

Louisiana Health Care Commission Meeting Minutes
Poydras Building Hearing Room
Baton Rouge, Louisiana
January 29, 2016

Members present: Eric Baumgartner, Rachel Durel, Rusty Eckel, William Ferguson, John Fraiche, Lisa Gardner, Kyle Godfrey, Arnold Goldberg, Anthony Grieco, Faye Grimsley, Korey Harvey, Linda Hawkins, Hedy Hebert, Eva Lamendola, Jesse McCormick, Rachel Moore, Ronnell Nolan, John Overton, Daniel Paquin, Ed Parker, Katie Parnell, Debra Rushing, Butch Sonnier, Chris Vidrine and Thomas Wright

Members absent: Robelynn Abadie, Jeff Albright, Amy David, Diane Davidson, Lauren Gleason, Marlon Henderson, Jesse Lambert, Jennifer McMahan, Barbara Morvant, Andrew Muhl, Clay Pinson, Bryan Wagner and Senator Rick Ward

Staff present: Crystal M. Campbell and Kristen Kieren

Commissioner of Insurance, Jim Donelon called the meeting to order at 9:03 a.m. and introduced the new chair of the Louisiana Health Care Commission, Dr. John F. Fraiche. Commissioner Donelon thanked outgoing Chairperson Donna Fraiche, who will continue to serve as the advisor to the chair for the Commission.

Chairperson Fraiche introduced Ms. Lisa Gardner representing the Louisiana Nursing Home Association; Arnold Goldberg representing Health Markets Insurance Agents; Clay Pinson representing Louisiana Association Business Industry (not present) and John Overton representing Turnkey Solutions, L.L.C., as its newest members.

Dr. Fraiche asked for a motion to approve the minutes from the August 28, 2015 meeting. Dr. Rachel Moore moved to approve the minutes and Dr. William Ferguson seconded the motion.

Mr. Brian Burton with Southwest Area Health Education Centers and the Navigators for a Healthy Louisiana reported that the U.S. Department of Health & Hospitals has allocated 1.6 million in assistance to navigators; there are 24 navigators for the state of Louisiana, with ten offices across the state while offering services to rural areas through libraries, social service organizations, health units and fire departments.

Mr. Burton provided a status of enrollment in comparison to the last two years and data enrollment by metropolitan areas. He reported that as of January 23, over 198,000 people have accessed the marketplace website, determined their eligibility, chosen a plan and finished the process. As of December 23, there was an increase of 12,234 plans chosen.; open enrollment 2016 coverage began November 1 through January 31 Due to unprecedented consumer demand, CMS extended the deadline for January 1 coverage to

December 17 for the 38 states that used the healthcare.gov platform. Of 198,511 people, 9,200 are in Alexandria; over 42,000 in Baton Rouge; over 25,000 in Lafayette; approximately 6,700 in Lake Charles; 20,000 in Monroe; 82,000 in New Orleans; and 35,000 in Shreveport.

Mr. Burton reported that for 2016 coverage, there were over 186,000 plans that included about 222,643 people who were eligible to enroll in those marketplace plans, went to the healthcare.gov site and were able to enter their information and determine if they were eligible for enrollment; Of those people, 170,874 out of 202,407 people were eligible to enroll in a market plan with financial assistance; and more than 86,000 of the individuals that were referred to the Louisiana Department of Health and Hospitals were determined to be eligible for La CHIP.

He also stated that when looking at the plan selections in Louisiana, there were about 121,683 people who re-enrolled in the current health plan through the marketplace, with an additional 63,532 people in Louisiana joining the marketplace; out of 121,683 people, there are 40,407 people re-enrolled and 336,073 people automatically re-enrolled in their plan selected last year in the re-enrollment process.

With regard to the number of people who were eligible for and accessed LaCHIP, Mr. Burton reported that 212,407 people were eligible to enroll; 185,212 people had plan selections; and as of January 23, that number increased to 198,511. He further stated that 87 percent of those enrolled, 161,137 were able to get advance premium tax credits in order to purchase and make their plans more affordable; 13 percent were able to enroll without financial assistance, concluding they were either above 100 percent of the federal poverty level, or below 100 percent of the poverty level; and of those 151,311 receiving assistance, 138,577 received an advance premium tax credit for their affordability, with 109,277 receiving an additional cost savings reduction.

Burton also reported there were a significant number of healthy consumers enrolling in the federal marketplace based on the following age categories:

- Less than 18 years old – Over 9,200 people
- 18-25- Approximately 23,374 people
- 26-34- 35,191 people
- 35-44 - 31,487 people
- 45-54- under 39,000 people
- 55-64 - 46,304 people
- 65 years or older – 1852 people

He stated approximately 42 percent male and 58 percent female enrolled in the federal marketplace.

Burton also explained the nature of metal level plans. With the Bronze Level Plan, typically, on average, the insurance company pays 60 percent of health care costs and the consumer will pay 40 percent; with the Silver Level Plan, the insurance provider pays around 70 percent of the costs and the consumer pays 30 percent; with the Gold Level Plan,

the insurance provider pays 80 percent of the costs and the consumer pays 20 percent; with the Platinum Level Plan, the health care provider pays 90 percent of costs and the consumer pays 10 percent, but there are few platinum level plans available in the marketplace; and the Catastrophic Level Plan is a basic plan mainly afforded to young people.

