is 27% of the total.
- Length of enrollment is the lowest for portability and the highest for enrollee's with a FHIAP subsidy, with about a 32 month average.
- The count of insured lives is steadily decreasing and is still anticipated to continue to drop. This could have a significant impact on the per-member per-month assessment amount.
- Inpatient utilization is down and outpatient utilization is up.
- Even though our loss ratio is over 200%, it is significantly influenced by the losses for the CAREAssist population. We increased the out-of-pocket maximum in the 500 plan to help offset the loss ratio.

Dr. Gluckman would like OMIP to look into the relativities for the plan 1500 to see if we can reduce the premium and make it a more attractive option for OMIP applicants and enrollees. He asked the board to see if we can rate it differently or surcharge it differently.

Dr. Gluckman also requested information about what high cost drugs require prior authorization and whether others should be added. Regence representatives agreed to provide information at the next board meeting about drug prior authorization.

The Federal High Risk Pool (FMIP) Stat pack presented a summary of our brief experience so far:

- The median age is 46
- 62% of the population is not subsidized.
- 60% of the population makes less than \$25,000
- The overall loss ratio is 290%
- 10% of enrollees account for 93% of claims paid.

### **Assessment**

Mr. Jovick and Mr. Burke presented the proposed assessment of \$36,477,126 or \$3.88 per covered life per month for six months based on a covered lives count of 1,565,048.

Healthnet qualified for a 10% reduction based on its rejection level. The Board would like OMIP to relook at giving the reduction in the future. Mr. Provencher motioned to hold the assessment at \$4.05 per covered life per month rather than \$3.88 to assure there would not be a shortfall; this per covered life amount is the same as the last assessment in July. Motion passed with all in favor.

### **CareAssist**

Tom Burns presented an overview of the program's history, funding, services provided, and demographics. Approximately 150 CAREAssist clients are eligible for OHP Standard. Department of Human Services (DHS) eligibility representatives are working with OMIP to transition eligible CAREAssist OMIP enrollees to OHP Standard. CAREAssist is implementing a new requirement that those who are eligible for OHP must enroll in the coverage.

On March 1, CAREAssist will implement a new drug purchasing program to further reduce the cost of HIV/AIDS related drugs. As of July 1, CAREAssist will limit or, in some cases, not pay for out-of-network benefits and restrict subsidies for ER copays. Mr. King requested to see a break-down of the CAREAssist expenditures, much like it broke down its sources of funding. He was also curious as to how much of the assessment ultimately funded CAREAssist's program.

Dr. Gluckman brought up the idea of setting up a medical home model plan for the CareAssist population to help their clients better manage their care and to have more sustainability for both CareAssist and OMIP. OMIP will discuss this possibility with its legal counsel.

The board also requested that Kaiser present data of its experience with CAREAssist clients that enrolled in Kaiser coverage. Susan Rasmussen offered to provide information at the next board meeting.

### **Legislative Concepts**

Mr. Jovick reminded the Board of the legislative concepts that will be presented this session. He also explained that representative Laurie Monnes-Anderson will

propose legislation to make OMIP available to children under the age of 19 outside the two open enrollment periods in the commercial market.

**Nominating Committee**

The Board asked for volunteers to be on the nominating committee for the chair and co-chair of the OMIP Board. Dr. Gluckman, Mr. McCulloch, and Ms. Turley volunteered for the committee.

**Public Comment**

None