

Arkansas Insurance Department (AID)

Arkansas Federally-facilitated Exchange (FFE) Partnership Planning

Monthly Report – June 23- July 20, 2012

General Update

Administrative highlights during this reporting period included:

- New preliminary *Marketplace Data* became available from the UCA Marketplace Research study (18 of 20 carriers have responded to date), an interview with five (5) issuers conducted by PCG, and CCIO Marketplace Research contracted through Econometrics and addressing carrier and provider workforce issues. These preliminary findings will be discussed during the August Plan Management Advisory Committee meeting. One new issue that emerged was Tobacco rating and how that might influence insurance affordability for tobacco users. The broader issue of Rating Areas was raised and an initial internal meeting is scheduled to address this.
- Advancements were made in *Arkansas Medicaid - FFE integration planning to mitigate effects of consumer “churning”* between Medicaid and private plan (with subsidies) eligibility:
 - Met with State Agency mid-level managers to discuss need for expedited planning – listed assumptions;
 - Medicaid-Exchange Integration Subcommittee of Plan Management Advisory Committee met twice – reviewed assumptions and identified potential issues ranging from benefit design and eligibility periods to consumer outreach and enrollment notification and provider networks, and identified additional data needed;
 - Met with Agency Directors from ACHI, AID, and Medicaid and obtained commitment to use existing and upcoming (August) Level One funding to expedite study (using subject matter experts including actuaries) of potential strategy options to mitigate deleterious effects of churning.
- The Arkansas Insurance Department Legal and Health Benefits Exchange Partnership Divisions completed preparation of a *Rule defining the process for Essential Health Benefits (EHB) Benchmark Plan adoption* by the AID. The rule was published Friday, June 29, to allow for a 30 day comment period prior to a public hearing on the proposed rule scheduled for Tuesday, July 31, 2012. *It should be noted that this EHB Rule outlines the process for benchmark plan selection and does not select the initial Arkansas EHB benchmark for 2014.* Planning for additional rules (network adequacy, QHP approval, In-Person Assister [IPA] regulation, and possibly market conduct standards) is underway.
- *Community meetings* were held July 18, 2012 in seven locations across Arkansas. The Commissioner and the Arkansas Health Benefits Exchange Partnership (AHBEP) Division Director presented two interactive meetings broadcast from Little Rock on that date, one in the morning from Little Rock to Forrest City, Hope and Russellville and another in the afternoon from Little Rock to Batesville, Fayetteville, and Monticello. The meeting was also available for live viewing via the internet although the morning live stream did experience some technical difficulties in the first fifteen minutes or so. The agenda for these meetings included the status of the

Arkansas Federally-Facilitated Exchange Partnership Planning, update on the Supreme Court ruling, discussion of the rules pending public comment, and a public question and comment period. The presentation slides, handout and recording of the afternoon session are available on the Division's website. Both Q & A sessions will be placed on the website. Prior to the July 18th meetings, press releases and flyers were sent to every major media organization across the state and advertisements were purchased in 15 newspapers, including the newspaper(s) closest to the locations participating in the live broadcast. AHBEPD also sent direct emails from the project staff to a number of community organizations and an email invitation was sent from the AID Commissioner's office to several other community and state government organizations, including the Arkansas Bureau of Legislative Research. An estimated 150 persons attended in person at the community sites or via the internet. The Division is working to broaden contact lists to include associations and other stakeholders including the expected consumers of the Exchange.

