

Louisiana Health Care Commission Meeting Minutes
Poydras Building Hearing Room
Baton Rouge, Louisiana
August 24, 2018

Members present: Lauren Bailey, Rick Born, Katie Brittain, Dr. Rachel Durel, Dr. William Ferguson, Dr. John Fraiche, Lisa Gardner, Arnold Goldberg, Linda Hawkins, Darrell Langlois, Jesse McCormick, John Overton, Stephanie Phillips, Clay Pinson, Patrick Reed, Dr. Butch Sonnier, and Elizabeth Sumrall

Members absent: Robelynn Abadie, Jeff Albright, Diane Davidson, Dr. Faye Grimsley, Dr. Marlon Henderson, Rep. Mike Huval, Randal Johnson, Jennifer Katzman, Jesse Lambert, Dr. Eva Lamendola, Jennifer McMahan, Barbara Morvant, Andrew Muhl, Ronnel Nolan, Ed Parker, Dr. Anthony Recasner, Debra Rushing, Senator Rick Ward, Scott Webre, Dr. Shondra Williams and LaCosta Wix

Staff present: Crystal M. Stutes and Julie Freeman

Chairperson Fraiche called the meeting to order at 9:00 a.m.

Roll call was conducted and a quorum was not initially present but later noted for the record.

Crystal Stutes, Executive Director of LHCC, announced the death of long-time commission member, Bryan Wagner. Commission members honored the late Mr. Wagner in a moment of silence and prayer.

Rebecca DeLaSalle, Deputy Commissioner of the Office of Health Life & Annuity, gave an update on the Office's regulatory activities and a brief overview of the future regulation of Associated Health Plans.

Mike Bertaut, Healthcare Economist for Blue Cross and Blue Shield of Louisiana, discussed the future of the Individual Health Insurance Market and gave an in depth presentation on the Association Health Plan and Short-Term Health Plan Rules.

Individual Health Insurance Market:

- Two-thirds of the state who are Medicare recipients have a supplemental health policy.
- A third of the state's Medicare recipients are disabled, under the age of 65.
- Private entities now interface with Medicare on a consistent basis.

- Ten percent of Louisiana residents are now enrolled in the Medicaid expansion population.
- The federal match for the new Medicaid expansion population is at 6 percent.
- Continuing challenges are provider reimbursement ratios.
- Effective January 1, 2019, the tax law will change and the Individual Mandate will be eliminated.
- Eighty percent of the state is covered by the biggest third party payors: Medicaid, Blue Cross and Medicare.
- Ninety percent of the population buying health insurance through the marketplace exchange are drawing down some type of tax credit, but half of those enrolled in the marketplace do not qualify for any assistance, making short term and associated health plans a better option.
- The same structure that applies to the short term and associated health plans population is applicable to small group plans that are age rated based on 50 full-time employees, irrespective of how sick or healthy the group may be.

Association Health Plans Rule:

- Cannot be formed for the sole reason of offering health insurance;
- Provides the opportunity for single employers to buy group coverage, while providing the benefit of individual coverage;
- Must have a legitimate purpose to exist if not offering a health plan in order to meet the federal requirement;
- There must be a recognizable, stable structured Board of Directors to establish an AHP, including:
 - Bylaws
 - Identifiable parties responsible for the operations
 - Fiduciary responsibility
- Not required to provide minimum value, resulting in higher deductibles and co-insurance;
- Mental Parity state laws apply;
- Cannot limit pre-existing conditions;
- Cannot upcharge based on health condition;
- Allowed to set different rates for similarly employed employees;
- An insurance carrier cannot sponsor an association;
- Has the discretion to allow who is a part of the group, though it is clear associations cannot deny coverage based on membership or health status of a group;
- Required to cover the United States Preventative Immunization Task Force screening, based on:
 - 46 listed covered items with a zero co-pay notwithstanding how high the deductible may be.

Mr. Bertaut also stated the reason associations are coming into play is due to the demand by small groups that desire better rates which big groups enjoy as a result of their lower administrative costs on insurance carriers.

Short-Term Medical Plans Rule:

- Cannot be a Qualified Health Plan;
- Not required to cover Essential Health Benefits;
- Not required to meet an actuarial value;
- Healthy populations will likely be attracted to this plan;
- Unhealthy populations will likely remain in the ACA marketplace;
- Pricing must be based on health and gender, unlike the ACA;
- Prices will be significantly lower if the sickest five percent of the population are excluded and the rates go down by half.

In conclusion, he cited the long term solution for groups to be the establishment of a Multiple Employer Welfare Arrangement with its own trust and committed membership that has the ability to shop for a third-party administrator without offloading risk onto another entity.

For more information on Mike Bertaut's presentation, go to:

<http://www.ldi.la.gov/consumers/boards-commissions/health-care-commission>

Finally, Ms. Stutes proposed that Commission members consider the possible creation of a Community Coalition Subcommittee in working with other state agencies to achieve some common goals such as general awareness of health care changes and increase in preventive health initiatives that play a major part in health care costs, such as chronic diseases like obesity. She requested that commission members email her recommendations.

Chairman Fraiche suggested that the commission might obtain information from state-wide community assessments in order to identify the most significant needs and problems that needed to be addressed.

With no further business, Chairperson Fraiche noted a final quorum for the record and asked a motion to adjourn the meeting. Dr. Ferguson moved to adjourn and Arnold Goldberg seconded the motion. Hearing no objections, the meeting was adjourned at 11:00 a.m.