Arkansas Health Benefits Exchange
Questions and Answers from Community Meetings
July 18, 2012

Plan Management

As a small employer, I currently offer insurance. Will I be able to use the Exchange to change insurance plans, and hopefully save money? Also, if I offer insurance, but don't purchase through the Exchange will I still get a tax credit?

You may purchase through the Small Health Options Program (SHOP), which is a part of the Exchange. If you employ less than 50 or fewer persons, you are not required to provide insurance. However, if a small employer who employs less than 25 full time equivalent employees provides insurance, that employer is eligible for a tax credit if the average annual wages of the employees is less than or equal to $50,000 and you purchase through the Exchange. After the Exchange begins operation (1/1/2014), if you purchase your group coverage outside the Exchange you will not receive a tax credit.

Is the definition of small employer less than 50 or less than 51?

A small group can have up to 50 employees. An employer with 51 or more employees is considered a large employer for insurance purposes. In 2016, employers with 100 or less employees will be considered a 'small employer' for insurance purposes.

If I purchase a plan outside the Exchange will I have a smaller premium?

Not necessarily. Plans sold outside the Exchange will primarily have the same premium for the same level of benefits as those sold inside the Exchange.

If penalties for not having health insurance are enforced through income tax returns, what will happen to people who do not file returns?

For those who do not file an income tax return, there will be no enforcement of penalties. However, it should be noted that those individuals in the lowest income brackets who are not required to pay income tax are also not required to purchase health insurance.

Will the Benchmark Plan be designed to have a large network in rural areas and include all sorts of health care providers (including nurse practitioners)?

The Benchmark Plan will be determined based upon the benefits provided by the plan. The number and types of providers included in the plan will not be factors in that determination. The number and types of providers, particularly in rural areas, is a separate issue which is being addressed by other health planners.

With Take Care Arkansas, don't we already have plans for people with pre-existing conditions?
Take Care Arkansas is the federally supported pre-existing condition insurance plan that is subsidized under federal funds provided under the Affordable Care Act. Take Care Arkansas covers some Arkansans with some pre-existing conditions under certain circumstances; however as a result of ACA, all individuals will be able to obtain health insurance coverage, regardless of the nature of their pre-existing condition. Take Care Arkansas coverage will only be provided until 2014, when the Exchanges go into affect.

Since the Exchange varies by state, how will consumers be affected if they travel or relocate to another state? Is there a time period for this?
When one has a significant life event, one is allowed to change plans. Moving into or out of a state is considered a significant life event. Other significant life events include things such as a birth, a death, losing one's job, or a significant change in income.

I am a retiree from another state and my insurance is tied to my former employment. How will this affect me?
Coverage through the Exchange will not interrupt the coverage you already have. If you want to make changes or additions to your coverage, it may be possible to do that through the Exchange but you would not be required to make changes.

What type of reproductive health services will be covered through the Exchange? Will all the services provided by the Arkansas Family Planning (Women's Health) Waiver be covered? This is so important, particularly for teen pregnancy, which is a big issue in Arkansas.
All plans must cover and eliminate cost sharing for preventive services and screenings as recommended by the U.S. Preventive Services Task Force. Family planning is currently recognized as a preventive service. The Arkansas Family Planning Waiver covers birth control for men and women, physical exam and history, Pap screen, STD screen and labs, and education and counseling. We will need to do a more detailed review of the U.S. Preventive Services, the Affordable Care Act, and the AR waiver to fully address this question.

Will employees who are within the federal poverty limits and choose not to elect an employer's insurance program be eligible for Medicaid?
Employees are "required" to elect employer coverage unless it is unaffordable (costs more than 9.5% of income) or the employer offers a plan that provides benefits less than 60% of the costs. Should the employer offer a plan that provides benefits less than the 60% and the employee purchases through the Exchange, the amount of his/her income would determine his/her eligibility for Medicaid. Should the employee be eligible for Medicaid, he/she would be required to go into a Medicaid plan, as opposed to an Exchange Qualified Health Plan (QHP).

