

# AR Plan Management Updates

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June 14, 2013

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## **Overview:**

This is a general plan management update for the Arkansas Plan Management Advisory Committee. This summary contains updates regarding the planning and implementation of the AHIP program and the resulting plan management considerations, including impact on the QHP Certification process. In addition, a summary of the anticipated service area coverage of exchange plans is included. This information is based on “intent to file” notices submitted to AID in response to AID bulletin 3A-2013.

## **Plan Management Considerations for Implementation of Private Option**

In addition to the QHP Certification process, plan management components such as Oversight and Monitoring, Decertification and Recertification, and Account Management will be affected by the private option.

## **QHP Requirements and Certification Process**

The most significant impact that the private option will have on plan management is the addition of QHP requirements in terms of service areas, cost-sharing, and issuer policies as outlined below. Note that in plan year 2015, QHP requirements may be modified or added following the evaluation of plan year 2014 performance.

### **Network Access and Service Areas:**

- Consumers in each of Arkansas’s 75 counties must have a choice among at least two health insurance issuers. In each plan year, AR must request that issuers submit intended service areas in order to ensure this requirement is met.
- Service areas must include at least one full rating area. This is in addition to the federal QHP requirements—AID will ensure that service areas meet this state requirement in the QHP certification review process after issuers submit service area information with their QHP application.

### **Cost-Sharing Requirements:**

Issuers are required under federal QHP standards to submit three cost-sharing reductions to facilitate enrollment in the FFM. Private Option eligible individuals at or below 138% of FPL will be permitted to shop among and enroll in QHPs offered at the Silver metal level in the Marketplace and will qualify for one of the cost-sharing variations depending on their annual income. Consumers with incomes between 0% and 100% of the federal poverty limit (FPL) will be eligible for the zero cost-sharing silver plan variation. This variation has no cost-sharing and is already required to be submitted as a part of the federal QHP certification standards. The high-value silver plan variation (94% Actuarial Value) will be available to eligible individuals with incomes between 101% and 138% of the FPL.

AID is requiring that all high-value silver plans have prescribed cost sharing amounts with a consistent deductible, out-of-pocket maximum, and copay. This plan and corresponding CMS Actuarial Value Calculator will be submitted with QHP filings and will be reviewed by AID to ensure consistency with these requirements. In addition, AID will ensure that there is meaningful difference among silver plans submitted by an issuer.

### **Marketing Standards:**

Because of the high volume of newly eligible individuals, it is especially important to ensure that issuer marketing materials comply with state and federal marketing and non-discrimination laws. AID will show special attention to marketing materials targeting Medicaid recipients or promoting silver plans to ensure that the marketing standards comply with existing state and federal laws.

### **Compliance with Pharmacy Procedures:**

To align with Medicaid pharmacy coverage, AID will require that QHPs: (1) provide response by telephone or other telecommunication device within 72 hours of a request for pharmacy prior authorization, and (2) provide for the dispensing of at least a 72-hour supply of covered drugs in an emergency situation. AID will require an attestation from issuers that these requirements will be incorporated into issuer drug coverage practices.

### **Oversight and Monitoring**

AID has developed policies and procedures to guide the oversight and monitoring requirements for QHPs, and plans offered to Private Option recipients will be monitored under the same guidelines. However, due to the high volume as well as additional Medicaid regulatory requirements, additional oversight and monitoring procedures may be developed. For example, one component of oversight and monitoring is consumer complaint tracking and reporting. It will be necessary to add indicators in order to determine the volume of type of complaints that are related to plans that enroll Medicaid recipients. Market conduct reviews will continue to be part of the oversight and monitoring plan and AID may incorporate additional review criteria. In addition, QHP claims and encounter data must be submitted to AID on a quarterly basis.

