



July 26, 2017
Legislative Meeting

In attendance:

Executive: Carol Conway, Tim Barhorst, Ingrid Martin, Sandra Moody Gresham, Debbie Boop, John Dodd

OAHU Board: CAHU: Lee Nathans; GC: Gerald Stricker, Dave Kross; NE: Shelley Chornak, Rich Muccio;
NW: Benjamin Otley, Vicki Donovan-Lyle; WR: Julie Ginnis, Karen Armstrong

Randy Ayers, Danny Bradford; Bill Geraci; Barb Gerken; Jennifer Kauffman; John McConnaughey; John McGough;
Joanie Keehn; Carla Washko, Brian Thompson

Carol Conway called the meeting to order at 11:05 am.

One of the reasons for today's meeting is that with all the changes in healthcare we will need to be sure that OAHU members all speak with one voice. Carol mentioned that Sheri forwarded her an email from Japan about the counties in Ohio that will be uninsured in the individual market.

Carol turned the meeting over to the leg team: Tim Barhorst, Barb Gerken and John McGough.

Legislative Update – Tim Barhorst/Barb Gerken

Tim thanked everyone for attending as a lot has happened since DAS. Tim advised all that Barb is also on the National Leg Council. A major concern is anyone who is in the individual market is not sure what to tell their clients as there will be twenty counties not having coverage as of January 1, 2018. Carrie from ODI will have an announcement this week. The leg committee has been working on this diligently and has given ODI some suggestions, as we are getting close to September and open enrollment. The committee is also working on the RX bill and the 1332 issue.

Barb, our vice chair, mentioned that the announcement yesterday was that the senate would be bringing bills concerning the ACA to the floor for a vote. She wasn't sure which bills would actually be presented. Democrats are against repeal and replace and Republicans are conflicted on the issue. It will be very hard to bring a bill forward that everyone can accept.

She also mentioned that the employee exclusion and the Cadillac tax have a bad name and these will probably be pulled out. She feels this would be devastating to Ohio employers. September 30 is the end of the fiscal year and if health care reform is not repealed or replaced, then Congress will go forward with tax reform.

The Senate parliamentarian is able to pull out some items from the ACA and these items will need sixty votes instead of the normal 50. Some of the items pulled out are: Planned Parenthood, abortion, funding for the cost share subsidy, stabilizing insurance market, 63 days vs. 6 months lock out for preexisting condition and medical loss ratio provision, and possibly association plans and essential benefits. These items cannot be in the budget.

Carol advised those in attendance to be careful when reviewing email from OAHU. We will be forwarding information as we obtain it.

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Legislative Update – John McGough

HB 49 – Biennial Budget (Effective September 29, 2017 – except for appropriation provisions effective June 30, 2017)

Tax Provisions - Municipal Income Tax

- Starting January 1, 2018 allows, but does not require, businesses to file a single annual or estimated tax return through the Ohio Business Gateway on which the business can report and pay the total tax due to all of the municipalities in which the business earned net profits.

Personal Income Tax

- **Retains current Business Income Deduction** – 100% of business income is deductible up to \$250,000, then 3% flat rate above that level.
- **Reduction of number of brackets from 9 to 7** by eliminating bottom two brackets.
- **College or disability savings tax deduction increase** – increases maximum income tax deduction for contributions to a federally tax advantaged college savings plan or disability expense savings account to \$4,000 (from \$2,000) annually for each beneficiary. Begins in 2018.

Sales and Use Tax

- **Use tax collections by certain out-of-state retailers** – Requires out-of-state sellers to collect and remit state and local use taxes, beginning January 1, 2018, if the seller has annual Ohio sales of at least \$500,000 and either uses in-state computer software to make Ohio sales or provides or enters into an agreement with a third party to provide content distribution networks in Ohio to accelerate or enhance the delivery of the seller's web site to Ohio consumers.
- **Sales Tax Holiday** – Extends current 3-day August sales tax holiday through 2018.

This is to make sure out of state vendors are paying tax to Ohio.

Commercial Activity Tax

- **Increases the share of CAT revenue credited to the General Revenue Fund from 75% to 85% beginning July 1, 2017**, and decreases the shares allocated to reimburse school districts and other local taxing units for their loss of tangible personal property taxes, from 20% to 13% for school districts and from 5% to 2% for other taxing units.

Reduces Department of Taxation's administrative share of CAT revenue from .85% to .75% beginning July 1, 2017.

A big part of the fight for the budget was the issue of Medicaid in Ohio. There were 40 vetoes by the Governor and the house overrode 11 of those. John doesn't remember this ever happening before. The senate has not acted yet. The Senate can veto anytime from now until the end of the two years.

