OKLAHOMA HEALTH INSURANCE
HIGH RISK POOL
BOARD OF DIRECTORS MEETING
September 25, 2012

Directors Present: Dwight Herron - Chair
Clark James
Charles Van De Wiele
Paula Root
Caleb Scoville
Angela Ables
Haydee Muse

Others: Tanya Case, James Mills
Michael Garcia, Angela Powell
Phil Morrison, Susan Dobbins
Chris Engelman,
James Scimeca,
David Gaither, Julian Baldwin
Kacey Hawkins, John Crumly
Frazier Farley

Absent: Chris Kenney, Kyle Whitehead

CALL TO ORDER
The meeting was called to order at 1:40 at the Oklahoma Insurance Department in Oklahoma City, OK.

QUORUM
It was determined that a quorum was present.

MINUTES
The proposed August 2012 regular session meeting minutes were distributed to the Board by mail prior to the meeting. Dwight Herron called for a review and discussion of the minutes. Paula Root made a motion to approve the regular session minutes. Caleb Scoville seconded the motion and it passed with all voting in favor, except Charles Van De Wiele and Angela Ables who abstained.

FINANCIALS
The BCBSOK report, financials and Maxcare report were presented by David Gaither, Michael Garcia, Chris Engelman, and Kacey Hawkins. The Directors reviewed and discussed all the reports including the financials, lifetime accumulator, and discount report. Julian Baldwin presented a proposal to include more immunizations in the policies coverage. The Directors deferred this for more study. Paula Root presented the pharmacy sub-committee report and recommended that anti-virals be included with specialty drugs. Paula Root made a motion to accept the recommendation. Charles Van De Wiele seconded the motion and it passed unanimously. It was noted this was an open definition change and would not need to be filed.

TEMPORARY HIGH RISK POOL
Tanya Case reported on the status of membership, premiums, claims, reporting, outreach, expenses and other matters she is working on for the Temporary Pool. The Directors discussed the information and asked questions. Tanya and Dwight also briefed the Board about the NASCHIP meeting. They told the Board that the Government has criticized some of the Temporary Pools for having costs too high. Some States, not yet known, would be transferred to UHC. Tanya also presented information from John Ahrens’, the OTHRP actuary. She also mentioned the plan had changed to consider increasing premiums instead of leaving them unchanged, to help address the costs concerns. John joined the meeting by phone, and discussed several options for rate increases for OTHRP. After discussion, Charles Van De Wiele made a motion to increase OTHRP premiums 6% effective January 1, 2013, subject to CCIIO approval. Clark James seconded the motion and it passed.
unanimously. Dwight also said he needed more time to consider the Federal Grant change which would be tied to a small increase, off-set by the bonus grant, before making a recommendation for OHRP.

Next John Crumly, Maxcare, advised the Board that there was a problem with some members being directed by one of their in net pharmacies to go out of network to a different pricing program, which violates the exclusivity provision of the contracts. John was authorized to begin an audit to determine who the members are and to stop the violations. This has not yet been confirmed, so it seems suspect because the pharmacy has a contract to use Maxcare’s network for our members. And the members may not even be aware of this. John promised to keep us updated on this.

Next Tanya reminded the Board how Pharmacy costs are driving OTHRPs overall costs. Kacey Hawkins presented information that it is primarily Specialty drugs doing this. Just three members with HAE (Hereditary Angiodema) are responsible for almost 50% of the specialty cost. More will be considered about how to address this.

Next Tanya asked for guidance on how to handle retro-active terminations, where other insurance, Medicare / Medicaid, has been discovered, with a large sum, $634,000 owed to OTHRPs by the members. Tanya presented this proposal: Proposed Request to CCIIO for Policy When Other Insurance Discovered

Oklahoma Temporary High Risk Pool (OTHRP) would like to request that OTHRPs primary approach to disenrolling members due to determination of other major medical insurance coverage will be to disenroll prospectively on the first of the month following the month of discovery of other coverage. In addition, OTHRPs would like to review each members situation involving disenrollment due to other insurance individually to determine if the prospective disenrollment creates a financial detriment to the individual. If it is determined that the individual's cost of incurred medical and pharmacy costs are less than the amount of paid premiums for the coverage period in question (effective date of other coverage to first of month following month of discovery), then the individual will be disenrolled retroactively as of the effective date of other coverage, and premiums less incurred medical and pharmacy costs will be refunded to the individual.

Oklahoma Temporary High Risk Pool (OTHRP) further requests that this OTHRPs policy be made effective August 1, 2012. This will prevent four OTHRPs members from having to be pay monies owed to OTHRPs for pharmacy costs incurred after their other coverage was effective which totals $634,066.15. Of this amount, one member (diagnosis of HAE) individually owes $632,404.52. OTHRPs sought recovery from Medicare on this individual because we thought it was possible that these high cost injectables were covered by Medicare Part B; however, Medicare advised OTHRPs that these injectables since self-administered are covered by Medicare Part D and this individual does not have Medicare Part D. In regards to premium refunds, only two members have been given refunds totaling $1,096.00. The two members are in addition to the four members previously mentioned. It should be noted that effective July 2012 OTHRPs membership is included in a quarterly query to CMS to identify any OTHRPs members who may have obtained Medicare coverage after enrollment in OTHRPs.
Angela Ables made a motion to accept the above proposal. Clark James seconded the motion and it passed with all voting in favor.

OHRP
Dwight Herron reviewed the NASCHIP discussions about the current thinking of other Pools about the future. David Gaither reviewed the current assessment. Frazier Farley advised the Board that CMS had withdrawn its prior approval of combining bonus and operational loss funds to pay for one full month of premium holiday. He found out at the last minute of their decision making process and was given a deadline to submit a new proposal, in just a few days. The bonus funds alone, a little more than $300,000 would not be enough to do a full month premium holiday. Rather than change the proposal to have a much smaller premium holiday, the proposal was changed and submitted as a premium reduction plan in which the rate of increase of a future rate increase would be reduced. CMS indicated they would accept this. CMS insisted the proposal be changed before the next Board meeting, but the Chairman was informed. The Pool’s actuary has advised the new ASR is just below 135%, the current modifier. The idea suggested was that the premium be increased just to get closer to 135%, but only in an amount equal to the bonus grant and pay for it completely with the Bonus funds, making it invisible to the members. It was decided the decision on whether to use the bonus funds for a rate increase would be deferred to next month.

NEXT MEETING The next meeting of the Board of Directors of the Oklahoma Health Insurance High Risk Pool was set for Tuesday October 23, 2012 at 1:30 pm at the Oklahoma Insurance Department in Oklahoma City, OK.

ADJOURN The meeting was adjourned at 4:15 p.m.
FOR THE BOARD OF DIRECTORS OF THE OKLAHOMA HEALTH INSURANCE HIGH RISK POOL

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September, 2012 meeting