

MISSISSIPPI HEALTH INSURANCE EXCHANGE ADVISORY BOARD MEETING

MISSISSIPPI INSURANCE DEPARTMENT

NOVEMBER 14, 2012

1:30 – 4:30 PM

WOOLFOLK STATE OFFICE BUILDING

JACKSON, MISSISSIPPI

MEETING MINUTES

I. Roll Call: Kathryn Gilchrist, Attorney, Adams and Reese, LLP

o **Board Members present:**

Ms. Stephanie Barnes Taylor

Ms. Geroldean Dyse

Ms. Mary Werner

Dr. Claude Brunson

Dr. Jason Dees

Ms. Lee Ann Griffin

Ms. Therese Hanna

Mr. Joel Jasper

Ms. Teresa Malone

Mr. Roy Mitchell

Mr. Bill Oliver

Mr. Robert Pugh

Ms. Kathryn Gilchrist, legal counsel to the Mississippi Health Insurance Exchange Advisory Board (“Advisory Board”), verified that a quorum was present.

o **Attendees:**

Commissioner Mike Chaney, Mr. Aaron Sisk, Ms. Kaylea Crabbe, Ms. Maris Cooper, Ms. Misty Watson, Ms. Liz Barnett, Mr. Drew Weiskopf, and Mr. Phillips Strickland:
Mississippi Insurance Department

Ms. Cheryl Smith, Ms. Kathryn Toone, and Mr. Parker Larson: Leavitt Partners, LLC

Ms. Kathryn Gilchrist and Mr. Brant Ryan: Adams and Reese LLP

II. Updates and Announcements: Commissioner Mike Chaney, Mississippi Insurance Department

Commissioner Chaney welcomed the Advisory Board members and others attending the meeting, and updated the Advisory Board on recent work completed by the Mississippi Insurance Department (“MID”) for One, Mississippi. Commissioner Chaney stated that on November 14, 2012, he submitted a letter of declaration to the Center for Consumer Information and Insurance Oversight (“CCIIO”) stating that Mississippi will operate a state-based exchange. Commissioner Chaney stated that pursuant to Mississippi Code Annotated §83-1-1, MID is charged with the execution of all laws relative to all insurance and all insurance companies, corporations, associations, or orders, and is therefore the appropriate and proper entity to establish and operate Mississippi’s Exchange.

Commissioner Chaney said that despite controversy over the decision to operate a state-based exchange in Mississippi, this was the best decision for the citizens of Mississippi. By establishing a state-based exchange, Mississippi will maintain control and authority over the regulation of insurance products offered on One, Mississippi instead of ceding that authority to the Federal government. Allowing the Federal government to operate an exchange in our State would allow Federal control of the health insurance market in Mississippi. Commissioner Chaney noted that Mississippi is in the best situation possible by giving Mississippi the authority to operate and run a state-based Exchange for Mississippians by Mississippians.

Commissioner Chaney indicated that he believes there would be a diminished provider network and a mass exodus of companies that write insurance products in Mississippi if a Federally-facilitated exchange were established. Commissioner Chaney said that the Federal government can in fact operate an exchange and impose taxes in those states that choose not to operate an exchange. Commissioner Chaney stated that MID’s ultimate

goal is to have a free-market exchange available to Mississippians that complies with PPACA mandates. Commissioner Chaney also mentioned the creation of MID's rate review website which gives consumers the ability to search for and compare health insurance rate information.

Aaron Sisk, Senior Staff Attorney, Mississippi Insurance Department:

Mr. Sisk stated that MID will be able to submit the Exchange Blueprint application by November 16, 2012, even though the U.S. Department of Health and Human Services ("HHS") extended the submission deadline to December 14, 2012. Mr. Sisk stated that the next Advisory Board meeting is scheduled for December 12, 2012, and MID is also hosting a Health Care Reform Symposium on December 13, 2012, at the Jackson Convention Center. Mr. Sisk noted that national health policy and health reform experts will be coming from across the country to lead discussions about the future of health care reform.

Mr. Sisk gave an update on behalf of the Mississippi Comprehensive Health Insurance Risk Pool Association ("CHIRPA"). He reported that Getinsured.com ("VIMO") was awarded the bid for Phases II and III of the development of One, Mississippi, but that the parties were still in the process of finalizing a contract. Mr. Sisk stated that ongoing Joint Requirements Analysis ("JRA") meetings are taking place with representatives from MID, VIMO, CHIRPA, the Mississippi Division of Medicaid and other entities to ensure that all parties approve of the technology systems and project plans. VIMO is currently working on One, Mississippi activities under a letter of intent.

