Health Industry Advisory Committee Meeting Minutes

Thursday, April 25, 2019, 2 – 4 p.m.
UCare, 500 Stinson Boulevard NE, Minneapolis, MN 55413

Members in attendance: Joel Ulland – Chair, Thomas Hoffman – Vice Chair, Matthew Aiken (via phone), Carl Floren, Hodan Guled, and Jenifer Ivanca (via phone)

Members not in attendance: Hillary Hume, Daniel Miesle, Maria Lima-Leite, Danielle Paciulli, and Nancy Yaklich

Staff in attendance: Christina Wessel – Senior Director of Partner and Board Relations, Aaron Sinner – Board and Federal Relations Director, Eva Groebner – Legal Analyst

Guest in attendance: Suyapa Miranda, MNsure Board of Directors

Meeting Topics

Welcome & Introductions

Joel Ulland, Chair

Joel Ulland, chair, called the meeting to order at 2:03 p.m. Members introduced themselves.

Suyapa Miranda introduced herself to the committee. Suyapa noted she has spent her career working with non-profit organizations serving a wide variety of constituents, and presently works as an independent consultant in legislative advocacy policy matters through Minnesota State Voices. In the past, Suyapa has worked with youths and felons, and in case management, health disparity, and community accessibility through the American Heart Association and St. Anthony Park Community Council. In May 2018, Governor Mark Dayton appointed Suyapa to the MNsure Board of Directors.

Public Comment/Operational Feedback

Joel Ulland, Chair

Jenifer Ivanca introduced operational feedback surrounding duplicative feedback to MNsure from the broker stakeholder workgroup and the Health Industry Advisory Committee, both of which Jenifer participates in. Jenifer specified that the broker stakeholder workgroup recently reviewed technology functionality requests similar to a review that HIAC performed last year. She suggested that the different groups be apprised of one another's focus so that plans can be made to work together rather than having similar work repeated.

Christina Wessel, MNsure staff, agreed that there could be value in knowing generally what others are working on. She clarified for the committee that advisory committees are statutorily implemented to advise the MNsure board whereas the stakeholder workgroups are gathered by MNsure staff to provide feedback from key partners of MNsure regarding day-to-day operational matters affecting those partners.

Hodan Guled suggested that coordinating requests to the MNsure board with the Consumer Small Employer Advisory Committee (CSEAC) indicates to the board that there are a variety of Minnesotans that could benefit by the joint committee recommendations. Christina confirmed that unifying the advisory committees could be impactful for the board, but that the stakeholder workgroups serve an alternate purpose without advising the MNsure board. Aaron Sinner, MNsure staff, noted that the stakeholder workgroups are each intentionally comprised of individuals who share a similar relationship with MNsure and similar perspective, whereas the advisory committees are intentionally comprised of individuals representing a diverse collection of perspectives.

Joel echoed Jenifer's sentiment, stating that within industry groups that he's involved with he learns about topics that have not been a focus of advisory committee meetings. He noted the upcoming GetInsured implementation and asked that MNsure staff provide an update during the committee's May meeting of what to expect from that rollout.

Political Landscape

Joel Ulland, Chair

Joel updated the committee with the status of the legislative session, which is set to adjourn May 20. Each state house has put together proposed Health and Human Services finance bills. The House has been working on an omnibus bill that embraces Governor Walz's proposals discussed at last month's HIAC meeting, focusing on a premium subsidy, a state-based tax credit, and a ONEcare health insurance product to offer additional coverage options statewide. The Senate has proposed a standalone bill that would extend the reinsurance program for an additional three years. The proposals will need to be negotiated and presented to Governor Walz for consideration by the end of the legislative session.

Aaron reviewed three Senate-proposed amendments that could potentially impact how MNsure operates. Senator Michelle Benson offered legislation that would reduce MNsure's premium withhold from 3.5% to 2%, eliminate of MNsure's active selector authority, and pursue a federal waiver to allow tax credits toward individual market products purchase outside of MNsure. Aaron noted that these types of proposals have appeared in previous legislative sessions, and MNsure will continue to monitor them. Hodan noted that Minnesota is the only divided legislature in the United States at this time. Joel reiterated that there will be developments to each proposal before they are signed or vetoed by Governor Walz in late May.

MNsure Board and Staff Update

Aaron Sinner, MNsure Board and Federal Relations Director

Aaron reported that CSEAC has adopted four topics to draft board recommendations around this summer: a summary section on health care notices, promotion of health insurance literacy, modifications to streamline life event change processing, and MNsure coordination of a possible outreach program between MNsure assisters and small businesses.

The MNsure board will meet in June and July, and then is not scheduled to meet until October.

Co-pay-only Plan Design Proposal

Aaron Sinner, MNsure Board and Federal Relations Director

Aaron reported that last December, MNsure staff met with the Patient Advocacy Coalition at the coalition's request to discuss what regulatory tools MNsure may have to promote the offering of co-pay only plans within Minnesota. MNsure has active selector authority, so MNsure staff took the proposal to a board member for his thoughts on whether this proposal should be brought to the full board and/or further explored. He recommended bringing the topic to the advisory committees so a broader set of MNsure stakeholders could weigh in. Aaron framed the discussion questions as (1) whether MNsure should use its active selector authority, (2) whether promoting co-pay-only plans would be the best way to use active selector authority, (3) if so, how such a regulation should be structured, and (4) whether there were other potential uses of active selector authority that should also be prioritized in any conversations regarding its use.

