

Oregon Medical Insurance Pool
Board Meeting Minutes
September 15, 2010
Wilsonville Training Center
Wilsonville, OR

Board Members Present

Barney Speight, Oregon Health Authority
Cory Streisinger, Dept. of Consumer & Business Services
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

Andrew McCulloch, Kaiser Permanente
Suzan Turley, Public Representative

OMIP Staff

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

Others Present

Karin Swenson-Moore, Regence via teleconference
Lynn Nashida, Regence
Mark Lazzo, Regence
Judith Anderson, OMIP legal counsel, Dept. of Justice
Rosanne Combs
Cindy Bowman, Office of Private Health Partnerships.
Sophary Sturdevant, Regence
Susan Rasmussen, Kaiser

Tom welcomes Robin Richardson to the board. He will serve the remainder of C.J. McCleod's term as the reinsurance representative.

Minutes

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

Administrator's Report

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

- Terminations are exceeding the number of new enrollments. Current enrollment is just under 14,000.
 - The net new enrollees have been decreasing steadily since 2009.
 - CareAssist enrollment has up from 4% to 8% since 2007.
 - In 2006, 76% of the enrollees were in Plan 500; now it's 48%. Plan 1500 has increased enrollment to 24% of our enrollment.
 - Median age is 52.
 - 6% of the OMIP population is children.
 - Nearly 60% of our enrollees have been covered for 2 or more years.
 - About 57% are female.
 - About 47% earn less than \$25,000 a year.
 - The cost per policy per month is \$1064; in 2007, it was \$744.
 - OMIP has about a 200% loss ratio. (Historically when OMIP had 25% of its enrollment from FHIAP those people who came in for just six months kept the loss ratio down.)
 - ER visits per thousand is still relatively high.
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 - Inpatient cost per day has gone up about 12% from 2008-2009. (Some Board members who represent insurers commented that this is not what the experience in the commercial market has been. They indicated that the Outpatient Hospital utilization and costs are increasing in the commercial market, not Inpatient.)
 - CareAssist enrollment is starting to catch up to the FHIAP enrollment level. There have been steady increases in this population since 2007.
 - Net enrollment shows a steady decline in each enrollment group except for CareAssist.
 - About 84% of the enrollees are medical eligibles and about 16% are portability.
 - About 62% of enrollees reside in the northern I-5 corridor and about 16% are in the southern I-5 corridor.
 - Premium per policy is increasing at a steady rate, but the cost is accelerating at a much different rate and that gap determines the assessment.
 - CareAssist has 74% of its cost in drugs, mostly brand.
- Mr. Speight recommended that he and Mr. Jovick meet with Tom Burns and CAREAssist staff to discuss how comparable programs (typically called ADAP programs) in other states access coverage or care for their Mr. Jovick added that OMIP could request information from other state risk pools to determine which cover the ADAP population and whether they have any better control over costs for them.

FMIP Update and Rules

Mr. Jovick addressed this topic.

In August OMIP received approximately 295 applications and, of those, 175 looked like the applicant would be FMIP eligible. As of September 10, 53 people have come onto OMIP and 35 appear FMIP eligible. We expect 40%-50% of total enrollment to be eligible for FMIP. The number of paid enrollees in FMIP is approximately 60. As of September 1st the old application is no longer accepted. Much of the August decline in

enrollment in OMIP is due to the enrollment in FMIP. OMIP staff will develop a separate stat pack for FMIP.

We can enroll to a certain number in FMIP and then maintain it through 2013. The risk pools are scheduled to disappear starting January 1, 2014 as a result of the federal individual mandate and guaranteed issue of coverage. We expect to be able to enroll about 2,000 individuals and maintain that level. When FMIP reaches that level, we will establish a waiting list and give new eligible individuals the choice of waiting until a vacancy occurs due to disenrollment or enrolling in OMIP. Ms. Streisinger suggested we look into further federal funding through the reallocation process it may implement before FMIP imposes a waiting list. The federal government may re-allocate funds from other states if enrollment there is less than projected.

As a policy, we will allow individuals to choose the OMIP Plan 1500 even if they qualify for FMIP. We will not allow families or individuals who qualify for FMIP to be on any other OMIP plan.

