

FLORIDA HEALTH INSURANCE ADVISORY BOARD
Board of Directors Meeting Minutes
Tuesday December 9, 2014
2:00 P.M.
401 Senate Office Building
Tallahassee, Florida

Board Members Present:

Kevin M. McCarty, Chair
W. Adam Clatsoff, Vice Chair
Molly McKinstry
Leah Barber-Heinz

Joan L. Galletta
John J. Matthews
Brad Bentley
Christopher A. Ciano

Tamara Meyerson via phone
Seth Phelps for Mark S. McGowan

Others Present:

Michelle Newell, Executive Director
Jeffrey Joseph, Senior Attorney, Legal Services Office, Office of Insurance Regulation (OIR)
Rich Robleto, Deputy Commissioner – Life & Health, OIR
Jack McDermott, Director, Life & Health Product Review, OIR

I. Call to Order

Commissioner Kevin McCarty called the meeting to order at 2:00 p.m. noting the meeting had been properly noticed to the public and thanked the Florida Channel for broadcasting the meeting.

II. Roll Call

Michelle Newell conducted a roll call, noting the presence of a quorum.

III. Antitrust Statement

Jeffrey Joseph was recognized to review the antitrust statement.

IV. Chair's Opening Remarks

Commissioner McCarty opened the meeting by advising members that the purpose of the meeting was to discuss member input for legislative recommendations by the board. He continued by saying that following the presentation and discussion of items, that where there was consensus, it would be included in a document for the Legislative Leadership.

V. Legislative Input Discussion

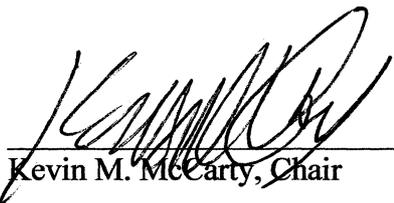
The following members were recognized and presented their items for discussion: Seth Phelps for Mark McGowan; Joan Galletta; Leah Barber-Heinz; Christopher Ciano; and Adam Clatsoff. Following robust discussion of the inputs, consensus was reached on six issues to further as legislative recommendations and there was interest in eight items where members were asked to provide additional information for review. A follow-up telephonic meeting will be scheduled in early 2015 for presentation of supplemental information, discussion and finalization of the Board's recommendations. The recommendations are detailed in the attachment to the minutes.

VI. Other Matters

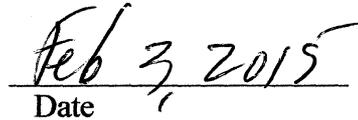
The Chair recognized Jack McDermott, Director of Life & Health Product Review at the OIR, to provide an overview and background information regarding Essential Health Benefits (EHB) in response to a request by Ms. Barber-Heinz at the August meeting. Following Mr. McDermott's presentation, Ms. Barber-Heinz proposed the FHIAB host informational hearings to gather information from stakeholders in order to provide data for the development of the 2016 EHB Package. Members will consider this proposal at an upcoming meeting.

VII. Adjournment

Upon completion of the agenda and there being no further business before the Board, Mr. Clatsoff motioned and Ms. Galletta seconded adjournment of the meeting. Hearing no objection, the Chair adjourned the meeting at 4:05 p.m.



Kevin M. McCarty, Chair



Date

Florida Health Insurance Advisory Board

2015 Legislative Recommendations

1) Certificates of Creditable Coverage (COC).

- Health insurers are no longer allowed to impose pre-existing condition exclusions. This prohibition makes the current rules requiring plans to provide certificates of creditable coverage unnecessary. As of December 31, 2014, federal law no longer requires issuers and group health plans to issue COCs.
- Recommendation: Revise the state laws to align with federal law and eliminate the requirement. This will result in reduced administrative expenses.
- References: 627.6561; 641.31071, F.S., F.A.C. 690-154.110, F.A.C. 690-191.039

2) Guaranteed Renewability.

- Federal law requires issuers to provide 90 day discontinuance at the *product* level. The state law requires a 90 day notice whenever a *policy form* or plan is discontinued.
- This means that when a member's policy form or plan is discontinued insurers must send a 90 day state notice of discontinuance. Since this does not qualify as a federal discontinuance insurers must also provide a CMS renewal notice. The two notices (renewal and discontinuance) create confusion due to the inconsistent messaging and timing of the notices.
- Recommendation: Align state law with the new federal law. This will reduce member confusion with multiple notices in the marketplace. This will also result in reduced administrative expenses.
- References: 627.6425(3); 627.6571(3); 641.31074(3), F.S.

3) Outline of Coverage (OOC).

- State law requires an outline of coverage to be provided to all individual policyholders. The ACA requires a Summary of Benefit of Coverage (SBC) to also be provided to all members. In addition to the SBC and OOC, members receive a benefit booklet, schedule of benefit, benefit summaries and other collateral. The use of multiple documents for individuals creates confusion and is unnecessary.
- Recommendation: Eliminate the OOC requirement under state law. This will reduce member confusion by reducing the number of documents they receive. It will also decrease the number of OIR form filings from insurers and will result in reduced administrative expenses.
- Reference: 627.642, F.S.

4) Standard and Basic.

- FL law requires insurers to offer small group Standard and Basic health plans. These plans' benefits do not comply with the ACA market reforms.
- Recommendation: Eliminate the requirements under state law related to Standard and Basic.
- Reference: 627.6699 (12), F.S.

5) Small Group Community Rating Report

- Semiannually small group carriers are required to report to OIR information that enables them to monitor the relationship of aggregate adjusted premiums actually charged to policyholders by each carrier to the premiums that would have been charged by application of the carrier's approved modified community rates.
- Recommendation: Eliminate this report as it requires substantial resources and does not provide meaningful information with the implementation of PPACA.
- Reference: 627.6699 (6)(B)5, F.S.

6) Employee Only Coverage in Small Group Plans.

- Current Marketplace Issue: In the small group market, under most employer-sponsored group health plans, employers subsidize the employee's premium but spouse/dependent coverage are offered under the plan completely at the employee's expense, with no employer contribution. In the new environment, it would be advantageous to have the option of not offering spouse/dependent coverage in small group, because the offer of coverage to a spouse and dependents, regardless of the affordability of that coverage, negates the ability of the spouse and dependents to qualify for subsidized coverage in the Marketplace (Exchange). The Affordable Care Act (ACA) does not require that small groups offer spouse or "dependent" coverage. However, in the small group market, carriers have never given small groups the option of not offering spouse/dependent coverage. The option of offering "employee only" coverage is required for carriers participating in the Small Business Health Options Program (SHOP) Marketplace (Exchange).
- Recommendation: The Board is recommending that small group employers be specifically allowed the option to offer "employee only" coverage in the open market as is permitted in the Marketplace (Exchange). This will allow consistency between the Marketplace (Exchange) and open markets and allow spouses and dependents to obtain coverage in the Marketplace (Exchange) where they may qualify for a subsidy, since their coverage is not subsidized by employers in most cases.