With respect to race and ethnicity, Burton reported that of 185,200 plans in the marketplace, based on 96,762 people, 9 percent are Asian; 25 percent are African American; 5 percent are Latino; 6 percent are Caucasian; and 1 percent are Multiracial.

Based on rural and urban designation, Mr. Burton reported the majority are urban, consisting of 133,728 people.

When looking at household income, Mr. Burton reported 3 percent fall below the federal poverty level, concluding there wasn't any premium tax credits to help pay for any households falling below the federal poverty level, but there were some additional resources to afford plans without the premium tax credit. He reported the following data:

- 46,000 people – 100-150 percent below the federal poverty level
- 36,830 people -150-200 percent below the federal poverty level
- 21,446 people -200-250 percent below the federal poverty level
- 14,000 people – 300-400 percent below the federal poverty level, meaning no tax subsidies were available to assist in payment

Mr. Burton stated this is of significant importance because in order to receive cost savings reductions, one must be between 100-250 percent of the federal poverty level.

Mr. Burton also reported that with Medicaid expansion, an estimated 82,430 people will be enrolled into Medicaid. Currently, there are 250,000 who don't have access to any assistance. He stated, however, that navigators will be able to determine eligibility and those who are deemed eligible for Medicaid will be referred to DHH.

Lastly, Mr. Burton reported that navigators have implemented a large initiative across the state, "From Coverage to Care," for those consumers who have access to health care but don't know what to do with it. He explained that this initiative takes the first step in getting consumers insured and then showing them how to lead healthier lives, working with organizations and businesses to educate consumers on making doctor's appointments; reading and signing insurance forms; as well as finding a PCP and accessing preventive health care measures.

Next, Mr. Korey Harvey, Deputy Commissioner, Office of Health, Life and Annuity, gave an update on the LA Health Cooperative (LAHC). He stated that nationally, there are 23 Co-Ops, one operating in two states. He further stated that LAHC was recently placed in conservation by the Louisiana Department of Insurance, and a receiver was appointed by Commissioner Donelon. He stated, with the approval of the Court, the receiver was appointed to administer the Co-Op and most enrollees had calendar year coverage. Mr. Harvey said the objective was to ensure coverage would continue through December 31,

which WAS the case, despite some minor disputes with health care providers. He stated the receiver ensured that all enrollees were able to find new coverage, effective January 31 and that currently, the Co-Op is in the process of winding down its operations, paying final claims. He stated by the end of last year, the Co-Op received authorization to use the Medicare Fee Schedule to pay some claims, which remains ongoing. Mr. Harvey stated there is a national debate about what happened with the Co-Ops and there is pressure from Congress and multiple committees are holding hearings. He stated this is putting pressure on state regulators examine what could have been done differently with the Co-Ops and that Commissioner Donelon testified before a Congressional committee last fall on this very issue. He stated there remains a lot of unresolved questions -- unresolved insofar as how much money the Co-Op is still owed under the Federal Reinsurance and Risk Corridor Programs. Finally Mr. Harvey stated there are many states where Co-Ops have been placed into receivership and there's uncertainty as to how much money is still available, because some programs such as the Federal Reinsurance Program, are not certain what money is owed, so it remains a "wait-and-see" situation, working with health care providers to see what claims have been properly adjudicated.

Commissioner Donelon thanked Deputy Commissioner Harvey and the Louisiana Department of Insurance's Solvency Department, under the direction of Deputy Commissioner Caroline Brock, in overseeing the responsibility of the Co-Op. He stated that health care providers were very supportive, trusting and loyal to their patients. He stated he had testified before Congress about the good relationship with CMS and the last \$9 million of the Loan Agreement has been received by the LDI's most seasoned receivership team, who has been responsible for the legal aspect of running the company operations down. He stated initially the payment of claims were backed up and not paid, so it was necessary to go back to re-adjusting claims from the time the Louisiana Department of Insurance took over the operation to pay those claims at the Medicare rate, rather than the contracted rate, with health care providers. He stated the first priority was to get 15,000 people to a soft landing and that was accomplished.

Deputy Commissioner Harvey discussed the rising costs of health care and how it centered on the rising costs of pharmaceutical prescription drugs for last year's rise of 13 percent, in stark contrast from previous years. He stated while there was no information available as to why prescriptions were going up, the members thought it would be helpful to provide a report or study on rising health care costs to determine the pattern of average increase in annual premiums from 12-14 percent. He stated in small group markets it's more stable this year, but in the individual market, it's risen significantly. He stated, according to CMS, overall healthcare spending was up 5.3 percent in 2014 and sub-level data reveal prescription drugs went up 12.22 percent; hospital care expenditures 4.1 percent; physicians and clinicals, 4.6 percent; and other services 5.2 percent. He stated there's no reason as to why this occurring, so the resolution is to devise a working group wherein anyone can participate to bring in new information on this issue.

Harvey also stated that the Agenda for the Annual Health Care Conference on April 12 would include a panel discussion on the issue of rising health care costs.

With no further discussion or objection, Harvey offered the Resolution to form the work group. Mr. Arnold Goldberg made a motion to adopt the resolution and form the work group and Mr. John Overton seconded the motion.

With no further business Chairperson Fraiche asked for a motion to adjourn the meeting. Dr. William Ferguson made a motion to adjourn and Ms. Lisa Gardner seconded the motion. Hearing no objections, the meeting was adjourned at 11:00 a.m.