

Conference Call

HEALTH REFORM SOLVENCY IMPACT (E) SUBGROUP
Thursday, July 1, 2010

Summary Report

The Health Reform Solvency Impact (E) Subgroup met via conference call June 29 and July 1, 2010, to finalize the Blanks Proposal to send to the Financial Condition (E) Committee.

1. Upon a motion made by Alabama and seconded by Ohio, the Subgroup unanimously adopted the “Health Reform Blanks Proposal_July 1 draft.doc” with the following changes:
 - Deletion of “small” in the last sentence of the second paragraph of Page 5.
 - Addition of a new paragraph in the “include” instruction for Part 1, Line 1.6: “Payments to a state, by not-for-profit health plans, of premium tax exemption values in lieu of state premium taxes limited to the state premium tax rate applicable to for-profit entities subject to premium tax multiplied by the allocated premiums earned for Individual, Small Group and Large Group.”
 - Made the previous addition, plus the two existing paragraphs regarding “community benefit expenditures,” either/or options.
 - Deleted “long term” from the first bullet point under the Part 3, Column 3 instruction.
 - Deleted “24 hour” from the Quality Improvement instructions Note on “24 Hour Healthcare Professional Hotlines” and other references to it in the list of broadly excluded expenses.
 - Deleted “explicitly” from the Quality Improvement instructions Note just prior to the instructions for “PART 3A – ALL EXPENSES.”
2. The Chair indicated that the following list of significant issues—on which interested parties disagreed with the Subgroup position or the Subgroup was waiting for guidance from the Department of Health and Human Services—would be forwarded to the Financial Condition (E) Committee along with the adopted Blanks Proposal as amended above:
 - Accreditation Fees
 - ICD-10 Expenses
 - Community Benefit Expenditures
 - Taxes (exam fees, sales taxes, federal income taxes and local taxes)
 - Fraud and Abuse Expenses
 - Charge Off of Premiums
3. The Chair requested that interested parties focus their comments on the previous list of issues and send them to the Subgroup as well as the Financial Condition (E) Committee.

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