Will Medicare beneficiaries under 65 begin to have access to Medigap plans that are affordable? Also, will beneficiaries with end stage renal disease be able to get a Medigap plan under the Affordable Care Act?
This question is being researched.

How is the Modified Adjusted Gross Income (MAGI) determined?
MAGI is currently determined by using the Adjusted Gross Income from your tax return plus any amount excluded under Section 911 (income of those living abroad and tax exempt interest received and accrued during the year). There is currently a bill pending to include any social security benefits received.

In your tax credit chart you show an expected family contribution (cost to the consumer) of $3570 for the family in question. How is that amount determined?
Expected family contribution is based on a formula that includes the total cost of premium and the income of the family. For most people the family contribution will be about 8% of income, but will not be more than 9.5%.

How do we determine 9.5% of a person's income? Does that include all family income, or just what I am paying my worker?
The income determination is based on the employee's income only. This would include all of that employee's total income from all sources. The Department of Treasury will determine their total income.

You stated that insurance companies will be required to provide coverage for customers, even if they do not pay their premiums. How will that work? How can an insurance provider stay in business if members are not paying for their services?
This was a reference to the grace period that is provided for insured customers who might be late with payments. The customer will have coverage and claims will be paid for the first month if the premium is not paid. Then for the next two months, he will maintain coverage but any claims incurred will be held in suspense by the carrier until he pays all back premiums. If premiums are not paid to current, the carrier will cancel back to the end of the first month of delinquency. If he pays his back premiums (three months) all claims during those months will paid, and he will continue coverage. The insurer will not be expected to carry customers who do not pay premiums for extended periods.

What sort of regulatory authority will be used to protect consumers?
Regulatory authority related to insurance solvency, market conduct, and consumer protection is provided through Title 23 of the Arkansas Code which is enabling statute for the Arkansas Insurance Department (AID). The Department's Consumer Services Division is responsible for assisting consumers with complaints and inquiries regarding insurance companies, agents and adjusters. Through the Federaly-facilited Partnership Exchange, AID will continue to protect the citizens of Arkansas, rather than relinquish that responsibility to the federal government.

I work for an employer with about 150 employees. We will face penalties if we don't offer at least the bronze level plan. We will also be penalized if workers don't participate. If a worker takes coverage through a spouse's employer, am I penalized?
If an employer offers coverage that doesn't cost more than 9.5% of an employee's annual income and is at least 60% of the actuarial value, the employer is at no risk for penalties. Should an employee choose coverage under his/her spouse's plan, the employee is considered 'covered' and the penalty requirement is waived.

If I owe a premium due on January 2014, will I not receive the credit until I pay taxes in 2015?
What you owe will be estimated based on your 2013 tax return. Any variance from that amount, based on income changes, would then be settled on your return for 2014, which will be filed by April 15, 2015. You will be able to receive advanced tax credits to help pay your monthly premiums. Any advance tax credits will be paid directly to the insurance carrier on your behalf. There are a number of details related to this issue that are to be worked out at the federal level and we will update you as soon as we receive further clarification.

Will premiums vary depending on lifestyle choices?
There are only three factors which affect the cost of premiums: age, geographical location (rating areas) and tobacco use.

What about someone with diabetes who doesn't take care of him or herself? Will we be allowed to base their premium on that?
No. The only factors upon which to base premiums are age, geographical location (rating areas) and tobacco use.

Community Assistance

What is the other name for Navigators that you used?
The federal planners have just published plans that expand that program to include a group of workers they are calling "In Person Assisters".

How will the assisters be funded?
Through the first year, they will be funded with grant money from the Affordable Care Act. After that the federal government is looking at how fees from the Exchange may be shared with the state to cover costs of ongoing enrollment assistance.

Will the assisters begin their work in October 2013?
We hope they will begin their work several months before that so they will be ready to enroll participants beginning in October.

