

Healthcare Coverage Reform Initiative

Advisory Committee (AC) Meeting Minutes

Tuesday, November 20, 2007

1:00-4:00 p.m.

Lazarus Government Center, Room C621 A&B, 6th Floor
Ohio Department of Job & Family Services (ODJFS)
50 W. Town Street, Columbus, OH 43215

Attendees:

Brent Mulgrew, Shawn Frick, Jerry Friedman, Ken Statz, Toya Johnson, Cynthia Burnell, Carol Roe, Brian Keaton, Beth Bickford (for Teresa Long), Steve Millard, Ty Pine, Roger Geiger, Jim Castle, Jon Fishpaw, Fred McGraw, Heath MacAlpine, Linda Woggon, William Fitzgibbon, Kelly McGivern, Nancy Enright, Kathleen Gmeiner, Vuka Stricevic, George Dunigan, Holly Saelens, Amy Goldstein, Nick Lashutka, Margie Frazier, Col Owens, Ron Bridges, Ted Fisher, Cathy Levine, John Burant, Bill Hayes, Katherine Kuck, Cristal Thomas, Doug Anderson, Mary Jo Hudson, Malika Bartlett, Sarah Curtin, Kevin Tyler, Marjorie Ellis, Suparna Bhaskaran.

1. Introductions and welcome by Doug Anderson from the Ohio Department of Insurance. Steve Wall provided an overview of the agenda and spoke about the ground rules for discussion.
2. Doug updated the Advisory Committee on the key issues discussed at the November 8th SCI Team meeting and the results of the small group discussions at the October 30th Advisory Committee meeting. Based on the feedback from the Advisory Committee and SCI Team, reform scenarios to model were developed with the help of Dave Dillon. Two scenarios -- a connector approach and a reinsurance program -- were identified by the Advisory Committee and SCI Team. Each scenario included components related to eligibility, market reforms, benefit packages, provider reimbursements, low-income subsidies, and other elements. The Committee also identified other reforms to model, such as a high risk pool, using the state employee plan as a mechanism for expanding coverage, and section 125 plans for employers. Based on questions from Committee members, Doug stressed that the actuarial and economic modeling study will look at reforms using Ohio specific data; benefit packages to be modeled will include the benefits currently mandated under Ohio law; market reforms such as guaranteed issuance of coverage will extend to the entire individual market not just the connector or other new programs; and reforms related to the state employee plan are still being worked out.
3. Ken Statz, from the Ohio Association of Health Underwriters, gave a presentation about underwriting and rating in Ohio's individual market. Ken explained his

background as an insurance agent with over 35 years of experience. He explained what occurs when an individual comes to an insurance agent to purchase health insurance coverage in the individual market. Ken provided several handouts to the Committee, including an application form that consumers and small businesses must complete to obtain coverage. Ken explained that if an individual has one or more significant health conditions, he or she may be rejected for coverage or issued a rider that excludes coverage for those conditions. Ken provided the Committee with two handouts, one entitled “Representative List of Uninsurable Conditions in Ohio’s Individual Market,” and the other entitled, “Most Common Exclusion Riders.” The handouts contained a list of medical conditions that commonly result in people being denied coverage or issued exclusionary riders. In response to questions from the Committee, Ken thought that about 50% of individuals who apply for coverage are turned down, but Ken needed to do additional research to confirm that percentage. Ken explained that pregnant women, smokers, people taking blood pressure medications, and overweight people can be declined or charged high rates. Ken also explained that if the individual and small group markets are merged, there would be no more riders or declinations in the individual market. Ken also advocated for a high risk pool as a method for providing coverage to people currently declined in the individual market.

4. Break: 10 minutes
5. Cristal Thomas then discussed recent developments regarding the implementation of Medicaid changes approved in the last budget, including dental and vision coverage and increased provider reimbursement rates. Cristal explained that implementation is being delayed because of increased Medicaid caseloads; increased spending and expenditures per person; increased take up rates due to better outreach efforts; and poorer than expected economic forecasts. Additional information and analysis will be available in December to develop forecasts that will help to determine when implementation can occur. The Administration plans to implement the Medicaid expansions and increased provider payments, but the issue is when those initiatives will be implemented. In response to questions, Cristal said that these Medicaid developments should not be taken in a negative light related to the healthcare coverage initiative. The efforts to develop reforms to cover Ohio’s uninsured residents must continue to move forward.
6. Marjorie Ellis then gave a presentation on health insurance benefit packages and associated costs. Marjorie explained that the target population is uninsured residents not eligible for Medicaid or Medicare. They include employed and unemployed individuals, and high and low-income populations. Low-income people generally have little or no disposable income; cannot seek care if cost-sharing is required; and must have affordable preventative care to avoid future health problems. High-income people do have some disposable income, are willing to accept lower benefits for lower premium rates, and are willing to choose high deductible plans for lower premium rates. Marjorie also provided the

Committee with a handout that showed a standard benefit package and the costs associated with the different components of coverage. The handout also showed how premium rates change when cost sharing components, such as copays and deductibles are added to the package.

7. The Advisory Group then broke up into small groups to discuss the benefits that should be offered in any coverage expansion. Advisory Committee members were given a handout that contained a list of benefits that could be included in a benefit package, and were asked to evaluate those benefits based on cost and the extent to which the benefit components worked to achieve the Governor's goal for a healthy Ohio. Small group members were asked to collectively rank twenty-five items from a list of benefit options on the effectiveness-cost chart. At the conclusion of the small group discussions, Steve Wall collected the information the small groups recorded and he said would disseminate the results at the next meeting.
8. Doug announced that the next Advisory Committee Meeting will be an all-day event (9 a.m. to 4 p.m.) at the Lazarus Building, Room 621, on Tuesday December 11, 2007.
9. Meeting adjourned at 4:00 p.m.