- Work is in progress for the *submission of an additional Level One Grant Application by August 15, 2012* for anticipated funding needed October 1, 2012 – September 30, 2013. This application focuses on AHBEP Division needs identified since the previous grant submission as well as operational expenses for February 23, 2013 (current Level One ends February 22, 2013) through September 2013. One major component to be included in this application is the implementation costs for the state administered In-Person Assister (IPA) program during the October 1, 2012 – September 30, 2013 grant time period. AHBEP Division will need to submit a future application for IPA program operations beyond September 30, 2013 due to the federal limitation of one year grant requests under this funding opportunity announcement (FOA). Other components will include implementation of Qualified Health Plan (QHP) certification processes to be ready for October 1, 2013 open enrollment, and a collaborative study of Exchange - Medicaid relationships including projected costs of benefit designs, churning, health care provider capacity and service delivery networks in Arkansas. This to be conducted during the fall of 2012 to identify the options best suited to Arkansas's health needs.
- Ongoing discussions among AID Rate Review, FFE Partnership Planning and Life and Health Divisions have begun to *define common data needs and potential synergies* among developing databases and data analyses. These discussions will be expanded to include possible synergies with Arkansas's developing All Payer Claims Database Plus (APCD-Plus), National Association of Insurance Commissioner's (NAIC) States Electronic Rate and Form Filing (SERFF) system expansion, and the Arkansas Office of Health Information Technology Shared Health and Record Exchange (SHARE).
- A *subcommittee of the Consumer Assistance Advisory Committee* has met twice to identify potential In-Person Assister (IPA) individuals and organizations in preparation for IPA outreach, and an *Ad-hoc Committee of the Consumer Assistance Advisory Committee met for a half day brainstorming session on June 29 to discuss IPAs* in preparation for the upcoming Level One Application due August 15, 2012. PCG consultants helped lead these informative sessions.

- An initial *outreach/education planning meeting* was held with ACHI/UAMS on July 17, 2012 to discuss branding for IPA outreach and broader outreach/education needs to inform the public about the FFE-Partnership in Arkansas in a way that can be easily understood by our residents.
- A State IT Inventory addressing eligibility and enrollment, plan management, and financial management capabilities was completed by DHS, DIS, AID, and OHIT staff for submission to CMS by a Monday, July 23rd deadline.
- External communications during the reporting period included presentations to:
 - July 17th – First Data Consultant presented on FFE at Delta Dental meeting in Denver, CO (Sodergren);
 - July 18th – Community Meeting Broadcast from Little Rock to Batesville, Fayetteville, Forrest City, Hope, Monticello, and Russellville and Live Stream via the Internet (Bradford, Crone);
 - July 19th - Presentation on FFE Partnership to Arkansas DHS County Operations Administrators (Crone).

CCIIO/CMS Update

DHHS-CCIIO Funding Opportunity Announcement (FOA). The new DHHS-CCIIO FOA listing ten upcoming grant application deadlines between August 15, 2012 and October 15, 2014 for Level One (and Level Two) funding opportunities was received on 6/29. ARHBEPD plans to apply for yet-to-be finalized (content and amount) Consumer Assistance and Plan Management development funding to include In-Person Assisters development.

In-Person Assisters (IPAs). AHBEP Division is proceeding with plans for a state-administered In-Person Assister program. CCIIO has advised that additional guidance is forthcoming regarding the scope of services to be provided by the federal Navigator program and the scope of the state IPA programs. We submitted the certification standards recommended last month by our Consumer Assistance Advisory Committee to CCIIO and a few minor CCIIO suggested edits were accepted by the Consumer Assistance Advisory Committee.

Essential Health Benefits (EHBs). CCIIO provided the State with federal clarification regarding: 1) pediatric dental plan benchmark alternatives (stand alone dental plans are *not* allowed as alternative benchmarks; Medicaid dental plan would be an allowed benchmark); and 2) Wellness benefit benchmarks (Preventive Services A & B benefits) must meet the same guidelines as for all benchmarks (e.g., selected EHB benchmark is to be based on selected plan benefits as implemented Jan-March, 2012, unless minimal essential benefit is absent, or the benefits must be paid at 100% state dollar).

Accreditation Standards. CCIIO affirmed that DHHS-approved issuer accreditation will be required at the product level for products offered through Exchanges. An issuer would only need accreditation for different product types, e.g., HMO, PPO. NCQA and URAC will be the two initially approved accrediting bodies.

