

ASSOCIATED HEALTH PLANS STAKEHOLDERS' MEETING

September 21, 2018

Commissioner Elias opened the meeting by welcoming all and introducing Insurance Department (Department) personnel. He emphasized the Department's focus on identifying opportunities created by the US Department of Labor (DoL) rule on Associated Health Plans (AHPs), including informing future Department legislative efforts and the initiation of this group as a venue to allow all interested parties to offer input and guidance.

Jenny Patterson, Director of Health Policy for the Department, provided some background on the AHP rule, and the way it relates to current New Hampshire insurance laws. (please see attached handout) She noted that there has been a lot of interest in the state over time in providing new options for small employers and sole proprietors, and that the Department hopes convening this group can help create a consensus that can be reflected in legislation to be introduced in 2019. If NH decides to allow AHPs, questions for policymakers to address will include:

- Qualifications for a group to offer an AHP
- Services required to be covered
- Rating requirements
- Oversight of coverage by an out-of-state entity/across state lines
- Whether same standards apply to self-funded vs. fully-insured

Deputy Commissioner Alex Feldvebel provided a history of efforts in New Hampshire to create options for small employers. He explained that RSA 420-M, the state's purchasing alliance law, provides options for small employers, but only on a fully-insured basis. A qualified purchasing alliance may purchase health insurance that is rated based on the aggregate experience of member small employers/small groups using small group rating standards. The new DoL rule goes farther, allowing AHPs to be rated as large group. However, taking advantage of this opportunity would require a change in states law.

Each person that had signed in was given the opportunity to speak, ask questions, or express a concern. Meeting attendees were asked to share who they are, the organization they represent (if any), and their high-level thoughts about important considerations for New Hampshire in thinking about AHPs. Interests represented at the meeting included agents and brokers (producers), insurance carriers, business and industry organizations, service providers, consumer advocates, and academics. A question was asked as to who constitutes a stakeholder for purposes of this group; the response was, anyone interested in AHPs.

In the interest of brevity, the input received has been consolidated to reflect the views expressed by the group as a whole:

- Several participants expressed support for the idea of AHPs providing a new option for NH businesses and employees, who have been experiencing increasing premiums and costs. Representatives of trade organizations noted that their national/umbrella organizations offer AHP coverage, but it is not currently available in NH.
- Others expressed concern that, given the state's small small-group market, this new option could have a negative effect on the quality of the risk pool, with healthier members leaving.

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Questions were asked about what analytics would be needed to discern potential market impacts.

- Many, including those generally supporting AHPs, stressed the need for clear guidelines about what rules would apply to new types of coverage, including solvency requirements and clear disclosure language for consumers.
- Several expressed concern about AHPs not covering basic services/not delivering true value to members. It was stressed that the state should judge success by increased access to *services*, not just increased access to coverage. Particular concern was expressed about access to mental health services, as well as maternity and prescription drug coverage.
- Many questions/suggestions/concerns on AHPs generally:
 - Minimum level of participation?
 - What will plans look like?
 - Application process?
 - Solvency requirements?
 - Services covered? Difference between fully-insured and self-insured AHPs?
 - Across state lines allowed?
 - Sole proprietors allowed?
 - Option to decline a group?
 - Timeline?
 - How will hospital contracting work?
 - Underwriting factors by group – small vs. large
 - National/regional associations allowed?
 - What analytics will be used to determine market impact?
 - Special enrollment periods?
 - Reduce covered preventative measures to increase affordability
 - Movement between carriers/plans allowed?
- A suggestion was made to re-institute cafeteria plans that offer consumers choices
- Concern was expressed about the gap between when the DoL rule takes effect (April 1, 2019) and any new NH state law; answer: existing law applies until new law takes effect; fully-insured plans are no different from existing laws
- Who would regulate national/regional plans; answer: NH should have regulatory authority for plans covering people in NH
- Concern about how to educate consumers about the coverages included
- Concern about impact on the markets not affected by AHPs
- Will membership in an AHP preclude an individual from buying insurance on the marketplace/force a member into an AHP?
- What are other states doing? Answer: each doing its own thing; some prohibit AHPs, some adopt mandates; some welcome AHPs. NH looks to strike a balance of transparency and consumer protection that is not as stringent as the ACA
- Innovation is key to keeping coverage affordable
- Massachusetts offers an access service for choices of coverage (small group market?)

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At the end of the meeting, the group discussed next steps. The Department agreed to develop an outline of a preliminary “guardrails” approach to present at the next meeting, with legislative language to be developed later based on the group discussion.

Next meeting: Wednesday, October 10, 2018