

**FLORIDA HEALTH INSURANCE ADVISORY BOARD**

**Board of Directors Meeting**

**September 24, 2010**

**1:30 P.M.**

**Senate Office Building, Room 401**

**Tallahassee, Florida**

**APPROVED MINUTES**

**Board Members Present:**

Commissioner Kevin McCarty, Chair	Sue Conte	Joan Galletta
Adam Clatsoff (by phone)	Michael Jackson	Mark LaBorde
Tamara Meyerson (by phone)	John Matthews	Randy Kammer
Maria Wells (by phone)	Laura Goodhue	Harry Spring

**Others Present:**

Torre Grissom

**I. Remarks by Chairman**

Commissioner McCarty called the meeting to order, briefly discussed the anticipated events of the day, and welcomed the new members of the Board, Sue Conte and Laura Goodhue.

**II. Antitrust Statement**

The Chair directed the members to the antitrust statement.

**III. Approval of Minutes**

The Chair asked if there were any corrections or additions to the May 4, 2010 minutes. With no changes requested, The Chair asked if there was a motion to approve the amended minutes which Mr. Jackson so moved and Mr. Clatsoff seconded.

**IV. Roll Call**

Mr. McCarty instructed Board members to introduce themselves, including affiliation, noted the presence of the quorum and called the meeting to order.

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## **V. Executive Director's Report**

Mr. Grissom reported that the Board's operational budget for 2010 was well within approved limits and noted that the program was on sound financial footing going forward.

## **VI. Review and Approval of 2009 Market Report**

Mr. Grissom provided a brief overview of the 2009 Market Report, noting its general requirements and summarizing its contents.

Ms. Goodhue noted recent Kaiser Family Foundation figures showing the estimated uninsured population in Florida remains high, prompting a discussion on the structure of the uninsured population in the state and the effect of federal legislation in this regard.

Upon a motion by Mr. Jackson and a second by Ms. Galletta, the report was moved and adopted by the Board.

## **VII. Update on the Federal Patient Protection and Affordable Care Act (PPACA)**

The Chair acknowledged Mary Beth Senkewicz, Deputy Commissioner of Life and Health, Office of Insurance Regulation (the Office) for a presentation on the implementation of the federal Patient Protection and Affordable Care Act.

Ms. Senkewicz discussed the rules and regulations related to the health care reforms that had been promulgated on federal requirements that recently became effective.

Ms. Kammer noted that there had been some comment at the federal level concerning the appropriate time frame for states to implement enabling legislation for the establishment of health exchanges, prompting a short discussion of this issue.

Ms. Senkewicz noted discussions that had taken place between the Office and the U.S. Department of Health and Human Services (HHS) concerning the status of Cover Florida and Health Flex plans under the requirements of the PPACA.

Ms. Senkewicz reported on the awarding of a federal grant designed to assist in the Office's enhanced rate review process, as well as the Agency for Health Care Administration's pending application for a grant to assist in health insurance exchange planning.

## **VIII. Consideration of Medical Loss Ratio Waiver Request**

The Chair reviewed the testimony provided in the Joint FHIAB-Office hearing held earlier in the day on the provisions in the PPACA related to minimum loss ratio guidelines and discussed the implications from early implementation of these requirements on the individual health insurance market in Florida. Because of concerns

expressed in the testimony, the Office was considering a request to HHS for a waiver from these requirements to allow the market a period of transition to the new guidelines.

The Chair asked if there was a motion to endorse the Office's application for such a waiver.

Mr. Jackson indicated that he was concerned with the state of the market in Florida if choice in the individual market was jeopardized. He moved the motion and Ms. Galletta seconded. On a voice vote, all members present voted in favor of the motion save Ms. Goodhue who voted nay.

## **IX. Discussion of 2011 OIR Legislative Recommendations**

Ms. Senkewicz reviewed legislation the Office regarded as necessary to conform the insurance code to the provisions of the PPACA that recently became effective.

Discussion centered on the expansion of dependent coverage, elimination of pre-existing condition requirements, the implication of the loss of child-only coverage, restrictions on annual and lifetime policy limits, preventive care allowances, policy rescission, and data reporting requirements.

Ms. Goodhue inquired as to how changes in the law were being communicated to consumers. The Chair and Ms. Senkewicz elaborated on state agency responsibilities and Ms. Kammer discussed tools carriers were likely to use to inform consumers.

The Chair asked if there were any provision for federal grant money to assist in the state's transition to the requirements of the PPACA. Ms. Senkewicz was not aware of any availability of federal funds aside from those recently acquired to help with the rate review process.

The Chair pointed out that any Office legislative proposals related to the PPACA would be designed to simply mirror federal law.

Ms. Senkewicz noted that the medical loss ratio standards in the PPACA become effective in 2011, requiring the Office to track and verify compliance, prompting an extensive discussion led by the Chair concerning various alternatives to implement these standards.

Ms. Senkewicz provided a quick preview of what 2013 legislative session actions would be necessary if 2014 PPACA provisions were to be enacted in state law.

The Chair discussed the immense challenge facing the states in implementing the provisions of the PPACA related to health exchanges.

**X. Other Business**

Mr. Jackson, observing that another meeting of the Board in 2010 was unlikely, noted that his term was concluding at the end of the year, thanked the Chair for the honor of serving with and learning from fellow Board members, and expressed his deep appreciation to the Chair for the opportunity to make a contribution.

The Chair thanked Mr. Jackson for his dedicated service to the Board and the time he devoted to the Board's activities.

Mr. Clatsoff indicated that a health insurance certification process for agents is becoming necessary in this increasingly complex field to assure consumers are getting proper information. Ms. Galletta agreed, indicating that a true program in this regard, not just a credential, would be appropriate.

Mr. Spring cautioned against the state rushing into the establishment of a health exchange without proper planning, and also suggested any Florida exchange include Puerto Rico.

**XI. Adjournment**

Upon completion of the agenda, there being no further business before the Board, the meeting was adjourned on the motion of Mr. Clatsoff and without objection the Chair adjourned the meeting.

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Kevin M. McCarty, Chairman

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Date