Blueprint Application. The AHBEP Division staff continues to participate in a series of 10 webinars hosted by CCIIO and focusing on the Exchange Blueprint Application that is due from AR no later than November 16, 2012 in order for our state to obtain approval for implementation of Arkansas-operated components of the FFE Partnership Model. Arkansas is planning to submit our Blueprint in late September 2012 in order to qualify for federal review and technical assistance prior to the deadline. Issuance of a revised Blueprint application is pending from CCIIO at this time and could affect planned completion dates.

CCIIO Design Review (Plan Management). AHBEP Division anticipates requesting an early September Plan Management Design Review to correspond with the scheduled timings of the approval of key Plan Management recommendations by the AID Commissioner.

CCIIO-Arkansas Leadership Meetings. Weekly meetings continue between AHBEPD staff and our CCIIO Project Officer, Emily Pedneau, for discussion of new or pending CCIIO questions. The monthly meeting between State Health Leaders and CCIIO-CMS Leaders is scheduled to be held on July 23, 2012.

Key upcoming events –

- Revised Blueprint Document for FFE-Partnership Model
- Various CMS and CCIIO Technical Assistance Webinars on Exchange Development

Steering Committee/Advisory Committees Updates

Steering Committee

EHB Recommendations. During May, the Steering Committee recommended that the Commissioner select one of the three largest small group plans by enrollment as Arkansas's benchmark plan. The Commissioner has been provided with a summary of the IVF benefit and actuarial data previously requested and is continuing his assessment of the options. He is scheduled to receive the pediatric dental supplement recommendation as an addition to the EHB recommendation following the July Steering Committee meeting. Selection of Arkansas's initial EHB benchmark is anticipated to follow approval of the EHB (Selection) Rule by Arkansas Legislative Council.

June Recommendations. The Steering Committee met on June 29th and accepted the Consumer Assistance Advisory Committee recommendations for Navigator Certification Criteria to be forwarded to the Commissioner for approval. There were no Plan Management recommendations for consideration in June due to the two month timeframe allotted for the Open Marketplace vs. Active Purchaser topic.

July Recommendations to the Steering Committee

The Consumer Assistance Advisory Committee completed recommendations regarding Navigator Training and forwarded to the Steering Committee for July 27th consideration.

The Plan Management Advisory Committee completed two pediatric dental recommendations for Steering Committee consideration in July: 1) that ARKids B pediatric dental benefits be selected as the (supplemental) pediatric dental EHB; and 2) that QHPs that include a pediatric dental product will be

structured and priced to allow the pediatric dental portion to be removed by the consumer if the consumer determines they do not want a pediatric dental product or if they want to choose a different pediatric dental product. Work will continue in August to finalize the Open Marketplace vs. Active Purchaser recommendations as well as the other components necessary for a complete QHP recommendation.

Consumer Assistance Subcommittee. The Navigator Recruitment subcommittee met on July 12th and reviewed the results of the June 29th brainstorming session. The information is being used to identify recruitment activities from various perspectives including but not limited to cultural differences, geographical needs, educational and health literacy levels, and language and disability barriers.

Plan Management Subcommittee. A new subcommittee was formed from within the Plan Management Advisory Committee to take a closer look at Medicaid - Exchange integration concerns. The subcommittee held meetings on July 11th and July 19th and identified design dependencies between Plan Management and Consumer Assistance functions. A subcommittee of the Consumer Assistance Advisory Committee will be requested to join in discussions of Medicaid – Exchange integration issues.

Key upcoming events –

- Steering Committee Meeting (July 26)
- Consumer Assistance Advisory Committee meeting (August 10 – In-Person Assister application process) and Subcommittee meetings (July 26th – Outreach; additional dates/meetings TBD)
- Plan Management Advisory Committee meetings (August 3 & August 10 – Open Marketplace vs. Active Purchaser and Qualified Health Plans) and Medicaid-Exchange Subcommittee meetings (dates to be announced).