It seems the work of the assisters is open to scam artists. How will the security of information be protected? How will participants be advised about the information they will need to give and how it will be protected?
We are working on "branding" to indicate to consumers the personnel who are approved to work in the program. 'In Person Assisters' will be trained and certified and complaints will be handled by the Insurance Department. By choosing a federal-state partnership model, we are able to maintain control of that oversight function in Arkansas. We appreciate you stressing the importance of community education about how those persons will work, and we will work with the Attorney General's Office of Consumer Protection to safeguard the participants. In Person Assisters, under existing HIPAA Privacy rules will be required to protect all personal health information.

Is there a plan in place to train enrollment assisters?
Our Consumer Assistance Advisory Committee is currently discussing training requirements for enrollment assisters. We are waiting on guidance from the federal agency on certification requirements for the enrollment assisters. We do not have specific dates, but sometime after the first of year in 2013 we will announce the plan to contract with entities, including non-profit organizations, to become enrollment assisters. Then in late spring of 2013 we hope to begin training the assisters. Those dates are our best guesses based on where we are today.

Who will manage the navigators and assisters and oversee the enrollment of such a large group of people?
The Insurance Department is working with a Community Assistance Advisory Committee to develop that plan. We envision a certification process that will insure that navigators and assisters have a certain level of competence and can communicate with consumers at an appropriate literacy level. We also plan to contract with agencies that will work as assister entities to oversee the direct practice workers.

What steps will be taken to make sure that persons will understand the forms and communication? Addressing low health literacy and insurance literacy will be important.
We agree that is important and want you to hold us accountable on that issue. We will work with persons with expertise in these issues to make sure our communications are understandable by residents throughout the state. We want to address health and insurance literacy, as well as the needs of persons with limited English proficiency.

General Questions about the Exchange and the Affordable Care Act

Will Arkansas have a customized website or will it be the federal Exchange that the department will populate with information about Arkansas carriers?
Since Arkansas has chosen to have a federal Exchange, it will be a federal website with information about insurance carriers and plans that are offered in Arkansas.

After these changes go into effect, if a person shows up at a hospital without insurance, will they still be treated?
Individuals are required to have coverage, unless they have an exemption. However, a hospital cannot deny care to a patient based on the patient's ability to pay. So if a patient without insurance goes to the hospital emergency department for care, they would be seen. We expect the numbers of uninsured patients to become less and less after January 1, 2014, when most of the provisions of the Affordable Care Act go into effect.

How will the Exchange monitor illegal immigration?
The Department of Homeland Security will have responsibility for monitoring illegal immigration. Those in the country illegally will continue to be a part of the small percentage of those without insurance coverage.

How will the increase in the number of insured affect healthcare providers and hospital systems? Many systems are understaffed and operating with a tight budget, especially those in rural areas.
It is projected that the increased number of insured individuals will increase the demand on healthcare providers and hospital systems by 5.5%. Despite the increased demand, healthcare providers and hospital systems will benefit from a reduction in the cost of unreimbursed care.

How should health systems in underserved areas prepare? Will there be incentives for hiring more nurses and doctors to lower the patient provider ratio?
The Arkansas Center for Health Improvement (ACHI) through the Arkansas Surgeon General, Arkansas Department of Health and UAMS is working on a plan to increase the number of providers.

Will hospitals need to make changes in their admissions and discharge processes?
It is not necessary to make changes in admission/discharge processes as a result of ACA and/or the Exchange. The net result of decreasing the number of uninsured will be an increased number of patients with compensated care.

