

KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD

Meeting Minutes

January 24, 2013

Call to Order and Roll Call

The fifth meeting of the Kentucky Health Benefit Exchange Advisory Board was held on Thursday, January 24, 2013, at 1:30 p.m. in the Large Conference Room at the Office of the Kentucky Health Benefit Exchange. Commissioner Sharon Clark, Chair, called the meeting to order at 1:30 p.m., and the Secretary called the roll.

Board Members Present: Commissioner Sharon Clark, Chair; David Allgood, Andrea Bennett, Jeff Bringardner (by phone), Ruth Brinkley, Dr. Joe Ellis, Ed Erway, Carl Felix, Donna Ghobadi, Commissioner Stephen Hall, Connie Hauser Dr. Michael Huang (by phone), Commissioner Larry Kissner, Deborah Moessner, Julie Paxton, Tihisha Rawlins, Dr. John Thompson, and Marcus Woodward. Gabriela Alcalde was not present at the meeting.

Staff Present: Carrie Banahan, Lee Barnard, Tammy Bullock, Reina Diaz-Dempsey, Wanda Fowler, Kris Hayslett, Jean Klingle, Bill Nold, Brenda Parker, Vanessa Petrey, Sherilyn Redmon, Melea Rivera, Gary Smith, and D. J. Wasson (DOI).

Approval of Minutes

A motion was made to accept the minutes of the December 20, 2012, meeting as submitted, seconded, and approved by voice vote.

Update on Office of the Kentucky Health Benefit Exchange Activities

Carrie Banahan, Executive Director, Office of the Kentucky Health Benefit Exchange (KHBE), updated the members on the Exchange activities. Kentucky received conditional approval to establish a State-based Exchange from the U.S. Department of Health and Human Services (HHS). Kentucky also received approval of its Level II Grant application which includes funding for building the Exchange information technology system, operational costs for the first year of the Exchange, and the In-Person Assistors program

Subcommittee Reports

Behavioral Health Subcommittee

Marcus Woodward, acting on behalf of Chairman Julie Paxton, reported that the Behavioral Health Subcommittee held a meeting on January 22, 2013, and expanded its membership. The members discussed behavioral health services as part of the defined Essential Health Benefits (EHB), mental health and addiction parity, and evidence based practices that can potentially reduce healthcare costs. It was noted that parity should be related to “like covered services” such that hospitalization should be compared to hospitalization services and so forth. There was also discussion on current practice in the large group market which requires mental health parity.

Members noted that if individuals are identified earlier in their diagnoses, then it is possible to have more cost effective treatment with better outcomes for the individual. Some evidence based practices were discussed including ambulatory services such as day treatment services and intensive care management. The value of peer to peer support was also noted. Additionally, new practices in maternity and newborn care were also discussed including the success of the Health Access Nurturing Development Services (HANDS) program and depression services.

The subcommittee is tentatively scheduled to meet on February 19, 2013. The subcommittee will continue to act in an advisory capacity.

Dental/Vision Subcommittee

Dr. Joe Ellis, Chair, reported that the Dental/Vision Subcommittee held a meeting earlier in the day, and presented the recommendations of the Dental/Vision Subcommittee task force. Dr. John Thompson reported that the taskforce recommends that households with children up to age 21 be required to purchase qualified health plans that include pediatric dental Essential Health Benefits. Based on this requirement, the Exchange must allow qualified health plans with embedded dental benefits, qualified health plans without embedded dental benefits, and standalone pediatric dental plans. The task force also recommends that the KHBE allow adult dental plans to be offered on the Exchange and works with the Department of Insurance to develop uniform medical and dental necessity criteria for pediatric orthodontic benefits. The task force further recommends that if HHS changes its position on embedded pediatric dental EHBs outside the Exchange, the KHBE should allow stand-alone pediatric dental EHB plans to be offered outside the Exchange to meet the EHB standard. A chart illustrating the task force recommendations was distributed to the Advisory Board members.

Education/Outreach Subcommittee

Tihisha Rawlins, Chair, reported that the Education and Outreach Subcommittee held a meeting on January 14, 2013, and expanded its membership. Representatives from Doe-Anderson, the Exchange marketing vendor, informed the members about the Exchange branding process and updated the members on the project. Representatives from Deloitte provided an overview of the development of the education and training program and the Navigator program. Chairman Rawlins called for volunteers from the subcommittee to serve on the Navigator/Agent work group. Members submitted a written request to Executive Director Carrie Banahan for focus group testing of the Exchange website.

The subcommittee had no recommendations to put forth and will continue discussions on outreach and education efforts to be undertaken by the Exchange. The next meeting of the subcommittee is scheduled for February 11, 2013.