Procurement Update

In-Person Assister Program IT Services. The procurement for IT services needed to support a state administered In-Person Assister (IPA) program awaits further guidance from CCIIO regarding the state administered IPA program in order to align the services specified in the Request for Information released on Friday, June 8, 2012 for IT solution services for supporting a “Navigator” program in Arkansas to what is now being referred to as the Arkansas IPA program. Details received thus far indicate the scope of services requested in our “Navigator” RFI will closely align with the objectives for the state administered “In-Person Assister” program.

AHBEPD Website. AHBEPD has requested estimates from two companies for updates to the current AHBEPD webpage on AID’s website to allow for improved navigation functionality and content organization that cannot be accommodated with AID’s existing website software tools.

Key upcoming events –

- Determination of alignment (or not) between Navigator and broader IPA IT needs;
- Define next steps in In-Person Assister (IPA) IT Program vendor selection;
- Review proposals/estimates and move forward with website enhancement services.

Exchange Staff Update

The AHBEPD Bi-weekly Status Meetings were held on July 5th and July 19th and attended by the AHBEPD 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.

Potential Student Resources

University of Arkansas Law School. Arrangements have been made for law student placements at AID during the time of QHP certification next Spring.

University of Arkansas Clinton School for Public Service. Opportunities for Capstone project students to assist with planning and implementing both Plan Management and Consumer Assistance Processes have been publicized.

Key upcoming events –

- August 11-14 - Staff will be attending NAIC Summer National Meeting sessions related to SERFF and Health Benefit Exchanges in Atlanta (Chrisman and Donaldson).

Key Risks/Issues

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

Risk	Category	Response Strategy	Status
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	Evaluate impact of CCIIO review process on the release of IT funds from CCIIO Develop subsequent Grant requests well in advance of the end of current grant monies allocation	Open
The guidance for the In-Person Assistance (IPA) program will not be received from CMS in a timely fashion, impacting the ability of Arkansas to develop an accurate and viable business model prior to the grant request deadline.	Organizational	Escalate the priorities for obtaining state information needed for IPA design to allow for as much time as possible to focus on aligning with required aspects once guidance is received. Regular/frequent communications with CCIIO State Representative	Open
The lack of comprehensive integration and cohesiveness between DHS Medicaid, the FFE	Organizational	Regular/frequent communications with key stakeholders and agency leaders	Open

Risk	Category	Response Strategy	Status
Partnership and other ACHI-related healthcare improvement initiatives (workforce, payment reform, health information technology)		to ensure ongoing and consistent information sharing and status updates.	

Key Meetings/Milestones Completed

Meeting/Milestone	Type	Date
Monthly Progress/Consultation Meeting	State and Federal Leadership	06/26/2012
June Steering Committee Meeting	Steering Committee	06/28/2012
Publication of Proposed EHB Rule	General Public	06/29/2012
Plan Management Advisory Committee	Advisory Committee	07/06/2012 07/13/2012
Plan Management Advisory Subcommittee		7/11/2012 7/19/2012
Consumer Assistance Advisory Committee	Advisory Committee	07/13/2012
Consumer Assistance Advisory Brainstorm Session		06/29/2012
Consumer Assistance Subcommittee		6/26/2012 7/12/2012
CCIIO Marketplace Presentation	State and Federal Leadership	07/12/2012
Community Meetings in seven Cities/Towns	General Public	07/18/2012

Key Meetings/Milestones Upcoming

Meeting/Milestone	Type	Date
Monthly Progress/Consultation Meeting	State and Federal Leadership	07/23/2012
Finish Line Coalition Presentation	Invitation	07/25/2012
July Steering Committee Meeting	Steering Committee	07/26/2012
Presentation at NCSL in Chicago	Invitation	08/08/2012
Plan Management Advisory Committee	Advisory Committee	08/03/2012 08/10/2012

Meeting/Milestone	Type	Date
Consumer Assistance Advisory Committee	Advisory Committee	08/10/2012
Public Hearing of Proposed EHB Rule	General Public	07/31/2012
(Tentative) Public Health Committee meeting to address Exchange Issues	Legislative Committee	08/16/2012