Kasich Vetoes

- **Sales Tax Exemptions** - Kasich vetoed two sales tax exemptions relating to data processing/computer services and optical aides.
- **Medicaid Managed Care Tax Replacement** – Kasich stated that Ohio needs to replace the tax on Medicaid Managed Care plans to comply with federal law. The proposed replacement tax would generate \$615 million versus \$597 million generated under current guidelines. Proposed tax on Medicaid MCOs would be \$26 - \$56 pmpm and \$1 - \$2 pmpm on Commercial HMOs. Projected annual cost to Medicaid HMOs is \$854

million, but fully reimbursable. The House overrode Kasich's veto by a vote of 87-10. The Senate has not yet taken any action on Kasich's vetoes.

- **Health Care Compact** – This provision would have required Ohio to help create a multistate health care compact. Participation in the compact would have resulted in Ohio's federal health care funding being block-granted from the federal government.

This would allow the State of Ohio to work with surrounding states. They would need to agree and obtain block grants to run healthcare programs. This is not single payor. They would take Medicare dollars and let Ohio spend as they want to. John doesn't feel this will happen.

- **Medicaid Eligibility Requirements for Expansion Group** – This provision would have required the Director of the Department of Medicaid to seek a federal waiver to allow the Department to prohibit virtually every Ohioan age 19 -64 with income at or below 138% of the federal poverty level who is not already enrolled in Medicaid from enrolling in the program after July 1, 2018.

Rob Portman is looking for a soft landing for people on Medicaid. The House didn't override the veto because they are waiting to hear what happens on the federal level.

- **Behavioral Health Redesign** – This provision would have required the Ohio Department of Medicaid to delay the addition of behavioral health services into managed care until July 1, 2018.

Most providers don't like Medicaid expansion. Governor Kasich is supportive of what is happening in this area.

ACTION ITEM: John will send out what the Medicaid expansion is in Ohio.

OAHU Supports Consideration of Ohio Applying for a Section 1332 Waiver

The Affordable Care Act (Obamacare), beginning in 2017 permits states to apply for Section 1332 waivers to begin experimenting with strategies to provide consumers with quality, affordable health insurance. The waivers apply only to private health insurance coverage, not public programs like Medicaid or Medicare.

Section 1332 waivers must meet the following criteria:

- 1. Provide coverage to a comparable number of state residents as would be provided absent the waiver.**
- 2. Provide coverage that is at least as affordable as would be provided absent the waiver.**
- 3. Provide coverage that is at least as comprehensive as would be provided absent the waiver, and**
- 4. Will not increase the federal deficit.**

State Budget Requires Ohio to Apply for Section 1332 waiver by end of January, 2018

This week the State Controlling Board approved \$395,905 for the Ohio Department of Insurance to contract with Oliver Wyman to model scenarios that Ohio could implement under a Section 1332 waiver. Oliver Wyman recently worked with the State of Alaska to submit a Section 1332 waiver which has been approved.

For 2017 in Ohio, 20 counties only have one insurer selling on the federal exchange and 27 counties have only 2 insurers participating. For 2018, it is currently projected that in Ohio at least 18 counties will have no health insurance exchange options. In this regard, OAHU has been in conversations with ODI relating to possible actions that can still be taken to ensure that all Ohio 88 counties have a choice of at least one carrier.

Carol has asked Barb to head up a task force to put together the ideas of our members. She has also asked John Dodd to serve on the committee. Carol would like each local president to provide to Barb a representative from their local who will serve on the task force. It would be helpful if that person is in the individual market. OAHU needs to be prepared to present these ideas to ODI. We need to provide feedback on both individual and small groups.

2. Pending Legislation:

- a) **HB 7 – Sponsor (Rep. Bob Cupp) – Medical Provider Immunity** – Has the support of the Ohio State Medical Association. Is mini-medical tort reform legislation.
- b) **HB 72 Sponsors – Rep. Terry Johnson & Rep. Nickie Antonio & SB 56 Sponsors – Senators Peggy Lehner & Charleta Tavares - Step-Therapy** – This is a replay of a bill introduced last session. Current process known as “fail first”. Legislation would put more parameters on what can and cannot be done by insurers. Providers feel their hands are tied by current insurance rules. Would affect fully-insured only.
- c) **SB 87 – Sponsors – Sens. Bob Hackett and Matt Huffman - Prohibit Insurer Dental Fee Schedules** – This is the third session in which this bill has been introduced.
- d) **HB 73 – Sponsors – Reps. Rezabek and Koehler – Prohibit the sales of dextromethorphan (cough medicine) without a prescription to a person under age 18** – targeting abusive medications and Ohio’s growing problem with opioid addiction.
- e) **SB 55 - Primary Sponsors – Rep. Skindell – Nurse staffing minimum ratios** – Supported by the Ohio Nurses Association and their partner national organization. Would mandate staffing ratios and hours worked parameters.

