

**Health Insurance Partnership
Technical Advisory Committee
November 15, 2007
2:00 – 4:00 p.m.**

MEETING MINUTES

In attendance:

Karen Merrikin, Group Health; Claudia Bach, AdvisArts Consulting; Jim Grazko, Premera; Mark Newbold, Mooney + O'Neill Benefits; Troy Nichols, NFIB (via phone); Jim Pinkerton, Regence; Susan Pittman, Insure NW; Sydney Smith Zvara, AWHP; Pete Cutler, OIC; HCA staff: Beth Walter, Bob Longhorn, Anton Cooper and Michael Arnis (via phone); Guests: Jane Beyer (via phone); Clif Finch.

Agenda overview and recap of HIP Board Meeting:

HCA staff provided an overview of the agenda and a recap of the November 8 HIP Board meeting. Jane Beyer mentioned that Rep. Cody is very open to amending the legislation to improve the chances for a successful operation of the HIP, and reiterated Rep. Cody's belief that meaningful subsidies are a main draw of the program. Karen Merrikin reported that the Board asked the TAC for feedback on how success for the HIP should be defined. Karen will take a first stab at framing this document for TAC review.

Board Studies:

Michael Arnis asked the carrier representatives what can be done to jumpstart the process of collecting data for the Board reports. The carrier representatives responded that the process and timing for data collection depends on the granularity of the data requested, and that they could better address the question if the data needs were spelled out.

Policy discussion:

The TAC engaged in a broad ranging policy discussion. Karen mentioned that she saw flexibility in the rating methodologies if these are "based on" the Small Group (SG) rates. Jane advised that courts see the Legislature as giving significant discretion to executive branch agencies in reading their own statutes.

Several issues were discussed:

- Who the policy contract holder under the HIP? (unclear)
- Clarification of intent as a desire to:
 - Pool medical experience throughout the SG market
 - Encourage shared responsibility (employer (ER)/employee (EE)/state) for low-wage employees;
 - Insure that plans offered in and out of HIP would be the same, and
 - Provide some degree of portability.

- Individual Choice (questions posed went unanswered):
 - What is a reasonable amount of individual choice?
 - Is a “suite” model (like that of CBIA) acceptable?
 - If unfeasible through a SG mechanism, ERs pay individual premiums through an HRA?
- What can be done about portability bringing additional adverse risk after loss of EE/ER connection? (unanswered)
- What can be done to alleviate the concerns of adverse selection and continue cross-subsidization now available within the SG market? (Current 375% band still allows for significant cross-subsidization).
- Age related subsidies? (Unlikely).

TAC agreed that substantial subsidies are necessary to make program attractive.

Discussion of Employer Enrollment Policy Document:

Staff Question: Can EE minimum participation requirements be applied at the HIP entry level rather than carrier selection level? Carrier representatives agreed that as now drafted, this appears to be what is envisioned. TAC discussed how the HIP then looks more like an individual product and the potential benefits of risk adjustment (desirable but uncertain). TAC agreed that it would be good to have actuaries and staff work through the rating issues.

Staff Question: What about ER minimum contribution levels? TAC discussed the purpose of minimum contributions (administrative ease, means to achieving minimum participation requirements). There was a discussion of how changes to minimum participation requirements for the HIP would affect take-up.

Next Steps:

TAC agreed to set up bi-weekly meetings and continue discussions of these issues.