Aaron defined active selector authority as MNsure's legal authority to create standards among plans offered through the exchange. MNsure has not used its active selector authority before, so by default any plan that meets Minnesota individual health plan standards and federal qualified health plan standards can be offered through MNsure. Aaron offered a variety of hypothetical standards that MNsure could potentially use under this authority: require that all MNsure offerings have certain mandated benefits; require that each carrier offer at least one product in each service area with a certain mandated benefit; require participating carriers participate in certain ways, such as offering in every county; or require that participating carriers meet certain standards, such as paying a minimum commission to brokers. Aaron noted that while standards can be required of participating providers, MNsure cannot mandate participation through the exchange.

Joel noted that Minnesota mandates guaranteed renewability for its consumers. This protection ensures extended access to consistent plans, but means carriers must be confident in a product offering because they will need to continue to make that product available into future plan years. Joel and Hodan added that many carriers offer products outside of the exchange, and may have incentive to leave the exchange under pressure of their business practices. Hodan suggested that MNsure could consider incentives for providers that have been loyal to the exchange for longer periods of time.

Aaron explained that a co-pay-only plan design is a plan with a fixed dollar prescription for co-pays without a prescription drug deductible or co-insurance requirement. He explained this in an example: Most product offerings through MNsure have a deductible, so a consumer may have a $1,500 deductible. The consumer would then pay the first $1,500 and hit their deductible before transitioning into co-insurance. The consumer then could pay roughly 10% of the cost of their

prescription drugs until they reached the maximum out-of-pocket limit on the plan. In this scenario, a consumer would pay more for the prescription early in the year, and less or nothing for the same product after their deductible and co-insurance are met. Alternatively, in a co-pay-only plan, the cost of each prescription drug would have a fixed maximum cost that would be consistent throughout the year. The total amount paid would likely be identical, but for consumers with high prescription drug costs, the consistency would help the consumer budget throughout the year.

Aaron noted that Colorado and Montana have each taken regulatory action through their Departments of Insurance to require that co-pay-only plans be offered on their individual markets. Colorado health insurance providers must offer co-pay-only prescription drug plans in no less than 25% of their products per rating area. Colorado applies this to each metal tier, exempting catastrophic and high deductible plans, and the maximum co-pay cannot exceed 1/12 of out of pocket limits. Montana issued an advisory memorandum in March 2015 that requests each provider offer one co-pay-only plan, with no prescription drug deductible, in each rating area.

Members of the committee found the concept of these policies and regulatory actions worth exploring further at an upcoming meeting. They suggested bringing the language of the Colorado and Montana regulations to a future meeting. Additionally, they asked for information on how successful the advisory memorandum was in comparison to a regulatory requirement.

Review & Approval of Prior Meeting Minutes

Joel Ulland, Chair

MOTION: Tom Hoffman moved to approve the draft March 28 meeting minutes. Carl Floren seconded. All were in favor and the minutes were approved.

Improving the MinnesotaCare-to-QHP Affordability "Cliff" Experience through Communication

Matt Aiken, Tom Hoffman and Joel Ulland, HIAC Members

Tom presented a document that illustrated the "affordability cliffs" that separate Medical Assistance from MinnesotaCare coverage, and MinnesotaCare from qualified health plan coverage. Tom specified that the affordability cliff is defined by variance in premiums, cost-sharing and networks across the programs. Medical Assistance, Minnesota's Medicaid program, provides coverage for individuals and families with incomes 0-133% of the Federal Poverty Level (FPL). MinnesotaCare offers coverage to Minnesotans 134-200% of the FPL, and qualified health plans (QHP) are available to the remainder of citizens, although tax credits and cost-sharing reductions are only available to those 201-400% of the FPL. Tom suggested that an individual could gain a small raise in their income, and suddenly be obligated to pay a far higher premium each month, which would effectively cancel their increased income. He elaborated that networks become smaller as premium increases, so QHP networks are less inclusive than MinnesotaCare and Medical Assistance networks. Hodan clarified that many

clinics will not accept Medical Assistance or MinnesotaCare policies, and the networks are not simply inclusive of every health care provider.

Tom made a few suggestions to alleviate the affordability cliff in Minnesota:

- Move from a three-tiered health insurance system to a two-tiered model in order to redirect funding from MinnesotaCare to a reinsurance program.
- Further explore ONEcare options to combine MinnesotaCare with the QHP program.
- Reduce Medical Assistance and MinnesotaCare benefits to align with QHP better. For example: require that recipients commit to one pharmacy type, or use generic prescriptions when available—changes that could impact costs with minimal disruption to the consumers.
- Evaluate silver loading options to drive up federal funding. Tax credits are set by the second lowest costing silver level plan, and are fully funded by the federal government. Insurance providers in other states have loaded revenue (lost from the subsidies) into their silver level plans to drive federal funding.
- Cost share reconciliation litigation—no insurer in the country that sued the government to be reimbursed for cost share subsidy has ever lost.
- Balance the risk pool to drive down premiums. Minnesota could implement an individual mandate, or require that the individual market be offered exclusively through MNsure.

ONEcare Handout

Matt Aiken, HIAC member

Matt Aiken shared with the committee a handout that has circulated through various broker associations. Matt did not express strong agreement with any of the points made in the notice, but found the perspective thought provoking, thus prompting him to share with the committee. The handout contained possible negative impacts of an ONEcare buy-in option. ONEcare could be beneficial for individuals, but could negatively affect reimbursement rates, decrease incentive for small businesses to offer health coverage to their employees, or drive private insurance providers out of business by involving the government as a competitor.

Next Meeting Topics

Joel Ulland, Chair

Joel reminded the committee that the May 23 meeting will focus on “underserved populations” with a discussion led by Carl, Hodan, Hillary Hume, and Nancy Yaklich.

Adjourn

Joel Ulland, Chair

MOTION: Matt moved to adjourn. Carl seconded. All were in favor and the meeting adjourned at 3:45 p.m.