

New Mexico Health Insurance Exchange Work Group Minutes

Work Group	Market Regulation	Date	10/16/2012
Facilitator	Aaron Ezekiel	Time	11:00 a.m. MT
Location	Conference Call / In-Person	Scribe	Cicero Group

Agenda Item

Discussion Item

Conclusion

Action Item

Attendees			
No.	Name	No.	Name
1.	Aaron Ezekiel	8.	Thom Turbett
2.	Milton Sanchez (<i>Human Services Department</i>)	9.	Jane Wishner
3.	Jonni Pool (<i>Human Services Department</i>)	10.	Jim Copeland
4.	Kathryn Toone (<i>Leavitt Partners</i>)	11.	Liz Stefanics
5.	Parker Larson (<i>Leavitt Partners</i>)	12.	Jeff Martin
6.	Daniel Case (<i>Cicero Group</i>)	13.	John Franchini
7.	Carol Luna-Anderson	14.	Gabriel Parra

Agenda Item 1: State-Wide Coverage Mandate

Name: Aaron Ezekiel

DISCUSSION ITEM 1 Should Carriers be Required to Offer Statewide QHP Coverage?

Mr. Ezekiel asked the Work Group whether all Qualified Health Plans (QHPs) should be required to be offered statewide. Mr. Parra explained the difficulty of many carriers in meeting this possible guideline due to the large amount of lower-income, rural population within New Mexico. He advocated for research and marketing mechanisms, rather than regulation, to determine the coverage areas of QHPs.

Arguing for a statewide coverage mandate, Ms. Wishner and Ms. Stefanics discussed the disparity of access to a wide range of products for those in the New Mexico rural community under current market forces. It was stated that one intent of the Exchange was to address this disparity and increase network adequacy. A Work Group member stressed the importance of having this regulated at plan roll-out, since there would be increased difficulty in enforcing statewide coverage after the fact if market forces don't produce the desired outcomes of access and network adequacy to the underserved, as projected by Mr. Parra. He feels that the coverage mandate, propelled by subsidies, will result in increased carrier representation and health care selection in currently underserved markets.

After much discussion, it was moved by Mr. Parra that the Group take appropriate steps to ensure that the Exchange provide sufficient rural coverage but without affecting existing DOI regulatory policy, e.g., no mandated statewide coverage. The move was not seconded. Ms. Luna-Anderson disagreed, saying this move would defeat the purpose of the Exchange in serving the under-

privileged, and proposed an opposing vote for a statewide coverage mandate.

The Group discussed alternatives to a mandate, including the following topics:

- The distinction between choices in plan vs. choices of provider
- The possibility of consumers being forced to purchase an insufficient plan to avoid penalties
- Whether there were any credible methods of ensuring a variety of coverage options available to every area. The idea of innovation and flexibility rather than a broad mandate was advocated by those representing the insurance industry. Those representing consumers argued that both the needs of the rural community and cost competitiveness require broad selection, and therefore a statewide mandate.
- The example of supplemental insurance was introduced, and how reductions in carriers of this product in the Medicaid market were reducing competition and underserving the elderly
- The importance of choice in creating a fair level of service and competitive premiums
- The possibility of a limited mandate, such as a mandated minimum number of plan choices, each QHP provider being required to have one statewide plan, etc.
- The necessity of providing a realistic cost structure for both carriers and consumers

CONCLUSION

Work Group Vote on Mandated Statewide QHP Coverage

Mr. Ezekiel put the matter of a statewide QHP coverage mandate to a vote. All those in favor of requiring QHP to be offered statewide:

- 3 in favor (Wishner, Luna-Anderson, Stefanics)
- 3 opposed (Copeland, Parra, Thom Turbett)
- 1 abstention (Superintendent Franchini)

It was mentioned that the absence of Work Group member, Dr. J.R. Damron, was significant to this vote. The Work Group was unanimous in agreeing to the necessity of acquiring more information prior to putting the matter of statewide coverage to a second vote. They requested that the information conform to the following criteria:

- Report to provide compilation of valid current actuarial data
- Report addresses how the Exchange may reasonably provide a broad range of affordable plan choices
- Report also addresses how the Exchange may provide adequate network access to all residents
- Report to be received prior to the next meeting

Agenda Item 2: Metal Level Mandate

Name: Aaron Ezekiel

DISCUSSION ITEM 1

What Metal Levels and Options Within Those Levels Should the Exchange Require?

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The two parts of the question were defined: 1) Should the Exchange require more than the federally mandated gold and silver levels for each carrier; and 2) should the Exchange require more than one plan per metal level?

The current market and various levels offered by carriers were discussed. The Group felt that these mandates were possibly not essential, but actuarial data would be needed to decide this. Ms. Wishner felt that the necessity of mandating a range of coverage levels would be dependent on the Group's decision regarding a statewide coverage mandate, and the effect of that decision on increasing options and access.

It was suggested that a large introduction of people into the insurance pool could lower costs. The Work Group discussed whether data available from federal plans operating in a multi-state capacity would be useful. Ms. Toone explained that the draft of the current federal multi-state medical plan is one only offered in the more populated parts of each state, which tends to support the argument of area-specific plans.

DISCUSSION ITEM 2 Clarification of Work Group Discussion Focus

The question was asked if focusing the decisions of the Work Group on the SHOP Exchange rather than the Individual Exchange would be more effective, due to time constraints. Mr. Sanchez advised the Work Group to consider both perspectives – SHOP and Individual coverage – in crafting their recommendations. He asked that they keep a dual focus in spite of the current lack of firm federal guidelines for individual plans; as the deadline for the Individual Exchange was also close (July 2014).

DISCUSSION ITEM 3 What Legal Authority does the Current Health Insurance Alliance Board Possess?

During the prior discussion, Mr. Ezekiel asked Mr. Sanchez to clarify the legal authority of the Health Insurance Alliance (HIA), in preparing to assume the role of the Exchange board, particularly regarding the SHOP Exchange; and whether this simplifies New Mexico's statutory challenges. Mr. Sanchez explained that the HIA is currently statutorily empowered to offer insurance to both small businesses and individuals, so he expects no legal difficulties in this regard.

Mr. Sanchez explained that changes to board composition are being addressed to conform to the Affordable Care Act requirements, due to the strong presence of carrier representation on the HIA board, and under-representation of consumers/ nonprofit organizations. He added that HIA legal counsel is currently reviewing legal aspects of conformity in anticipation of the HIA board becoming the Exchange board. Specifically, they are examining whether an executive order will be necessary to endow the current HIA with sufficient legal authority to operate as the Exchange board, or if existing statute already provides this authority.

ACTION ITEM 4 Additional Information Requested

- Ms. Wishner recommended that the Group receive the requested actuarial data regarding

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statewide coverage and determine this issue prior to making a recommendation regarding multiple levels, and Mr. Ezekiel agreed.

- Ms. Toone was asked and agreed to research and provide the reason for the lack of statewide coverage in the federal policies to assist in this discussion prior to the next meeting.
- Mr. Franchini agreed to provide actuarial data regarding the impact of the upcoming “small group” definition change from a study his office has commissioned.

Agenda Item 3: Closing Remarks

Name: Aaron Ezekiel

DISCUSSION ITEM 1 Closing Remarks and Comments from Gallery

Additional comments were solicited, and a gallery guest clarified that dental plans operate differently regarding metal levels, with a more limited selection than standard medical insurance plans.

Per Mr. Ezekiel, preliminary feedback from this Work Group meeting will be reported to the Advisory Task Force.

The next meeting was announced as October 30, 2012. The meeting was adjourned.