

Arkansas Insurance Department (AID)
Health Benefits Exchange Partnership Division (HBEPD)
Monthly Report November 23, 2012 – December 17, 2012

General Update

Administrative highlights during this reporting period include:

- Governor Mike Beebe submitted Arkansas’s Declaration letter to the U.S. Department of Health and Human Services (HHS) on December 13, 2012 announcing Arkansas’s plan to operate a Federally-facilitated Partnership Exchange in 2014.
- HBEPD submitted Arkansas’s completed Blueprint Application to the U.S. Department of Health and Human Services (HHS) on December 17, 2012 for a Federally-facilitated Partnership Exchange in 2014.
- The first two levels of required approvals have been received for Miscellaneous Federal Grant (MFG) personnel and spending appropriation for Arkansas HBEPD’s Level One – B Establishment Grant (ALC-JBC Personnel and ALC-PEER). The final required approval by the full Legislative Council is on the agenda for consideration on December 21, 2012.
- The ALC Review (Contracts) Committee approved a one year extension of First Data’s contract for Procurement Development, Planning Coordination and Integration, Operations Development, and Overall Project Management Consultation at their December 12, 2012 meeting.
- The issuance of the proposed federal rules for Standards Related to Essential Health Benefits (EHB), Actuarial Value, and Accreditation included the opportunity for states to submit comments to include updates to their EHB Benchmark plan based on the additional information received as a result of the publication of the proposed rules. HBEPD’s review and consultation with various stakeholders resulted in the identification of three items for consideration as updates to the EHB Benchmark plan previously submitted to HHS. The three items for update include:
 - EHB habilitative services definition - Proposed 45 CFR 156.100 (f) provided that, if a state’s base-benchmark plan for EHB does not include coverage for habilitative services, the state may determine which services are included in that category or, as an alternative, allow individual carriers to create their own habilitative services definition. Following release of CMS-9980-P, the State posed the option for defining habilitative to stakeholders for review. A subgroup composed of providers and issuers composed a draft definition, which was reviewed and revised by the Plan Management Advisory Committee. This definition was then distributed to a broader consumer-focused group for additional comment prior to the planned submission to the Steering Committee on December 20, 2012.
 - Maximum Age for Pediatric Dental and Vision – Within the proposed rule is included HHS clarification that states “...have the flexibility to extend pediatric coverage beyond the proposed 19 year age limit”. The recommendation to the Steering Committee from the

Plan Management Advisory Committee is to confirm pediatric services coverage up to age 19.

- Flexibility in the Pediatric Vision supplement option for state EHB Benchmark plans that do not include a pediatric vision option to allow states to choose from either the FEDVIP vision plan with the largest national enrollment or the state's separate CHIP plan. The recommendation to the Steering Committee from the Plan Management Advisory Committee is to submit a change to our previous EHB submission which included the federal plan as our pediatric vision supplement to adopt pediatric vision benefits included in the State's CHIP plan.

CMS must receive comments by December 26, 2012.

- Health Meetings - Facilitated by HBEPD, representatives of health care provider, policy and insurer groups continued to meet weekly through Tuesday, December 11, 2012. The group drafted a proposed definition for habilitative services that was subsequently provided to the Plan Management Advisory Committee for discussion on Friday, December 14, 2012. The group currently plans to resume meetings after the first of the year for further discussions regarding QHP preventive services.
- The HBEPD's website vendor, Information Network of Arkansas (INA), has provided some logo/graphic options for website consideration at the request of HBEPD. This request was made following the HBEPD's decision to solicit options for the logo/graphic from both INA and ACHI/UAMS Creative Services. All logo/graphic options are in the final stage of review with a final selection anticipated by December 21, 2012. The final selection will become a part of the branding used for the FFE Partnership Outreach and Education program which includes the website. Next steps include the development of material for the website and the deployment of the website which is currently estimated for late February, early March 2013. As previously reported, the website is now expected to deploy prior to the launch of the Phase I Outreach and Education campaign.
- ACHI/UAMS creative staff continues to work with HBEPD to finalize the Outreach and Education program name and tag line (*Arkansas Health Connector: Your guide to health insurance*). Additional logo/graphic options were provided by ACHI/UAMS at the request of HBEPD and are under review for a final selection (also see above bullet). Plans related to the proposed creative concepts for commercials and print media have not changed and the resulting campaign will include television, print media, radio and social media activity for multiple months although the start of the campaign has been postponed pending the assessment and resolution of resources needed in support of the public inquiries the campaign will generate.
- HBEPD and the Arkansas Department of Health (ADH) continue to collaborate on a Memorandum of Understanding (MOU) and Statement of Work (SOW) for ADH to provide approximately six (6) full-time equivalent Regional Arkansas Health Connector Specialist contracted positions that are included in our Level One-B Grant funding. These Specialists would ideally live in the region being served and, through the ADH's local Home Town Health infrastructure, provide Exchange education specific to needs of the state's 75 counties.

