

Consumer Insurance Council

November 3, 2010

Council Attendees: Chair Betty Lehman, Jean Jones, Lynn Leader, Dede de Percin, Jean Nofles, Flora Russel, and Linda Todd (by teleconference from 10:00 to 10:30). Christy Blakely arrived at 10:30 and Kelly Stahlman at 10:35.

DOI Attendees: Commissioner Marcy Morrison, Deputy Commissioner Peg Brown, External Relations Director Jo Donlin; Consumer Education Director Cameron Lewis

Other Attendees: Barbara Yondorf; Nathan Dowell, Autism Society; Debra Judy, Colorado Consumer Health Initiative; Chris Crigler; a representative from Kaiser Permanente

Opening of the Meeting

Chair Betty Lehman opened the meeting at approximately 10:05 a.m. The Council and guests introduced themselves.

Approval of the Minutes of September 8, 2010

A discrepancy was noted in the date on the submitted Minutes and by consensus it was determined to correct the date to September 8, 2010. Linda Todd moved to adopt the corrected Minutes and Lynn Leader seconded the motion. The corrected Minutes of September 8, 2010 were adopted without dissent.

Mentoring and “On-boarding” New Council Members

The Council decided to change the order of the agenda and took up seventh item, Council Planning, out of order. The Council formed a subcommittee of Council members and others to develop a Member Orientation, Mentoring and “On-Boarding” program. Named to the subcommittee were Chris Crigler, Nathan Dowell, Linda Todd, Betty Lehman and Lynn Leader.

New Member Solicitation

Linda Todd reported that she has been handing out applications for the Council to a variety of groups including: Progress 23, Action 15, and the Colorado Water Congress.

Introduction of Applicant for Council

Chris Crigler was introduced as an applicant for a seat on the Council. After he provided information about his background and interests in insurance, it was decided that the Council would do an electronic poll via e-mail to approve his joining the Council.

Schedule for 2011

The Council set its next meeting for January 5, 2011. Deputy Commissioner Brown will circulate possible dates through June, 2011 for Council meetings and the schedule will be announced at the January 5, 2011 meeting.

Executive Branch Transition

Chair Betty Lehman reported that she had sent a message to the Governor's Office to ask them to include the Consumer Insurance Council in their discussions of transition to the new Administration, including Department Heads and the Insurance Commissioner. The Council authorized the Chair to develop and send a formal letter from the Council to Governor-elect Hickenlooper.

Communications and Outreach

Consumer Education Director Cameron Lewis reviewed the news releases the Division has recently issued, including:

- Division of Insurance Publishes "Frequently Asked Question on Rate Filing, Rate Reviews and Approval of Health Insurance Rates in Colorado"
- Governor Ritter Applauds \$1 Million Grant to Enhance Health Insurance Premium Rate Review Process and Increase Consumer Education and Outreach Efforts
- Anthem Consumers to Receive Share of \$20 Million Premium Credit
- World Insurance Company Pays \$153,000 Fine for Violations of Insurance Law for Individual Sickness and Accident Plans
- Statement by Colorado Commissioner of Insurance Marcy Morrison Regarding the Availability of Child-Only Policies in the Individual Insurance Market
- Emergency Regulation Establishes Open Enrollment Periods for "Child Only" Health Policies, and Division of Insurance Ready to Assist on Child-Only Policies in Colorado
- Public Adjusters – Tips for Locating, Evaluating and Contracting with a Licensed Public Adjuster following a Significant Loss or Damage to Property
- Division of Insurance Orders Increase in Workers Compensation Loss Costs
- Insurance Commissioner Marcy Morrison Awarded "Excellence in Consumer Advocacy"
- Division of Insurance Releases "Complaints Against Insurers" Report for 2009-2010

The Council was provided copies of the Complaint Report and the Fall, 2010 Colorado Regulator with the article about the award to Commissioner Morrison from the National Association of Insurance Commissioners (NAIC) Consumer Representatives.