Mr. Jovick noted that current Federal rules are not final, and comments are due September 28th. After comments have been considered, final rules should be available sometime in October. Judith Anderson explained that it would be in the best interest of FMIP to wait until final Federal rules have been issued before adopting administrative rules for FMIP. FMIP can operate without rules because it must adhere to the federal requirements and can develop and implement policies in the interim.

OMIP and FMIP Benefit Changes

Mr. Jovick discussed the benefit subcommittee meeting, which included Board members Sue Sumpter, Jared Short, and Dave Houck. OMIP and Regence staffs were also participants in the benefit subcommittee meeting. The recommendations from the benefit subcommittee were presented to the Board for its consideration.

Federal Reform Changes

Eliminating the Lifetime Maximum: The Board asked that staff explore reinsurance options and before it makes a decision to eliminate the lifetime. Ultimately, pursuing a reinsurance arrangement would require solicitation of proposals..

Preventative Services Covered at 100%: The Board was concerned there would be confusion for the enrollee if preventative services were paid as in-network at 100% for both preferred and participating Regence providers while all other benefits are paid strictly as in-network for preferred providers only. There was concern that an enrollee would receive both preventative and treatment services in the same visit from a nonparticipating provider, creating confusion due to the payment of preventative services as in-network and treatment services as out-of-. One Board suggestion was to cover preventative services at 100% for all providers, both in-network and out-of-network. Regence representatives will

bring data to the October board meeting showing the number of preferred and participating primary care providers by county..

Waiving the 6-month Wait Period for Pre-existing Conditions: The benefit subcommittee recommended that OMIP not waive the six month pre-existing wait period for children under the age of 19. Doing so would put OMIP in competition with the individual market and with FMIP. Ms Streisinger raised the question of whether OMIP should allow children on OMIP, given that there are other options in the market.

Mr. Speight indicated there were other reforms not yet discussed. These are provisions regarding 1) emergency room benefits, 2) dependent coverage to age 26 and 3) choice of health care professionals among woman/children. OMIP staff will confirm that the current benefits are already being administered in line with PPACA

Oregon Market Changes

Removal of the deductible carry-over provision: There were no questions or concerns regarding the removal of the deductible carry-over provision that the subcommittee recommended.

Increase the ER copay to \$200: The Board supported this recommendation due to the high ER utilization in OMIP compared to the commercial market. Dr. Gluckman requested that OMIP ensure it provides education to enrollees about urgent care or immediate care facilities. Ms. Sturdevant informed the Board this information was available on the MyRegence website.

Change in coverage of Home Health Services to 130 visits per calendar year: The Board agreed with the subcommittee recommendation for the change.

Add a 3-day Lifetime Nutritional Counseling Benefit:

The Board agreed with the subcommittee recommendation for the change.

Impose a \$1,000 calendar year maximum on TMJ Services:

The Board agreed with the subcommittee recommendation for the change.

Change the Skilled Nursing Facility benefit to 60 days per calendar year:

To say that the Board did not make a decision on this benefit change..

Benefits that were discussed but no action was taken

Increase the out-of-pocket maximums for each benefit plan for OMIP:

The Board was inclined to have the out-of-pocket maximums increased for both in and out-of-network but not combined to one maximum. The Board requested information indicating where the market is for out-of-pocket maximums for similar plans and a claims cost change that could result from increasing the maximums separately for in-network and out-of-network services.

OMIP and FMIP Market Rates

Mr. Jovick discussed the memo and reviewed preliminary tables for the premium calculations for 2011.

The projected assessment figures do not take into account the \$1.6 million grant OMIP just received from the federal government to offset the losses. For the October board meeting, the memo and tables we will take into account the grant as well as updates to claims and premiums. These figures also do not include any of the impacts the proposed benefit changes could have.

In October we will have the discussion on where the surcharge should be.

Barney expresses concerns regarding the difference in the magnitude of the assessment for the first half and the second half of 2011. He asked staff to make a presentation at the October board meeting to explain it..

Ms. Streisinger would like to keep the OMIP rates higher than FMIP to encourage applicant's to choose FMIP if they are eligible.

Legislative Concepts

Regarding the third party assessment it might not even move ahead. The Health Authority plans to go ahead with all the concepts.

Public Comment - None