

Arkansas Insurance Department (AID)
Health Benefits Exchange Partnership Division (HBEPD)
Monthly Report January 19, 2013 – February 25, 2013

General Update

Administrative highlights during this reporting period include:

- The Continuity of Coverage Study contractors, Manatt and Optumas, were on site Feb 6-8 and met with Medicaid staff, Exchange Partnership stakeholder groups, and the Plan Management Advisory Committee. Significant progress was made in developing a crosswalk between Arkansas's standard Medicaid Benefit and the newly established Arkansas Essential Health Benefit Benchmark plans in preparation for development of the required Medicaid Alternative Benefit Plans (ABP). An option is for the Medicaid ABP to align with the Arkansas EHB benchmark plan. Study options were introduced to key stakeholders and feedback received to refine the benchmark Manatt/Optumas study plans.
- The limited one year duration of the federal Establishment Grant funds results in an ongoing cycle of grant funding requests to ensure adequate federal funding to the maximum benefit of the Arkansas Partnership Exchange development. The HBEPD submitted an Establishment Grant application for our Level One C Cooperative Agreement funding on February 15, 2013. The \$17.7 million funding request includes operational funding through March 31, 2014 and requests continued IPA Guide services and Outreach & Education media campaign activities for the initial open enrollment period of October 1, 2013 – March 31, 2014. The application also requests additional technical support and four additional staff positions to support the evolving program activities.
- Arkansas AID Bulletin3-2013 on Requirements for Qualified Health Plans in Arkansas's federally facilitated exchange was released on February 19, 2013.
See <http://www.insurance.arkansas.gov/Legal%20Dataseservices/Bulletins/3-2013.pdf>.
- Arkansas AID Directive 1-2013 declaring Pediatric Vision and Habilitative Services benefits under Arkansas's EHB Benchmark Plan was released on February 6, 2013.
See <http://www.insurance.arkansas.gov/Legal%20Dataseservices/Directives/1-2013.pdf>
- Arkansas AID Bulletin providing filing guidance for QHPs in the FFE Partnership (via SERFF) is anticipated for release on February 25, 2013.
- Arkansas HBEPD Public Information Manager and UAMS Creative Services are taking the lead on Phase I Outreach and Education implementation, which is an education campaign focused on ACA and what it means in Arkansas for individuals and employers. Phase I is part of the Level One A grant and is planned to roll out in the Spring of 2013 and be sustained 4-6 months, and includes development of materials for a Speaker's Bureau, a direct mail campaign to solicit speaking engagements, and to launch a media and direct mail campaign to recruit organizations to become IPA/Guides. The beginning of Arkansas's Phase I Outreach and Education Campaign will coincide with the launch of the new Arkansas Health Connector website that will provide online education,

information links, and answer FAQs. The beginning of Phase I will introduce an additional facet of the Outreach and Education Campaign with the announcement of the Arkansas Health Connector Resource Center (see below) through which consumers or others can access Exchange Partnership information provided by trained Consumer Services Division staff who will be available to answer and log questions, thereby helping to continuously improve our outreach and education campaign.

- HBEPD completed an interagency agreement for services of Arkansas Department of Health Public Information Specialists in the ADH HomeTown Health program. These services will be utilized around the state for outreach and education services on a local level.
- Planning has continued for the Arkansas Health Connector Resource Center. This service will provide Arkansas consumers, businesses, brokers, health providers or issuers with support when they have questions, need access to In Person Assister Guides, would like to schedule speaking engagements and eventually will assist in connecting consumers with the federal Health Insurance Marketplace. An initial influx of communications to this center is expected to be generated as a result of the Phase I Outreach and Education campaign introducing Arkansans to the Arkansas Health Connector Program in advance of the Phase II “Get Enrolled” Outreach and Education Campaign scheduled for deployment closer to open enrollment. While previously reported as a service to be provided through an agreement with the Arkansas Department of Health, the AHEBPD now plans to operate the Resource Center through a collaborative venture between AID’s HBEPD and the AID Consumer Services Division (CSD). This joint effort will include the utilization of federal money awarded to CSD through the federal Consumer Assistance Program and HBEPD grant funds requested to support this program and the evaluation of communications to determine where there are additional needs for information or services to maximize enrollment and ensure quality health insurance services are received by consumers.
- External communications during the reporting period included presentations and meetings as follows:
 - Department of Workforce Services (February 2, 2013); Little Rock, AR (Cook)
 - Delta Regional AIDS Education and Training (February 7, 2013); Little Rock, AR (Cook)
 - MidDelta Community Consortium Conference (February 8, 2013); Helena (sent material)
 - Presentation for Greater Little Rock Leadership Class (February 14, 2013); Little Rock; (Donaldson)
 - Northwest Arkansas Home Builders Association (February 15-17, 2013); Springdale, AR (Cook, Donaldson)
 - Arkansas Minority Health Commission Community Meeting at Frist Baptist Church (February 19; evening); North Little Rock (Cook)
 - Marianna Legislative Town Hall meeting (February 21, 2013, 6:30 p.m.) – cancelled due to weather
 - Jacksonville Rotary Club (February 25, 2013); Jacksonville (Cook; Commissioner Bradford)
- The Senate Insurance and Commerce Committee is planning a hearing on whether or not Arkansas should continue to pursue a State Partnership Exchange or default to a Full Federal Exchange for Plan Year 2014. The Hearing will be in Room 171 of the Capitol at 4:00 p.m. on Wednesday, February 27 with a continuation (if needed) on Monday, March 4th at 4:00 p.m. in the same location. AID continues to support a Partnership Exchange as it allows: 1) continued State-based

