



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Sean Dilweg, Commissioner

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125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: ociinformation@wisconsin.gov
Web Address: oci.wi.gov

Office of the Commissioner of Insurance Small Group Health Insurer Subgroup

Minutes

April 29, 2008

10:00 a.m. – 12:00 p.m.

125 South Webster Street

Room 227

Madison, WI 53707

Council Members attended: Commissioner Sean Dilweg (Chair), Wendy Arnone (United Healthcare Insurance), Terry Bolz (Unity Health Plans), Karen Mayes (Physicians Plus Insurance), Steve Martenet (Anthem Blue Cross Blue Shield), Robert Palmer (Dean Health Plan), Tom Butzen (Humana), Jim Riordin (Wisconsin Physicians Services Insurance), Jay Coldwell (Security Health Plan).

OCI Attendees: Commissioner Dilweg, Deputy Commissioner Shaul, Eileen Mallow, Jennifer Stegall, Fred Nepple, Sue Ezalarab, Diane Dambach, Guenther Ruch, and Mary Reines.

Other Attendees: Art Robinson (Physicians Plus), Josh Goldberg (NAIC), Ted Osthelder (Anthem BCBS), Mike Eckstein, Milda Aksamitauskas (DHFS), Nancy Wenzel (Wisconsin Association of Health Plans), Barb Johnson (Mercy Care), Joanne Alig (Wisconsin Association of Health Plans), Phil Dougherty (WI Association of Health Plans), Patrick O'Rourke (Physicians Plus), Kathryn Ambelang (WPS), Michael Heifetz (Dean Health Plans), Patricia Kohn (Gundersen Lutheran), Steve Kunes (Health Tradition), Paul Teichert (Health Tradition), J.P. Wieske (Council for Affordable Health Insurance), Dan Schwartz (WPPO), Mary Haffenbredl (Humana), Bill Toman (Quarles & Brady), Susan Jablonsky (DOA), Allan Wearing (Group Health Coop), and Amie Goldman (HIRSP Authority).

I. Opening Remarks

Commissioner Sean Dilweg, Chair

Community rating, in some form, is under review as the Governor considers options for health care reform. The main driving point for reform is affordability. An OCI survey was conducted on 75% of the small group health insurance provider market this year. OCI is working with the Department of Health and Family Services (DHFS), Professor Gruber and Gorman Actuarial to analyze the data. We are starting with the survey results and a budget analysis to determine the next steps. To protect proprietary information, the individual survey results will not be shared. We do encourage all players in the market to provide feedback and participate in this subgroup. BadgerCare

Plus current provides access to health insurance coverage for many individuals.

II. Introductions

Commissioner Sean Dilweg, Chair

Council members introduced themselves and provided their background.

III. Subgroup Discussion on the Small Group Health Insurance Market Survey

Commissioner Sean Dilweg, Chair

Subgroup Members

The survey started in March 2008. All surveys will be in by May 16, 2008. Gorman Actuarial will be pulling the data together and compiling the report. The Model is to be done in August/early September of 2008. The survey was very extensive. There is the opportunity to get a baseline on the needs of the Wisconsin market. The subgroup will be used to discuss issues and be informative to make appropriate changes for Wisconsin.

IV. BadgerChoice Initiative

Jim Johnston, DHFS

Mr. Johnston presented a plan for comprehensive Health Care Reform which entails three phases. Phase I is BadgerCare Plus Health Insurance for all kids (currently in place); Phase II is expansion of Medicaid coverage to childless adults (set for 1-1-09) and Phase III is BadgerChoice/Small Business Health Insurance Reform (under development). BadgerChoice is a one stop shop for enrollment, renewal and member service information. The goal is to help individuals apply for BadgerCare Plus and facilitate benefit buy-up, complete Health Needs Assessments, choose an HMO and make application fee payments. This infrastructure is part of the childless adult expansion but is also envisioned to be a part of small business health insurance reform. A one stop shop would be in place for small business and self employed individuals to connect with insurance plans. The state is working very closely with CMS to obtain federal approval of the connector for small groups as a demonstration project under Section 1115(a) of the Social Security Act. The purpose of tiering the BadgerChoice initiative is to control costs and quality of care.

Questions from the subgroup:

- Q: Would HSAs be offered in the initiative?
A: Not sure, on HSAs at this time the focus is on the consumers. HIRSP has HSAs as an option.
- Q: Are small groups going to have aggregate data available for review?
A: This is unclear due to different types of information available.

- Q: The support center that is in place, does it have approval by the Federal Government?
A: Yes, the Federal government subsidizes it. Reimbursement to providers includes Medicaid B for phase 1 and 2. Medicaid will not be available for small groups.
- The group raised the cost of health care. It is not just the cost of insurance, but the underlying costs to provide care that must be considered and addressed. .
- The concern of eliminating the underwriting process was raised.
- Commissioner Dilweg noted the private market is working.

V. State Experience with Community Rating

Josh Goldberg, NAIC

Mr. Goldberg gave an overview of community health plans in other states and their history by Power Point. The following states were highlighted: Vermont, New York, New Jersey, New Hampshire, and Kentucky. Additionally, Mr. Goldberg provided a list of conclusions for the progress in each of these states.

VI. Other Items

Commissioner Sean Dilweg, Chair

- Commissioner Dilweg is open to getting together in the summer to continue discussions and provide information to the subgroup.
- Amie Goldman and Dennis Conta were asked to share what HIRSP has seen at the next meeting.
- OCI will continue to work with DHFS.