Navigator/Agent Subcommittee

Marcus Woodward, Chair, reported that the Navigator/Agent Subcommittee met on January 10, 2013. Representatives from Deloitte provided an overview of the Navigator and In-Person Assister (IPA) Program. Subcommittee members made some suggestions for data sources and role definitions for the needs assessment phase of the program. After a review of implementation efforts, newly released guidance documents, and proposed regulations impacting the Exchange, the subcommittee considered standards for agents participating in the Exchange,

including the skill sets needed. After some discussion, the subcommittee formed a working group with the charge of making recommendations on the training of agents, Navigators, and IPAs. The Navigator/Agent Subcommittee Working Group members are David Allgood, Chip Atkins, John Kiebler, Jim Lawless, Don Mucci, and Marcus Woodward.

The subcommittee also discussed the proposed compensation arrangements for agents, Navigators, and In-Person Assistants, including agent appointments with insurers participating on the Exchange. The subcommittee will discuss compensation arrangements and Exchange participation requirements at its next scheduled meeting on February 21, 2013.

Chairman Woodward also reported on the Navigator/Agent Subcommittee Task Force meeting. The Task Force met on January 17, 2013, and most of the discussion centered on training for Navigators and In-Person Assistants. A recommendation for training criteria was made after the task force reviewed materials from various sources. The recommendation will be presented to the Navigator/Agent Subcommittee for consideration and further recommendation to the Advisory Board.

Qualified Health Plans Subcommittee

Deborah Moessner, Chair, reported that the Qualified Health Plans Subcommittee met earlier in the day and began a review of the Qualified Health Plans draft administrative regulation. The KHBE hopes to keep additional requirements for QHPs to a minimum. QHP issuers will be required to use the System for Electronic Rate and Form Filing (SERFF) to file rates, forms, and Exchange specific data.

Specifically, regarding the QHP draft administrative regulation, the subcommittee was asked by KHBE staff to provide comments or consideration of the requirement to provide catastrophic plans, the prohibition on benefits in excess of the state Essential Health Benefits, limitations on the number of plans offered by metal level, rating areas, service areas, and future effective coverage dates. The subcommittee agreed that a maximum of four plans per metal level was a reasonable limitation to propose. The subcommittee's task force formed at the previous meeting will consider some of the remaining issues.

The Dental/Vision Subcommittee Task Force reported its recommendations for the dental essential health benefit. The QHP Subcommittee supported the recommendations and asked for recommendations from the Department of Insurance regarding the Dental/Vision Subcommittee Task Force suggestions.

Small Employer Health Options Program (SHOP) Subcommittee

Jeff Bringardner, Chair, reported that the SHOP Subcommittee held a meeting on January 17, 2013. The subcommittee discussed employer contributions in the SHOP Exchange, various approaches to selection of a reference plan, and the effect of those choices on adverse selection and employer cost. The SHOP Exchange established a minimum employer contribution of 50 percent of a single-only policy with the flexibility for other contributions for other family and dependent coverage. The subcommittee also discussed collection of local premium taxes in the SHOP Exchange, waiting periods for employee insurance coverage, grace periods for non-payment of premiums, notice of late payment, and future funding of the Exchange.

The SHOP subcommittee recommends that an employer be allowed to select a reference plan for each metal level offered by the employer with flexibility for other contribution amounts for family and dependent coverage.

The next meeting of the SHOP Subcommittee is scheduled for February 14, 2013. The subcommittee has requested that this be a joint meeting with the Navigator/Agent Subcommittee to discuss mutual issues and concerns.

Chairman Woodward accepted the invitation for a joint meeting of the SHOP Subcommittee and the Navigator/Agent Subcommittee. Mr. Woodward also asked if qualified health plans were subject to the local government premium tax as mentioned in the SHOP Subcommittee report. Ms. Banahan explained that some QHP issuers may be subject to this tax. However, health maintenance organization (HMO) issuers and individual health insurance policies are exempt from the tax.

A motion to accept the subcommittee reports including the recommendations contained therein was made, seconded, and approved by voice vote.

Other Business

Ms. Banahan informed the members that an error in the information regarding Exchange costs was made at the Advisory Board meeting held on December 20, 2012. A cost of \$30.9 million was provided at the meeting; however, this was an error. The estimated budget for operation of the Exchange is \$39.5 million.

Commissioner Clark noted that Kentucky Access members will have the ability to transition to the Exchange or the individual market at that time. The Department of Insurance and Kentucky Access are currently working on transition of these members and notification of changes to the program. Kentucky Access will still need to operate for several months in 2014 to handle existing claims and to wind down operations.

Mr. Allgood commented that the federal government is moving away from using the term "Exchange" to using the term "health insurance marketplace". Ms. Banahan stated that she was aware of this change in terminology and it was something to consider.

The next meeting of the Advisory Board will be on February 28, 2013, at 1:30 p.m., in the Large Conference Room at the Office of the Kentucky Health Benefit Exchange.

Audience members put forth questions regarding the Exchange to KHBE staff and board members.

Adjournment

The meeting was adjourned at 2:02 p.m.