

**Arkansas Health Care Independence Program**  
*Presentation to Arkansas Plan Management  
Advisory Committee*

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**May 10, 2013**

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## Pertinent Arkansas Events to Date

- February 22, 2013—Sebelius Meeting
- March 13, 2013—Arkansas Proposal
- March 29, 2013—DHHS Guidance
- April 1, 2013—Sebelius Arkansas Support
- April 17, 2013—Health Care Independence Act of 2013 passed by the Arkansas General Assembly
- April 23, 2013—Health Care Independence Act of 2013 signed by Governor Beebe
- April 30, 2013—CMS meeting

## Key Upcoming Dates

- May 17, 2013 – Updated QHP Issuer Bulletin
- June 1, 2013 – QHP Issuer LOI on Service Areas
- June 30, 2013 – QHP Form and Rate Filings
- July 31, 2013 – Commissioner QHP Certification Recommendations to HHS
- September 4, 2013 – HHS QHP Certifications
- October 1, 2013 – Open Enrollment

# Arkansas Leading the Way: Integrated Coverage for Low-Income Individuals

- Expanding the role of commercial carriers
- Integrating Medicaid and tax credit programs
- Enabling individuals to keep the same insurers and providers, even as income fluctuates
- Establishing stable funding stream for insurers; State pays full premium
- Facilitates payment and delivery system reform
- Dramatic reduction of churn

## Arkansas Leading the Way: Promoting Continuity of Coverage & Addressing Churn

- More than 35 percent of adults with incomes below 200% federal poverty level (FPL) will experience a change in eligibility within six months
- 50 percent of such adults will experience a change within one year
- 24 percent will churn at least twice within a year
- 39 percent will churn at least twice within two years

*Source: Health Affairs, "Frequent Churning Predicted Between Medicaid and Exchanges," February 2011.*

# Health Care Independence Program: The Fundamentals

- Through the Health Care Independence Act of 2013, the State established the Arkansas Health Care Independence Program (AHIP)
  - Medicaid purchases private, qualified health plan (QHP) coverage on the Health Insurance Marketplace for certain Medicaid beneficiaries (AHIP eligible individuals)
- AHIP represents truly private coverage fully integrated within the Marketplace—not a Medicaid product within the Marketplace
- AHIP is expected to add 250,000 or more participants to the Marketplace

# AHIP Eligible Individuals

Individuals who meet the following criteria are eligible for AHIP in 2014:

- Childless adults ages 19-65 with incomes below 138% FPL
- Parents ages 19-65 with incomes between 17% and 138% FPL
- Who are **not** on Medicare
- Who are **not** disabled
- Who have **not** been determined to be more effectively covered under the standard Medicaid program, such as an individual who is medically frail or other individuals for whom coverage through the Health Insurance Marketplace is determined to be impractical, overly complex or would undermine continuity or effectiveness of care

## MEDICALLY FRAIL DEFINED:

- A disabling mental disorder
- Serious and complex medical conditions
- Physical, intellectual or developmental disability that significantly impairs their ability to perform one or more activities of daily living
- A disability determination

# AHIP Enrollees Will Enroll in Silver Plans

- AHIP eligible individuals will be permitted to shop among and enroll in QHPs offered at the Silver metal level in the Marketplace, at the following actuarial value variations:

## AHIP Eligible Individuals with Incomes from 0-100% FPL

**Year 1: Zero Cost Sharing Silver Plan Variation (100% actuarial value)**  
**Year 2: Transition to intermediate cost sharing for individuals with incomes from 50-100% FPL**

## AHIP Eligible Individuals with Incomes from 101-138% FPL

**Years 1 and 2: High-Value Silver Plan Variation (94% +/- 1% actuarial value)**

- AID will require that all QHP issuers' High-Value Silver Plan variations conform with prescribed cost-sharing amounts as defined by AID. Two approaches are being considered:
  - 1) Deductible
  - 2) Tiered maximum out-of-pocket cost



# AHIP Administration

- Medicaid will pay 100% of the QHP premium for Medicaid beneficiaries directly to plan
- Eligibility will be determined by the Marketplace or the Medicaid agency
- In Year 1 (2014), shopping for and enrollment in plans will take place through an Arkansas-developed portal

# AHIP Enrollment and Outreach

- As many individuals eligible for AHIP as possible will be enrolled during the Marketplace's Open Enrollment Period (October 1, 2013-March 31, 2014)
- Outreach to likely eligible populations (parents of AR Kids First, SNAP recipients, child care assistance population, etc.)
- Robust, systematic, and coordinated statewide multi-media campaign
- 500-700 trained and licensed Guides available in every county and targeting MAGI populations including those with special needs
- Licensed Navigators, Licensed Certified Application Counselors, Licensed Certified Producers – Number to be determined

# Special Enrollment Period

- AID will establish a Special Enrollment Period to allow individuals to enroll in or change from one QHP to another if one of the following triggering events occurs:
  - An individual is determined newly eligible
  - An individual is redetermined eligible for AHIP outside of the annual Open Enrollment Period
- Events that trigger redeterminations include (among others):
  - An individual gains a dependent or becomes a dependent through marriage, birth, adoption or placement for adoption
- All other Marketplace requirements for Open and Special Enrollment Periods apply

## Rating Areas

- Carriers to align service areas with seven rating areas, so that all service areas are no smaller than one of seven rating areas
- Carriers to submit their service areas by June 1 so that AID can ensure at least two Silver Plans in all areas of the State

# AHIP Benefits

- AHIP Eligible individuals will receive the QHP benefit package
- Medicaid expects to provide limited number of additional benefits to beneficiaries outside of QHPs
  - *E.g.*, at least non-emergency transportation and dental benefits for 19 & 20 year olds
  - Medicaid expects to provide benefits on separately managed or fee-for-service basis rather than through plans

# Pharmacy

- For pharmacy benefits, AID will require an attestation that the QHP issuer:
  - 1) Provides response by telephone or other telecommunication device within 24 hours of a request for prior authorization
  - 2) Provides for the dispensing of at least a 72-hour supply of covered drugs in an emergency situation
  - 3) Includes on its formulary barbiturates, benzodiazepines, and agents used to promote smoking cessation, including agents approved by the Food and Drug Administration as over-the-counter drugs for the purposes of promoting tobacco cessation

## Review of Silver Plans

- AID will review the pricing of QHP issuers' Silver Plans, including High-Value Silver Plan variations to ensure that all QHPs in this category are reasonably priced relative to the average price for Silver Plans in each rating area
- AID reserves the right to recommend non-certification for Silver Plans that are substantially higher priced than the average price in each rating area

# Questions?

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