

**State of Wisconsin
Office of the Commissioner of Insurance**

**Small Employer Health Insurance Task Force
Task Force Meeting-November 27, 2000**

**Department of Veterans Affairs-Board Room
30 W. Mifflin St
Madison, WI**

Minutes of Meeting

Task Force Members Present:

Connie L. O'Connell, Chair
Timothy Bireley
Roger Breske
Steven Broeckert
Don Carrig
Paul Corcoran
Joe Decker
Paul Dell Uomo
Jeffrey Mason
Nancy Potter

Members not present:

Lorraine Seratti

Participating Staff:

Eileen Mallow, Assistant Deputy Commissioner
Mike Honeck, Chief Health and Life Insurance Section
Richard Hinkel, Financial Examiner
Laura Iliff, Actuary
Jim Guidry, Legislative Liaison

Presenters:

Christopher Queram, CEO, The Alliance
Cathy Mahaffey, Product and Business Development Specialist,
The Alliance
Phillip Borden, Director, Office of Private Employer Health Care
Coverage Board

Ms. O'Connell called the meeting to order and introduced the task force members.

Expectations:

Ms. O'Connell gave a brief statement on the expectations the Governor placed on the task force. She reiterated the governor's desire for recommendations to originate from the task force that will address the health insurance coverage concerns faced by small employers. She also stated that the duties of the task force should look beyond what the Department of Employee Trust Funds is trying to accomplish with the Private Employer Health Care Coverage Program and that this task force should not attempt to duplicate their efforts.

Small Employer Task Force
November 27, 2000, meeting minutes
November 29, 2000

Ms. O'Connell made mention of the Small Employer Task Force presence on OCI's Internet site and proceeded with the agenda.

The A-CHIP Experience:

Christopher Queram and Cathy Mahaffey of the Alliance gave a presentation on the experience The Alliance had with the A-CHIP program. The presentation gave a history of the program, outlined the objectives and detailed the selection of GHC. From there they presented information on the growth of the A-CHIP program.

The presentation then focused on the problems encountered by GHC and the ultimate decision to withdraw from Green and Jefferson Counties as well as other program changes for 2000 and 2001.

A discussion ensued that covered topics as varied as Alliance's original intent, the data that Alliance has accumulated, the issue of limited providers in certain geographic areas in Wisconsin, labor shortages experienced by providers, Medicare, and costs inside Dane County vs. outside Dane County.

The presenters concluded by offering some suggestions for the task force to consider:

- Coverages free of mandates
- Community Rating
- Incentives for carrier participation
- Tax incentives for individual coverage.

Current Market Conditions Presentation:

Mike Honeck of OCI staff gave a historical overview of health insurance regulation in Wisconsin. He then turned to the current regulatory environment. He detailed how the Health Insurance Portability and Accountability Act (HIPAA) divided the industry into small and large group markets. Mike also gave information on small employer insurance law including definitions, outlining restrictions, portability and eligibility requirements.

Laura Iliff, Actuary for OCI, gave a presentation on current rate changes for small employers in Wisconsin along with a further discussion of rate bands.

Richard Hinkel gave a presentation on the financial performance of HMO's in Wisconsin and OCI's financial regulation process.

A discussion ensued that included the topics of a statewide security fund, the Health Insurance Risk Sharing Pool, solvency requirements and HMO profits.

Private Employer Health Care Coverage Program (PEHCCP):

Phil Borden, Director of Office of Private Employer Health Care Coverage gave a presentation about the program. His presentation included an overview of the process to date and the current condition of the search for an administrator.

Next Meeting:

Commissioner O'Connell outlined a list of subjects that members of the task force identified during the meeting that should be considered to help formulate recommendations to the governor. Due to the size of this list the Commissioner indicated that some prioritization would be necessary in order to achieve timely results. The Commissioner indicated that the next meeting should be in early January and that a date would be set soon.