- HBEPD participated in a role-playing Exchange simulation in Boston, MA on Friday, December 14, 2012. The simulation was to educate States and State stakeholders about the ACA rate-setting environment, premium stabilization mechanisms, and market dynamics. The invitation encouraged States to send officials and/or carrier representatives to participate in these simulations. HBEPD's team included:
 - Mel Anderson, Deputy Commissioner of Finance, Arkansas Insurance Department
 - David Dillon, Vice President and Principal (Contracted Actuary for Arkansas Insurance Department), Lewis & Ellis
 - Edgar Goral, Director Actuarial Services, QualChoice of Arkansas
 - Dan Honey, Deputy Commissioner of Compliance, Arkansas Insurance Department
 - Sam Partin, Senior Vice President, Actuarial and Management, Arkansas Blue Cross

The team was also joined by observers from our state including: Cynthia Crone, HBEPD Director, Arkansas Insurance Department and Haley Keenan-Gray, Advisor, Arkansas Governor's Office. One area of learning for participants was the value of 3R's for transitional issue risk mitigation (risk resolution, reinsurance and risk corridor).

- External communications during the reporting period included presentations and meetings as follows:
 - New Arkansas Senator Orientation (12/4; Petit Jean Mountain) (Bradford & Crone)
 - Arkansas State Employees Association Meeting Presentation (12/6; Little Rock) (Cook)
 - Delta Dental of Arkansas Board (12/7; Little Rock) (Donaldson)

CCIIO/CMS Update

Proposed Rules and Notices for Proposed Rulemaking Provided 11-20-2012 & 11-30-2012 – There have been proposed rules provided for five Plan Management related topics since 11-20-2012. The topics and the links to the topic summaries are provided below. Each of the summary links also includes a link to the complete rule document. HBEPD is continuing their review of these materials and plans to provide a summary of the content as it relates to current or future plans of the HBEPD upon completion of this review. Comments on these proposed regulations are due between December 26, 2012 and January 25, 2013.

- Standards Related to Essential Health Benefits, Actuarial Value, and Accreditation
<http://www.healthcare.gov/news/factsheets/2012/11/ehb11202012a.html>
- Health Insurance Market Reforms
<http://www.healthcare.gov/news/factsheets/2012/11/market-reforms11202012a.html>
- Incentives for Nondiscriminatory Wellness Programs in Group Health Plans
<http://www.healthcare.gov/news/factsheets/2012/11/wellness11202012a.html>
- Multi-State Plan
<http://www.opm.gov/insure/mspp/factsheet.asp>
- Notice of Benefit and Payment Parameters for 2014
<http://cciio.cms.gov/resources/factsheets/draft-2014-payment-notice.html>

No Cost Extension Request for Level One (A) Establishment Grant – HBEPD submitted a request to HHS for a No Cost Extension of our Level One (A) Establishment grant that currently has an end date of February 21, 2013. The request asked for a one year extension for the time period of February 22, 2013 – February 21, 2014 allowing HBEPD to continue activities planned within the grant that have not yet been completed due to delayed state approval of the federal appropriations and delayed federal guidance impacting scheduled activities and contracts included in the grant. The request is for an extension of time only and does not include any additional funding request for the activities documented within the Level One (A) work plan.

Grant Reporting to CCIIO - The final report for the Exchange Planning Grant is due by December 26, 2012. The Level One Grant reports are now on a semi-annual schedule with the next reports due January 30, 2013 for July 1, 2012 – December 31, 2012.

Blueprint Application – HBEPD staff completed the submission of the Blueprint Application on December 17, 2012 for a State Partnership Exchange in 2014.

CCIIO-Arkansas Leadership Meetings - Weekly meetings continue between HBEPD staff, our CCIIO Project Officer, Emily Pedneau, and other CCIIO/CMS staff as needed for discussion of new or pending CCIIO questions.