3. Update on potential “Surprise” bill legislation in hospital setting

Bill Seitz is in leadership in the house and is in charge of developing leg strategies, very bright attorney from Cincinnati. On the surprise bill, he held an interested party meeting in April. The problem is: how do you reimburse?

OAHU can help by producing people who have had problems. Anesthesiologists and EMP’s are the biggest problem. Why not handle ER expenses and pay as in-network? Or require the non-participating provider to accept the participant rate for services?

Ohio Senator Matt Huffman will be introducing a bill re: being able to review claims information from carriers. The draft bill was introduced last session and John is working on it. There is no Senate Bill number yet. Members are supportive of receiving claim status. Kevin and John will be meeting with Senator Huffman this afternoon. John indicated that he needs to focus on the what he will bring to the table at this meeting ~~this afternoon~~. After much discussion, it was decided he would present the following:

One: Come up with one or more methodologies as to why it makes sense.

Two: Start collecting real live people to testify.

John is encouraging everyone to submit a real live person to bring in to a meeting. He would like to have four or five people be able to come in and talk about their situation at a hospital.

ACTION ITEM: John will prepare an email and send it to Jackie to email out.

John will discuss with Hoffman that OAHU feels the small market segment will be “cherry picked” and we will have less carriers willing to provide to small groups. We would like to provide claims data to employer groups with the caveat that we think it should be groups with no less than 25 and no higher than 50 employees and that OAHU is supportive of the content.

RX Bill On Ballot

A National Aids group, that basically is in the business of selling Aids-related drugs, is responsible for the RX bill.

John reported that this bill would require that aids drugs could not be sold any higher than what the VA pays for those drugs. The Trade association is opposed to it and one argument is that they can get better rates than the VA does. Trade associations and medical groups are opposed to this as well as most newspapers. They feel if the state rates are capped, then everyone else will have to pay more. The bill is not as simple as this.

ODI

John introduced Carrie Haughawout, Deputy Director of ODI. She used to work at the Ohio Chamber of Commerce and is very good at keeping John updated.

Carrie stated she typically has an outline ready for presentations but today she no outline. . . She has been very busy; seems like every day they hope they will receive more clarity but tomorrow never comes. She assured everyone that they are working with all major carriers and are in negotiations right now to have carriers to help cover the twenty counties that will be uninsured as of January 1 because Anthem pulled out. There are other states in our position, but Ohio is the largest state with the most uncovered. The regional players all have different things they are worried about. Her mood right now is hopeful and she feels they will get there with parameters that are known today.

Carrie reported that there is a page dedicated to 1332 on the ODI website as well as the RFP, links to CMS documentation, a copy of the letter to CMS and a location to sign up for updates to that page.

1332 requires state legislation and the state legislative deadline is January 31, 2018.

What Alaska is doing in general is a good thing, but probably will not be as good for Ohio as it is for Alaska. High risk pools are tough because you have to fund them. We have 9 carriers in Ohio, we started with 11 and it is down to 9.

Carrie doesn't know what will happen with navigators.

When asked about data for Ohio regarding loss ratios, Carrie said she didn't think Ohio collects that data but she will check on it. She also said the federal government might have that information and she will send us contact information.

**Board Meeting
July 26, 2017**

In attendance:

Executive: Carol Conway, Ingrid Martin, Sandra Moody Gresham, Debbie Boop, John Dodd

OAHU Board: CAHU: Sarah Richardson; GC: Gerald Stricker, Dave Kross; NE: Shelley Chornak, Rich Muccio;

NW: Benjamin Otley, Vicki Donovan-Lyle; WR: Julie Ginnis, Karen Armstrong

Danny Bradford; Bill Geraci; Jennifer Kauffman; John McConnaughey; Joanie Keehn; Carla Washko, Brian Thompson

CareWorks: Beverly Westover; Mike Lorms; Karen Moser, Connie and Cardell Watson

Carol called the meeting to order at 2:04 PM.

A motion was made by Debbie to approve the June minutes, seconded by Dave Kross. Motion approved.

CCI Report

Debbie Boop told those in attendance that the breakdown of the CareWorks distribution is in the board packet. The report will show you that 36 agents are actively selling the program and sold a total of 160 groups that are written into the pool through OAHU. The total number of groups is 333 and only 160 is because of OAHU. This is truly a gift. The agents are earning 35% of the admin fee and of that 160 groups. CAHU is responsible for 75 of 160 and their total check is shy of 16,000 and with add'l allocation of 904.62 they are receiving a check of \$16,884.62.