Will the Exchange establish a universal database that will allow more efficient sharing of records among health care providers?
The Arkansas Office of Health Information Technology is establishing the State Health Alliance Records Exchange (SHARE), which is separate from the Health Benefits Exchange for enabling the more effective use of health information technology. This system is designed to allow more efficient transfer of records from one provider to another. This is happening at the same time as the development of the Health Benefits Exchange, but with different groups responsible for development. That initiative should reduce the number of duplicated tests, allow health care providers to have more current and more complete information about their patients and result in reduced costs and fewer medical errors. Additional information about SHARE can be located at http://ohit.arkansas.gov/Pages/default.aspx. Otherwise, we do not know of any state or federal plans for developing a universal database for the storing or utilization of patient health records.

You mentioned that $1500 of each premium goes for the uninsured. How will illegal immigrants, who have no insurance coverage, continue to affect our premiums?
Currently, it is estimated that $1,500 of each premium goes to cover the medical costs of uninsured individuals. With the passage of ACA, that amount will decrease as a result of the decrease in the number of uninsured. Because illegal immigrants will remain uninsured, part of premium costs will likely continue to cover their medical care. The amount however should significantly decrease.

How will the Exchange affect municipalities with approximately 400 employees?
The Exchange is currently for individuals and small employers with 50 or fewer employees. So at this time, it will not affect an employer with 400 employees.

You mentioned that the health status of Arkansans is not as good as the rest of the nation. I would like to point out that the United States is 30th in overall health outcomes. That is in spite of the fact that we are paying double the costs when compared with other industrialized nations.
Thank you for your observation. As you pointed out, we are paying more and having poorer outcomes.

Is there anything city government needs to do among its citizens?
Municipalities may take a role in assisting their citizens in understanding the responsibilities and benefits associated with the Exchange and the Affordable Care Act. Municipalities or other state entities can contact Sandra Cook, Consumer Assistance Specialist to help set up enrollment and education opportunities. She can be reached at Sandra.Cook@arkansas.gov or reached via telephone at (501)683-7236.

Questions about the Planning Process

Can you tell me the schedule of the meetings that are open to the public? When will the meetings discuss Essential Health Benefits?
The schedule of meetings about the Exchange can be found on the Exchange website: http://hbe.arkansas.gov. All meetings are open to the public. The next Steering Committee meeting is July 26, at 3:00 p.m. The next Plan Management Committee meeting is August 3, at 8:00 a.m. The next Consumer Assistance Committee meeting is August 10, at 1:00 p.m. The discussions on the Essential Health Benefits were held in May. The Plan Management committee is now reviewing policy decisions related to requirements for Qualified Health Plans.

I see that there is a meeting on July 31st to discuss Proposed Rule 103: Essential Health Benefits Benchmark Plan. Where can I find a copy of the plan?
The meeting on July 31st is about a rule on the process to determine the plan, rather than on the benchmark plan itself. The benchmark plan is yet to be determined.

We notice that there are no evening meetings and many working persons will not be able to participate in this meeting. What will you do to make sure they can participate in the future?

You raise a good point. While this particular meeting did not occur in the evening, we have held evening meetings in the past and intend in the future to hold evening meetings in order to assure participation from a wide variety of consumers. We do note that several evening meetings last year had no one in attendance. No day meetings have been without attendees. Another problem we've encountered is that several of the facilities for interactive video are only open during business hours. As with this meeting, it is our intent to record and post to the web any meetings which we conduct. Any suggestions you may provide to assist us in reaching as many consumers as possible is greatly appreciated.

I noticed that there are no consumers on the planning groups.
We do have a number of consumers on our advisory committees; however we welcome additional consumer participation. The meetings are open to the public and a public comment period will be afforded at the end of the meetings for additional input on the planning process.

Who is the Consumer Assistance Advisory Staff Member?
Sandra Cook. She can be reached via telephone at (501)683-7236 or via e-mail at Sandra.Cook@arkansas.gov .

Will she come to different communities to talk with us?
Yes. Ms. Cook welcomes the opportunity to speak with as many communities as possible to educate consumers regarding their rights under ACA.

How do we contact someone to come to our community and talk about the Exchange?
You may contact Health Benefits Exchange Partnership Division staff by calling the main number at (501) 683-7231.