Key upcoming events –

- Various CMS and CCIIO Technical Assistance Webinars on Exchange Development
- Complete final report for Exchange Planning Grant
- Prepare Semi-Annual Report for Level One (A) Establishment Grant

Advisory Committees/Steering Committee Updates

Advisory Committees

Plan Management Advisory Committee - The Plan Management Advisory Committee met on Friday December 14, 2012 and was presented with a review of recently released Exchange rules. Topics included, 1) HHS reversal of previous guidance, now indicating that states are not liable for the cost of state coverage mandates enacted prior to 12/31/11 and not included in state EHB Benchmarks; 2) state flexibility in establishing the maximum age limit for pediatric dental and vision benefits; 3) state flexibility in establishing Habilitative Service definition and benefits; and 4) the availability of the CHIP vision plan, in addition to the federal employee benefit plan, as a benchmark plan for pediatric vision. The resulting recommendations for numbers 2, 3 and 4 included a proposed definition of habilitative services, establishing the maximum age limit for pediatric dental and vision as “to age 19” and changing the benchmark pediatric vision plan from the federal employee benefit plan to the CHIP vision plan. These recommendations will be reviewed by the Steering Committee on December 20, 2012.

Consumer Assistance Advisory Committee - The Consumer Assistance Advisory Committee met on Friday, December 14, 2012 and was presented with a summary review of work completed by the committee to date, followed by brief discussion of the recently published proposed rules and a more in depth discussion of the FAQs document released by HHS on December 10 and many of the Consumer Assistance related

topics included in the FAQs document “Frequently Asked Questions on Exchanges, Market Reforms and Medicaid “ available at <http://cciio.cms.gov/resources/files/exchanges-faqs-12-10-2012.pdf>. The Committee then discussed information obtained by HBEPD in a CCIIO Consumer Assistance User Group call regarding payment to IPA entities. CCIIO advised that Partnership IPA Programs could not use a payment model that favored one of the mandatory Navigator/IPA duties over another. This information directly impacted the November CAAC recommendation to pay start up costs and then pay based on the number of completed Exchange enrollments associated to the assistance of an IPA (assisting in enrollment is only one of the five functions of an IPA). The Committee discussed possible ways to structure the payment so that all duties were represented as part of the IPA entity payment. No recommendations will be made to the Steering Committee on performance metrics until AID and CCIIO come to agreement on the structure of the payment model. Additional conversations with CCIIO are planned.

Consumer Assistance Subcommittee - IPA Recruitment - The committee met on December 13, 2012 and discussed groups associated with culturally diverse communities and further identified potential organizations for those populations that may be interested in participating as IPA entities. Committee members also committed to providing additional information through email if additional entities are identified. PCG will continue the process of conducting additional research to fill in as much of the information as we can find that is available in the public domain. The next steps for IPA Recruitment include the finalization of an IPA Recruitment list for a focused push to contact potential IPA entities and others who may not be IPA entity candidates but who are also likely to pass along information in their communities to others who may be interested. January will be devoted to contacting potential IPA entities through a variety of mediums (email blast, one-on-one presentations and group meeting presentations) to generate awareness and interest in becoming IPA entities leading to an RFP or RFQ release in February.

Medicaid Integration Subcommittee - The subcommittee met on December 13, 2012 and has temporarily suspended meetings pending the beginning of the Medicaid integration work contracted to Manatt Health Solutions.

Steering Committee

December Recommendations to the Steering Committee - The Plan Management Advisory Committee completed recommendations regarding updates to the State’s EHB package per additional information received in the proposed EHB rules received November 20, 2012.

The Consumer Assistance Advisory Committee did not have any December recommendations to be forwarded for consideration.

There are no recommendations pending review or approval by the Commissioner at this time.

Key upcoming events –

- Steering Committee Meeting (December 20, 3:00-5:00pm)
- Consumer Assistance Advisory Committee meeting (January 11, 2013 1:00-4:00 pm – Consumer Assistance Operational Overview and Timeline, Roles and Responsibilities of IPA program staffing and other new AID staff) and Subcommittee meeting (IPA Recruitment, January 10, 2013, 2:00-3:00pm).

- Plan Management Advisory Committee meeting (January 11, 2013, 8:00-11:00 am – Oversight and Monitoring)

Procurement Updates

In-Person Assister Program IT Services – HBEPD has completed review of the Vendor’s responses to the table of requirements follow up that was requested after comparing the costs included by each vendor and determining the need to more clearly define the difference in the scope of functionality that would be made available from each respondent. This review resulted in further narrowing of the potential Vendors and HBEPD is currently reviewing the references provided by the Vendors as a part of the final review before a selection and entering in to contract negotiations.

Stakeholder Outreach Services – HBEPD staff met with University of Arkansas Partners for Inclusive Communities Director David Deere to discuss the need for services to provide quarterly meetings via statewide broadcast and meetings within each of the 75 counties for HBEPD updates to be provided under our Level One-A funding. Drafting of inter-agency MOU and SOW continues.