Mr. Roy Mitchell, Health Help Mississippi:

Mr. Mitchell reported that Health Help Mississippi ("HHM") is partnering with Small Business Majority to conduct small business seminars in five (5) cities across Mississippi. The meetings will be held December 3rd through 5th at HHM regional offices and that more information can be found on the HHM website. Mr. Mitchell stated that the HHM mobile application titled "Your Healthcare Finder Mississippi" was recently launched and is featured as a free download in the iTunes store. The newest HHM office was opened in Greenville, Mississippi, on November 1, 2012. Mr. Mitchell

stated that HHM has continued working with community-based organizations in order to reach hard-to-reach populations and is also partnering with the Mississippi Primary Healthcare Association.

III. Impact of Health Care Reform Post-Election: Ms. Cheryl Smith, Leavitt Partners

Ms. Smith summarized a document released by Leavitt Partners on the future of the Patient Protection and Affordable Care Act (“PPACA”) and health care reform. Leavitt Partners believes that states that have not already completed significant work may not have a chance of meeting the Exchange Blueprint deadline. Ms. Smith stated that it is likely HHS will release numerous regulations in the coming weeks, and that two (2) to three (3) rules could be issued per week until the end of the year.

Leavitt Partners projects there will be ten (10) to fifteen (15) states that will receive approval to operate state-based exchanges. Ms. Smith stated there are twenty (20) to thirty (30) states that may have completed enough work to enter into a partnership exchange. Ms. Smith said there are four (4) or five (5) states that will be forced to relinquish regulatory control of the insurance market in their state to the Federal government and will have a Federally-Facilitated Exchange established. Ms. Smith noted the decrease in uncertainty now that the Supreme Court decision has been made and the Presidential elections are over.

IV. Adoption of Advisory Board Meeting Minutes

A motion was made to adopt the meeting minutes from the eighth meeting of the Advisory Board, held on October 10, 2012. Said motion was made by Mr. Oliver, seconded by Mr. Jasper, and approved by a unanimous voice vote of the Advisory Board members.

V. Adoption of Final Recommendations on “Employer Participation”

A motion was made to adopt the Final Recommendations on Employer Participation. Said motion was made by Ms. Werner, seconded by Dr. Dees, and approved by a unanimous voice vote of the Advisory Board members.

VI. Adoption of Procedures to Elect or Appoint New Advisory Board Members

A motion was made to adopt the Procedures to Elect or Appoint New Advisory Board Members. Said motion was made by Ms. Dyse, seconded by Ms. Hanna, and approved by a unanimous voice vote of the Advisory Board members.

VII. Presentation of Initial Subcommittee Recommendations on “Exchange Market Regulation”: Ms. Cheryl Smith, Leavitt Partners

Ms. Smith reviewed initial findings from Subcommittees regarding exchange market regulation. Subcommittees discussed several issues, including: minimum requirements for carriers to operate on an exchange, network adequacy, and standardization. In discussions regarding carrier participation on the individual and small group exchanges, Subcommittees felt that requiring carriers to participate in both markets would lead to potential advantages such as increasing the quantity of coverage options and encouraging market parity. Disadvantages of this requirement include discouraging carrier participation and possibly excluding carriers who currently do not participate in both markets. Some Subcommittees felt that carriers should be required to participate in both the exchange market and the market outside of the exchange, while others thought carriers should be able to choose the markets in which to participate..

Subcommittee members discussed whether carriers should offer plans beyond the two (2) levels of coverage required under Federal law. Several Subcommittees noted that requiring carriers to offer plans at additional levels beyond the silver and gold levels would increase coverage options. Other Subcommittees felt that this might discourage carrier participation and result in more limited coverage choices. Most Subcommittees would like to see increased flexibility given to carriers so more opportunities will be available to them to operate on the Exchange.

Health plan coverage area requirements were also discussed by the Subcommittees. Some Subcommittees felt that requiring carriers to offer health coverage statewide would minimize opportunities for carriers to avoid offering coverage in high risk regions. A disadvantage of this requirement was noted by Subcommittees who believed that it could disrupt current market practices and might create a barrier for entry. Some

Subcommittees felt that carriers should cover the same areas inside the exchange that they do outside of the exchange.

Regarding plan standardizations, Ms. Smith noted that Subcommittees consistently did not want plans to be standardized and that carriers should be given the ability to be creative. Many members noted that consumers should be able to see plan exclusions. Ms. Smith said that flexibility for carriers and increased options in the marketplace was an overarching theme heard from all Subcommittees.

