HEALTH EXCHANGE ADVISORY BOARD

Board Meeting

December 13, 2012 Minutes

The second meeting of the Health Exchange Advisory Board was held on December 13, 2012 at the New Hampshire Insurance Department in Concord, New Hampshire. The meeting was called to order at 8:30 a.m. by co-chairs Lisa Guertin and Scott Baetz.

Members present were: Christine Alibrandi, Scott Baetz, Russell Grazier, Lisa Guertin, Lisa Kaplan Howe, Lisa Morris, Beth Roberts, Sandra Ruka, Commissioner Roger Sevigny and Commissioner Nicholas Toumpas.

Members absent: Beryl McCormack, Nancy Clark, Tim Soucy and Raymond White.

Scott Baetz asked for approval of the November 13, 2012 minutes. Beth Roberts moved to approve and Lisa Morris seconded the motion, with all members in favor. Scott continued with the 2nd item on the agenda requested by the Board at their first meeting, which was an introductory explanation of Exchanges. Lisa Guertin thanked the team of people who prepared the training materials on exchanges - Jennifer Patterson, Katja Fox, Maria Proulx, Paula Rogers, Chris Alibrandi, and Lisa Kaplan Howe.

The “Exchanges 101” presentation was distributed and NHID legal counsel Jennifer Patterson discussed each page in more detail. She explained that exchanges are new marketplaces where individuals and small businesses can purchase health insurance. Eligible individuals may also use the exchange to enroll in Medicaid and qualify for health insurance subsidies. Exchanges must be operational by January 1, 2014. New Hampshire’s exchange will be set up by the Federal government, but there is still a possibility of a state-federal partnership with respect to some exchange functions. There are three types of Federal-State Partnerships. Option 1: Plan Management; Option 2: Consumer Assistance; and Option 3: Plan Management and Consumer Assistance. The specific functions taken on by the state for the different types of partnerships are listed on page 7 of the handout. For 2014, the deadline for declaring a partnership is February 15, 2013. States can transition between models (federally-facilitated, partnership, state-based) in later years also, with a declaration of the change due November 2013 for the year 2015, November 2014 for the year 2016, etc.

New Hampshire’s federally-facilitated exchange will be funded by user fees on carriers selling coverage through the exchange. Lisa Morris asked who pays the fee and Chris Alibrandi explained that the carrier pays the user fee and that the federal government calculates the number, which will be in the 3.5% range for 2014. The plan is for the exchange to be self-supporting by January 1, 2015.
Jennifer discussed the insurance products that will be offered on the exchange. All plans sold in the individual and small group markets, both inside and outside the exchange, must cover the Essential Health Benefits, ten categories of services listed in the Affordable Care Act. These services are intended to mirror those covered by a typical employer-based insurance plan, and states were given the option of selecting as their “benchmark” one of ten plans actually in place in the state as of the first quarter of 2012. New Hampshire’s joint legislative health care reform oversight committee chose as the state’s benchmark Matthew Thornton Blue, an Anthem BCBS plan sold in the small group market. Plans sold in 2014 and beyond must mirror the services covered by the benchmark plan, but need not mirror its cost-sharing features. With respect to cost-sharing, individuals will be able to choose from four different benefit tiers (platinum, gold, silver and bronze), representing different levels of actuarial value. Consumers can compare on a cost basis which plan or “metal level” best suits them.

Jennifer wrapped up the presentation by discussing who will be using the exchanges and why, including members of Congress and their staffs. She briefly discussed the Medicaid expansion, which under the ACA would include people earning up to 138% of the federal poverty level (FPL), and the June 2012 decision by the U.S. Supreme Court, which gave each state the option of choosing whether or not to participate in the expansion.

With respect to the Medicaid expansion, Commissioner Toumpas explained that the NH DHHS is working with the NH Charitable Foundation and the NH Endowment for Health to study the cost of the Medicaid expansion and its impact on the state’s economy, health care market, state agencies and insurance marketplace. Gaps in coverage are being looked at as well. The insurance subsidy kicks in at 100% of the FPL, and states that don’t expand Medicaid will have to grapple with concerns about coverage for individuals earning less than 100% of the FPL as well as those moving between exchange coverage, Medicaid and uninsured status.