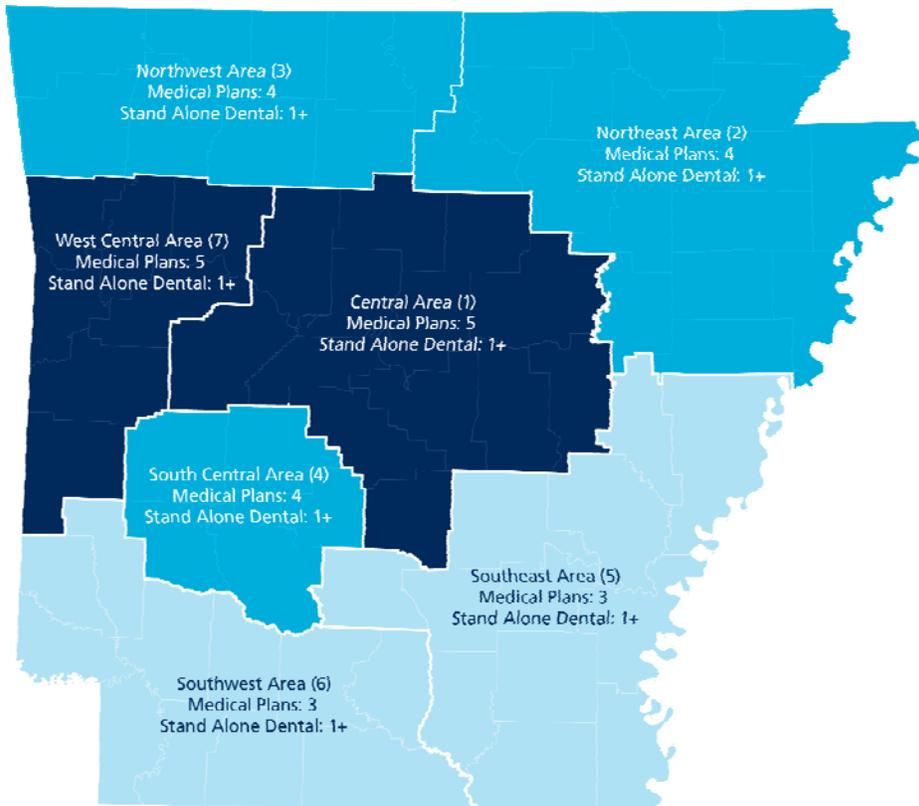
### **Decertification and Recertification**

The standard procedures for decertification, recertification, and non-certification will apply to all QHPs regardless of Private Option enrollment, however, there are some additional considerations.

- If a QHP is decertified, the market standards such as service area coverage must be maintained. AID must take steps to ensure coverage standards (at least two QHPs in each county) in the event of plan decertification. Causes for decertification will also be augmented to include noncompliance with high-level silver cost sharing requirements, pharmacy prior authorization procedures, service area network access, or other QHP criteria related to the Private Option.
- When plans apply for recertification in future years, AID will evaluate the standard QHP certification criteria but may additionally evaluate performance information specific to the Private Option enrollment, such as consumer complaints and grievances specific to Private Option enrollment.

## Map of Arkansas Proposed Service Area Coverage as of June, 2013

Five issuers responded to AID Bulletin 3A-2013 with intended service area coverage. All issuers proposed coverage in complete regional areas—there were no partial region service areas proposed. SHOP coverage and SADP coverage by region is TBD but it is anticipated that there is at least one SHOP and one SADP plan with a statewide service area.



The anticipated number of plans to be filed in AR by region is shown in the table below:

Table 1: Number of Plans by Service Area based on Intent to File								
		1	2	3	4	5	6	7
		Central	Northeast	Northwest	South Central	Southeast	Southwest	West Central
Individual Plans	Medical	5	4	4	4	3	3	5
	SADP	1+	1+	1+	1+	1+	1+	1+
SHOP Plans	Medical	1+	1+	1+	1+	1+	1+	1+
	SADP	1+	1+	1+	1+	1+	1+	1+

## **Private Option Planning Updates**

DHS and AID continue to work with Manatt to develop plans and processes for the Private Option. The Private Option will be possible through the use of a CMS Section 1115 Research and Demonstration Waiver. DHS plans to submit the waiver to CMS in August and is currently in the process of developing a waiver evaluation plan. Section 1115 waivers are generally approved for a five-year period and can be renewed, typically for an additional three years. Demonstrations must be “budget neutral” to the Federal government, which means that during the course of the project Federal Medicaid expenditures will not be more than Federal spending without the waiver. DHS is working with Manatt to develop a budget neutrality approach.

## **Planning for Private Option Operations**

There are several additional operational procedures that must be developed for the implementation of the Private Option. DHS is in the process of planning and developing these procedures, including :

- Operational processes for recipient eligibility appeals
- An approach to screening “medically frail” recipients who will not be eligible for Private Option coverage.

## **Planning for Private Option Outreach and Consumer Assistance**

DHS is working to develop a strategy to promote enrollment of individuals eligible for the Private Option during the open enrollment period beginning October 1, 2013. In addition, the planning group is holding weekly meetings to facilitate development of a state web-based portal to support QHP shopping and enrollment activities for individuals eligible for the Private Option.

## **Upcoming Events**

A 30-day public comment period is tentatively scheduled from June 24<sup>th</sup>, 2013 through July 24<sup>th</sup>, 2013, with two public hearings during that time period.