OAHU	# of agents that sell program	Commission paid to agent	Percentage Based on agents that sell	# of groups represented by local	Pay to locals		Delegates allocation determined (17 total) *	Amount to local
						CCI Allocation \$3844.64 additional revenue from CCI		
CAHU	18 agents	17,706.56	47	75	15980		4	904.62
GC	2 agents	721.25	3	5	1020		3	678.57
NE	8 agents	5,828.75	25	40	8500		4	904.62
NW	7 agents	7,739.13	24	38	8160		3	678.57
WR	1 agents	5969	1	2	340		3	678.57
TOTAL	36 agents	31,709.38	100	160	34,000		17	3,844.64

Sandra presented checks from CareWorks to the representative for each local, representing a total of \$37, 844.64 in revenue for the locals.

Continuing Education

Rich Muccio, OAHU CE Chair, announced that the new membership CE is approved. While investigating why we were having issues with our CE's being approved we discovered there is a Professional Association Membership Continuing Education Credit of 4 hours every two years that we can apply to offer our membership. Apparently no one knows about this, nor did Prometric. We submitted for the CE and just found out today it was approved. This is a great announcement to kick off our fall session and for obtaining new members. We are requiring our members to meet a few requirements in order to receive the 4 hours of credit.

- A member of the OAHU must, at minimum, attend/complete at least four events over the compliance period that advance their knowledge of their profession and/or health insurance license through the following options:
 - a. education sessions at the locals with or without CE's (does not include social events);
 - b. educational sessions at other locals within the state - other than their home local;
 - c. The OAHU Day at the Statehouse;
 - d. Attendance at NAHU Capital Conference; and/or
 - e. Any other OAHU sponsored events that include educational programs, such as product expos, panel discussions, etc.

This will help because locals will not need to have each program meeting have a CE attached to it. This will add value to our membership.

ACTION ITEM: J&M will send out an email blast announcing this new benefit, Carol will provide the email. It will state: Any events on or after August 1, will qualify toward completing the criteria to earn the free 4 CE's. You can only apply for four hours in your two hours' period.

Members should submit their CE form to J&M to receive the CE's.

Rich mentioned that he sent an email out to all CE program chairs and hasn't received any responses back. He would like to be able to build a directory of sponsors and speakers from around the state and share with other locals. Rich will have periodic calls to the program chairs to share. He also mentioned that he is working on getting the Risk360 program approved for CE's.

Next Board Meeting

Our next board meeting will be September 14 at the Westerville Library and we will update the strategic plan. Please be prepared to discuss. We need to add our new endeavors to the strategic plan. One hour of board meeting will be strategic planning.

This year we will be holding board meetings every 6 weeks instead of every 4 weeks.

CareWorks

Beverly Westover, Mike Lorms, Karen Moser, Connie and Cordell Watson attended our meeting to go over the new partnership that OAHU has entered to earn non-dues revenue as well as help our members earn additional income.

Beverly mentioned that she wanted everyone to walk away with a greater understanding of the product and broaden our member's portfolio to their client's. She distributed a copy of the agreement that they would be sharing with their client. (It was included in the packet). She also provided an enrollment/agent packet regarding the CCI program. She provided a summary of the services and information that we reviewed. This piece can be used as a marketing piece.

Karen from CCI will be talking to our clients. Most small businesses do not have an HR department and are not familiar with compliances and regulations that they need to keep up on as well as the ever changing things going on in the HR world. They do not have time to do internal audits, write job descriptions, retention, and handbook. Debbie Boop will be OAHU's main contact.

Cardell Watson will be the CareWorks HR Subscription Service advocate for agents.

Mike Lorms is with the Risk360 side of CareWorks. He feels that when there are safety issues within a company, there are also bigger issues.

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Karen Moser is on the HR side of the CareWorks group. She promotes an engaged workforce and assesses the whole company as a culture.

Connie is in the claims and tax management area of CareWorks. She will be able to discuss the unemployment tax rate. They will be holding a webinar and sending out newsletters monthly as well as periodic emails to our customers.

If they sign up for the HR Subscription Service, your client will receive a 12-month contract and an output report. Fees are in 3 tiers according to number of employees. Hours spent on various items are flexible depending on the needs of your client.

Beverly Westover is the CareWorks point person for OAHU. If your clients have questions, they can call her.

CareWorks staff will accompany you if you need help closing. Beverly will include a contact info sheet in their agent packet.

This is an OAHU product. CareWorks won't be providing this service to any else.

E & O comes back on CareWorks.