VIII. Discussion of “Exchange Market Regulation” by Advisory Board Members:

The Advisory Board members discussed initial recommendations from their respective Subcommittee meetings:

Mr. Robert Pugh, Public Health Experts Subcommittee:

Mr. Pugh stated the greatest area of concern for the Subcommittee was adequate health plan coverage in all geographic regions of the State. Mr. Pugh stated that the Subcommittee wanted to make sure that regulations for certification of qualified health plans are reasonable enough to allow for creativity but also balanced to best serve the market and population. Mr. Pugh stated a major question raised from the Subcommittee was how MID will define network adequacy for plans within a risk region.

Ms. Griffin, Public Health Experts Subcommittee:

Ms. Griffin stated that the Subcommittee would like to require that carriers offer additional plans beyond the silver and gold tiers in the Exchange, but also wanted to hear from other Advisory Board members.

Mr. Bill Oliver, Health Care Providers Subcommittee:

Mr. Oliver stated that the Subcommittee focused their discussions around network adequacy. A major concern for the Subcommittee members was provider referrals not being covered under a patient’s network even if the services are covered by a patient’s plan. Mr. Oliver stated that providers did not feel that the methodology of exclusive contracting was very effective at reducing costs to consumers. Another area of concern for the Subcommittee was related to having sufficient providers and access to adequate networks.

Mr. Joel Jasper, Health Insurance Agents and Brokers Subcommittee:

Mr. Jasper stated that the Subcommittee was concerned about recommending that additional regulations be established for a market that already has minimal competition.

Dr. Jason Dees, Health Insurance Issuers Subcommittee:

Dr. Dees stated that the Subcommittee discussed flexibility and the capability of providing exclusive networks so viable products can be negotiated for state regions. Another issue stressed by Subcommittee members was flexibility for carriers to write plans in markets where they are most comfortable.

Ms. Geroldean Dyse, Educated Health Care Consumers Subcommittee:

Ms. Dyse stated that the Subcommittee did not want to take away coverage options to different regions of the State.

Ms. Therese Hanna, Hard to Reach Populations Subcommittee:

Ms. Hanna said the Subcommittee debated the question regarding carriers participating in both the individual and small group markets. Ms. Hanna stated that the Subcommittee would recommend requiring carriers to participate in both markets. The Subcommittee also recommended not requiring carriers to offer plans at other levels besides silver and gold. Ms. Hanna said there are limitations in geographic areas of the State but there needs to be transparency for the consumer. Subcommittee members recommended using the Mississippi State and School Employees' Health Plan and the Mississippi Children's Health Insurance Program ("CHIP") plan as guidelines for minimum distance requirements for network adequacy. The Subcommittee discussed standardization of plans, listing exclusions, and availability of a provider directory. The Subcommittee believes that essential community providers should be offered at least the same rates being offered to other providers in the network. The Subcommittee also wanted to ensure that mental health and substance abuse providers were available in all geographic areas in the network.

Dr. Claude Brunson, Large Employers Subcommittee:

Dr. Brunson stated that the Subcommittee did not believe carriers should be required to offer plans in both the individual and Small Employer Exchange but should offer coverage in the area of their expertise to eliminate participation barriers. The

Subcommittee thought silver and gold plan offerings were appropriate, and did not think that carriers should be required to offer at other levels. Dr. Brunson said the Subcommittee had a significant discussion surrounding plan coverage areas but wanted to determine what companies currently do now for statewide coverage. The Subcommittee felt that requirements in the traditional market should apply in the Exchange.

Mr. Roy Mitchell, Experience in Enrollment Subcommittee:

Mr. Mitchell said flexibility in the individual and small group plan coverage areas were a major concern for the Subcommittee. Network adequacy, particularly in the Delta, was also of particular concern. Mr. Mitchell emphasized that transparency to the consumer was extremely important.

IX. Other Business: Mr. Aaron Sisk, Mississippi Insurance Department

Mr. Sisk noted that the next meeting of the Advisory Board will be held on the afternoon of December 12, 2012, at the Woolfolk State Office Building. Mr. Sisk encouraged all Advisory Board members to register for the Health Care Reform Symposium on December 13, 2012, at the Jackson Convention Center. Mr. Sisk reminded the Advisory Board that the election and nomination process will be held until the end of November and that this process may be completed via e-mail.

X. Adjournment

A motion to adjourn was made by Ms. Taylor, and seconded by Mr. Jasper.