The second Lewin report will be released January 11, 2013 and a presentation will be made to the public and policymakers. Ultimately any decision to participate in the expansion would take the form of an amendment to the state’s Medicaid Plan, and would need to be approved by the Fiscal Committee of the General Court.

The board then discussed the Exchange timeline and the various dates that New Hampshire is looking at. The most critical date is February 15, 2013, which is the deadline by which states must make a “declaration” if they intend to pursue a partnership exchange. Beth Roberts asked how the declaration process works, and Jennifer explained that the state’s governor must sign a declaration letter, then the state must electronically submit a complex and detailed ‘blueprint’ whose contents depend on the type of partnership the state is pursuing. The NHID also intends to brief the legislative oversight committee and get its input prior to filing any declaration.

Lisa Guerin asked if we could predict the costs of a partnership. Jennifer explained that this type of planning work had not been done in New Hampshire, because the state did not use its exchange planning grant funds. However, there are different grant funds available, with rolling deadlines for grant applications, that could support a consumer assistance or plan management partnership, or both, at
least in 2013 and 2014. Commissioner Sevigny explained that the NHID had decided to apply for funds with a December 28, 2012 deadline to implement a plan management partnership. However, the intent of this application is merely to keep the partnership possibility open. Actual use of any funds awarded would be subject to Fiscal Committee and Governor and Council approval, and the decision of whether to enter into a partnership would still go through the governor and the legislative oversight committee.

Russell Grazier had detailed questions about the tax credit for small businesses. The insurance department is looking at clarification. Commissioner Sevigny pointed out that the 1st set of regulations that just arrived is 1000 pages long. Lisa Guertin suggested that the board follow up on that discussion at the next meeting.

Lisa Guertin then continued with the third item on the agenda, which was the role of the board. The board chairs circulated a draft Guiding Principles document they had created to further develop the statutory role of the board (advising the two commissioners with respect to the interests of New Hampshire businesses and consumers relating to a federally-facilitated exchange). The co-chairs hoped to get general agreement on the role of the board and the manner in which it would operate.

Under the approach in the Guiding Principles document, the central role of the board would be to provide input and recommendations on key elements or decisions identified by NH DHHS or NHID. As the board’s role would be to advise, not to approve, there would be no need for the board to vote or reach consensus on substantive issues (e.g., particular policy directions). Rather, the board would provide valuable input to the commissioners, with all stakeholder views taken into consideration. Under this approach, the board as an entity would not typically make recommendations directly to the legislature, although individual board members might appear in the legislature on behalf of themselves or their employers. While a free expression of thoughts and views would be encouraged, the board would not be used to voice overtly politically views.

After some discussion, the board members generally agreed that the approach outlined in the Guiding Principles document made sense, and that it would be beneficial for each member to be encouraged to state his or her views without needing to compromise in order to reach consensus.

The last item on the agenda was establishing the monthly meeting date/time. It was decided to hold the meetings from 9:15 to 11:00 a.m. the second Friday of every month. The next meeting will be January 11, 2013, at a place to be determined.

Lisa Guertin wrapped up the meeting and said that she was looking for topics to build the agenda out. The Board asked if they could have background reading sent via email in advance, and the departments agreed to provide this.

Jennifer suggested that as a main topic of discussion for the next meeting it would be useful for the Board to look at issues relating to a potential consumer assistance partnership before a decision is made with respect to this type of partnership. This discussion would cover the role of different types of “assisters” who might help people use or find out about the exchange, including insurance producers, Navigators, and others providing assistance to potential users of the exchange. It could also focus more generally on what types of consumer assistance already exists, and what types of assistance and
outreach might work best for New Hampshire. Another agenda item would be to follow up on questions about the small employers and employee counting.

The meeting was then opened to questions and comments from the public.

Attorney Andrew Eills brought up the Medicaid expansion, noting that a recent letter from Secretary Sebelius to state governors stated that states cannot do a partial Medicaid expansion. Commissioner Toumpas responded that DHHS was tracking this issue. Steve Morgan of Amherst asked about the exchange call center that would be opened October 1, 2013. Jennifer explained that this call center would be operated by the federal government, not the state. Karen Kelly of Derry asked about additional program for small business, how it works and the navigator/consumer issue. Jennifer said these issues, particularly the navigator/consumer issue, would be discussed in more detail at the next board meeting.

The meeting adjourned at 10:20.