IT Oversight & Management Services – HBEPD’s IT Oversight and Management contracted resource position with from the Arkansas Department of Information Systems (DIS) has been filled by DIS employee Tonmoy Dasgupta. Tonmoy is working closely on transition activities with AID’s new Deputy Commissioner of Information Technology, Carder Hawkins, who previously held this position.

In-Person Assister (IPA) Contract Entities – HBEPD received the first draft of an RFP for the IPA Contract Entities from their Navigator/IPA Vendor, Public Consulting Group (PCG) on December 7, 2012. HBEPD staff completed a preliminary review with PCG on December 13, 2012 and is currently awaiting a revised draft. The final version of this RFP is expected to result in multiple contracts for IPA services around the State. Publication of this RFP is scheduled for February 1, 2013.

Key upcoming events –

- Select IPA IT Vendor, conduct contract negotiations and obtain signed contract for a start date in January 2013.
- Complete new MOU with Partners for Inclusive Communities
- Begin RFP preparation for Exchange Evaluation (Level One A), IPA Training, and Phase II Outreach/Education to drive consumers to the Exchange October 1, 2013 (Level One B).

Exchange Staff Update

Arkansas HBEPD Staff Hiring – HBEPD completed the hiring for the previously vacant Grants/Finance Specialist position. Amanda Spicer was selected for this position and began work on December 17, 2012. Amanda (Mandy) brings extensive experience with federal grant applications, budgets and operations to the HBEPD team.

Level One (B) New Staff Positions – Interviews are underway for the eight (8) additional HBEPD staff positions with selections contingent on completion of second interviews and receipt of the necessary approval by the full Legislative Committee in December.

The HBEPD Bi-weekly Status Meetings were held on November 29th and December 6th and were attended by the HBEPD staff, contracted vendors, and other resources engaged through intra-agency and

interagency agreements. Project risks and issues are reviewed during these meetings for pending resolutions or ongoing monitoring as appropriate.

Key upcoming events –

- Complete interviews for Level One (B) new staff positions
- Await legislative approval of Level One (B) MFG appropriation

Key Risks/Issues

Below is a summary of submitted/open risks for the report period.

Risk	Risk Category	Possible Outcome if Risk Occurs	Risk Response Strategy	Risk Status
Lack of continued cohesiveness between the FFE Partnership, Arkansas DHS and ACHI-related healthcare improvement initiatives (workforce, payment reform, health information technology).	Organizational	<ul style="list-style-type: none"> • Different messages being distributed by different agencies. • Redundancy of work. • Increased workload due to conflicting requirements. 	Regular/frequent communications with key stakeholders and agency leaders to ensure ongoing and consistent information sharing and status updates.	Open
The Federal Funding model coupled with the State of Arkansas spending authorization model creates the need for multiple spending approval cycles plus introduces the possibility of available federal funds without the authority to spend.	Organizational	<ul style="list-style-type: none"> • Schedule delays due to lack of funding for operations or services required to meet Partnership responsibilities. 	<ul style="list-style-type: none"> • Evaluate impact of CCIO review process on the release of IT funds from CCIO • Develop subsequent Grant requests well in advance of the end of current grant monies allocation 	Open
The guidance for the Navigator Program will not be received from CMS in a timely fashion, impacting the ability of Arkansas to develop an accurate and viable IPA	Organizational	<ul style="list-style-type: none"> • Reduced enrollment for Arkansans due to lack of assistance and/or lack of information for consumers. 	<ul style="list-style-type: none"> • Escalate the priorities for obtaining state information needed for IPA design to allow for as much time as possible to 	Open

Risk	Risk Category	Possible Outcome if Risk Occurs	Risk Response Strategy	Risk Status
business model.			focus on aligning with required aspects once guidance is received. <ul style="list-style-type: none"> Regular/frequent communications with CCIIO State Representative and others. 	

Key Meetings/Milestones Completed

Meeting/Milestone	Type	Completed Date
Medicaid Integration Subcommittee	State	12/13/2012
Consumer Assistance Subcommittee – IPA Recruitment	State	12/13/2012
November Steering Committee Meeting	State	11/29/2012
Medicaid Integration Subcommittee	State	12/13/2012
Exchange Declaration Letter	Federal	12/13/2012
Plan Management Advisory Committee	State	12/14/2012
Consumer Assistance Advisory Committee	State	12/14/2012
Blueprint Application Submission	Federal	12/17/2012

Key Meetings/Milestones Upcoming

Meeting/Milestone	Type	Date
Consumer Assistance Subcommittee – IPA Recruitment	State	11/29/2012
December Steering Committee Meeting	State	12/20/2012
Plan Management Advisory Committee	State	01/11/2013
Consumer Assistance Advisory Committee	State	01/11/2013