

**Health Reform: HBE and Insurance Oversight Workgroup**  
**Thursday, December 16, 2010**  
**North Carolina Institute of Medicine, Morrisville**  
**1:00pm-4:00pm**  
**Meeting Summary**

**Attendees:**

*Workgroup Members:* Louis Belo (co-chair), Allen Feezor (co-chair), David Atkinson, Tracy Baker, Teri Gutierrez, Mark Hall, Mark Holmes, Rep. Verla Insko, Bob Jackson, Linwood Jones, Michael Keough, Ken Lewis, Adam Linker, Rich Lord, Sen. Floyd McKissick, Barbara Morales-Burke, Com. Jean Powell, George Reed

*Steering Committee Members:* Rose Williams

*NCIOM Staff:* Pam Silberman, Rachel Williams

*Other Interested Persons:* Leslie Boyd, Bob Carey, Abby Carter-Emanuelson, Amy Jo Johnson, Fred Joyner, Harrison Kaplan, Markita Keaton, Anne Lore, Jerry Maccioli, J. William Mills, Ernest Nickerson, Andrea Phillips, Ben Popkin, Lendy Pridgen, Robert Seehausen, Chris Skowronek, Ashlee Smart, Chuck Stone, Jim Waldinger, Rebecca Whitaker

**Welcome and Introductions**

*Louis Belo*

*Chief Deputy Commissioner*

*North Carolina Department of Insurance*

*Co-chair*

*Allen Feezor*

*North Carolina Department of Health and Human Services*

*Co-chair*

Mr. Belo welcomed everyone to the meeting.

**Discussion of Roles and Responsibilities of HBE, Governance Structure**

*Pam Silberman, JD, DrPH*

*President and CEO*

*North Carolina Institute of Medicine*

Dr. Silberman led the workgroup in a review of draft legislation for developing the HBE in North Carolina. The review, which went through Section Six, focused on the roles of the HBE

board such as the board's authority to make decisions for the exchange. The North Carolina General Assembly (NCGA) will need to create the HBE and set the broad parameters for its activities. But thereafter, the workgroup agreed that the Board should have the authority and flexibility to make most decisions rather than need to have legislative approval for every change.

The workgroup reviewed Sections 1-6, but created a subcommittee to review the legislation in more detail and present a revised draft at the next meeting. The initial draft can be found here: [North Carolina Health Benefit Exchange Act \(Draft\)](#).

Selected questions and comments:

- Q: Have we agreed that we will have two separate exchanges? A: Not yet. We have discussed one exchange with two functions.
- Q: Was this draft taken from another source originally? A: Parts of this draft are from the National Association of Insurance Commissioners (NAIC) model HBE Act, prior work group discussions, and the high risk pool. We need to change some aspects of the model act to fit our purposes.
- Q: In Section Four it mentions a 90-day time period for the Commissioner to approve or disapprove the Plan of Operation. What happens after the 90-days? A: The 90-day time period forces the Commissioner to take action. After the 90 days the board can go ahead without his/her approval.
- Q: Do we intend to exclude third party administrators (TPAs) from administration of the exchange? A: Plans on the exchange have to be fully insured and from a licensed carrier. Since the ACA prohibits the HBE from contracting with insurers for *administrative duties*, TPAs that are affiliated with insurers will not be involved in the administration of the exchange.

### **Public Comment Period**

- As a consumer I don't want to have to go through an unlimited number of plans. You can be reasonable and still have a limited number of plans that can be compared and understood. Even having multiple options through an employer is difficult because the plans cannot be compared easily. Plans that can be compared, such as the ones that will be in the exchange, are a benefit to consumers.
  - You still want there to be competition within the exchange so you don't want to limit the number of plans too much.
  - From a provider perspective, if there are too many types of plans with different requirements it is hard to adapt, and is administratively burdensome. It takes a lot of time and energy away from patients trying to meet different insurer requirements. Also, providers should be educated about insurance options because patients often ask providers for advise on which plan to choose.