Federal Health Care Reform Implementation

Barbara Yondorf, an NAIC Consumer Representative, reported on the efforts through the NAIC to implement federal health care reform. She noted that after months of work the NAIC was finalizing its recommendations to the Secretary of Health and Human Services on “medical loss ratios” and rebates. She reported that consumer representatives want more of health premium dollars spent on health care services and a “squeeze” put on administrative expenses. Ms. Yondorf thanked Commissioner Morrison for carrying the consumer banner on this issue.

Another item the NAIC has been diligently working on for several months in the rate filing disclosure form. Determining the appropriate elements to be included on this form has required a balancing of interests that Ms. Yondorf complimented the NAIC for providing.

The discussion then turned to the issue of health care exchanges. Ms. Yondorf reported that the NAIC was working on model legislation for implementation of the exchange requirements from the Patient Protection and Affordable Care Act. The existing state models for exchanges are Massachusetts and Utah. In 2014, subsidies for qualifying persons will only be available for health coverage purchased through an exchange.

In Colorado, the federal health care implementation board has been holding a series of town hall meetings on the exchange concept. Ms. Yondorf reported that people generally like the concept of exchanges, but there are going to be significant implementation issues such as coordination between the state Medicaid program and the exchange.

Ms. Yondorf also reported on the work being done by two groups under the purview of the NAIC. One is for the development of a standard benefit description form, and the other a standardized explanation of benefits and definitions. She reported that the benefit description form is statutorily limited to 4 pages in 12 point type. The NAIC has brought together extensive stakeholder groups to design the proposed form and consumer explicitly have “seats at the table.” Consumers Union and America’s Health Insurance Plans are conducting focus group evaluations on the proposed forms.

Other issues that the NAIC is discussing and developing proposed model legislation/regulation on include: dependent coverage to age 26, prohibitions on rescissions, removal of lifetime and annual limits and waivers of these requirements for mini-med plans until 2014, grievances and external review of denials.

Among the “hot topics” Ms. Yondorf said will be further discussed at the NAIC are:

- Operations of exchanges
- Elements of essential benefit plans
- What benefit enrollment processes will be
- Role of insurance agents/brokers

Health Premium Rate Filings

Tom Abel, supervisor of the Division's Rates and Forms section, was introduced to provide insights into the current premium review process. Mr. Abel noted that he has over 23 years experience in reviewing health rates. He reported that in 2008 as a result of HB08-1389, the Division substantially changed its processes for reviewing health rates moving from file and use to prior approval of health rates as to whether they are excessive, inadequate or unfairly discriminatory.

As a result of federal health care reform, the Colorado Division of Insurance was awarded a \$1 million grant which has permitted the Division to hire additional staff to review health insurance rates. Mr. Abel reported that the Division receives approximately 1,600 health rate filings a year, and that currently about 1/3 of the filings include federal health care reform issues and provisions.

Mr. Abel reported that much of the increase in health premiums is due to medical cost increases. This is also known as medical trend. New rating models are being developed, and are increasingly complex, to accommodate federal prohibitions on certain business practices such as child-only policies, and elimination of pre-existing condition exclusions in individual coverage. Mr. Abel noted that the enactment of the All Payor Claims Database by the Colorado Legislature will provide additional information for the analysis of health care premiums.

Draft Outline on Factors Affecting Health Insurance Premiums in 2010

External Affairs Director Jo Donlin passed out a draft outline on Factors Affecting Health Insurance Premiums in 2010. This document is a preliminary draft which is being used to respond to questions about health insurance premium increases and will be incorporated into consumer information and education materials.

Ms. Donlin also reported on consumer meetings that she has participated in such as the Spring Institute for new immigrants, Progress Now opposing Propositions 60, 61, and 101, and the Colorado Center for Law and Policy on its self-sufficiency model.

Honoring Commissioner Morrison

The Council then honored Commissioner Morrison for her work with the Council since its inception. The Council presented the Commissioner with a gift of a state park pass and a cake.

Adjournment

The Council adjourned at 1:30 p.m. noting that the next meeting of the Council would be January 5, 2011.