insurance regulation including determining which QHPs are available for purchase on the Exchange by Arkansas consumers; 2) continued, responsive, and timely Arkansas-based consumer assistance including local complaint resolution; and 3) an Arkansas-based Outreach and Education Program providing 500+ trained Guides to assist Arkansans with learning about the Exchange and how to enroll.

- The Insurance Department SFY 2014 Appropriation Bill is formatted such that the Exchange Partnership Division and its budget and positions (all under Federal grant) are separated from the remainder of the AID Budget. The AID Miscellaneous Federal Grant (MFG) for our Level One B Cooperative Agreement approved on December 21, 2012 will come before the Legislative Council in the late Spring of 2013 for SFY '14 Appropriation.

CCIIO/CMS Update

Memorandum of Understanding – HBEPD was advised in early February that CMS/CCIIO has halted activity for the Memorandums of Understanding (MOU) previously required for partnership states. Another method of agreement is being developed that will utilize state specific information and we await future details.

Proposed and Final Rules and Guidance Published in Reporting Period –

- February 1, 2013 – Proposed Rule on Eligibility for Exemptions; Miscellaneous Minimum Essential Coverage Provisions - <http://www.gpo.gov/fdsys/pkg/FR-2013-02-01/pdf/2013-02139.pdf>
- February 20, 2013 – Final Rule on Essential Health Benefits
Overview - <http://cciio.cms.gov/resources/factsheets/ehb-2-20-2013.html>
Rule - http://www.ofr.gov/OFRUpload/OFRData/2013-04084_PI.pdf
- February 22, 2013 – Final Rule for Health Insurance Marketplace Reforms
Overview - <http://cciio.cms.gov/resources/factsheets/marketreforms-2-22-2013.html>
Rule- http://ofr.gov/OFRUpload/OFRData/2013-04335_PI.pdf
- Plan Management Guidance:

January 28, 2013 – Issuers of Standalone Dental Plans

<http://cciio.cms.gov/resources/files/voluntary-dental-reporting-list-1-28-13.pdf>

January 31, 2013 – Companion Guide for Enrollment Transaction Information

<http://cciio.cms.gov/resources/files/companion-guide-for-ffe-enrollment-transaction-v1.pdf>

February 20, 2013 - State evaluation of plan management activities of health plans and issuers

<http://cciio.cms.gov/resources/files/plan-management-faq-2-20-2013.pdf>

Comments to Proposed Federal Regulations

- The HBEPD submitted comments to CMS in response to proposed rules regarding the Certified Application Counselor (Section 155.225) encouraging Conflict of Interest oversight for consumer protection.
- Commissioner Bradford submitted comments to CMS regarding Premium Assistance for Plans in the Individual Market (CMS-2334-P) requesting that premium assistance be mandatory versus optional. There is precedent for such and a favorable ruling would assist with Arkansas's efforts to decrease coverage disruption as consumers' incomes fluctuate between Medicaid and private health plan subsidy eligibility. Additionally, it would promote administrative efficiencies within the state Medicaid program if two parallel systems for providing coverage for Medicaid beneficiaries are not required.

Grant Reporting to CCIIO – The required semi-annual progress reports for the Level One – A and Level One – B grants were submitted to CMS/CCIIO on January 30, 2013 using the required web-based reporting vehicle. This reporting included an update on our Blueprint submitted in December 2013.

Updated Timeline – An updated workplan/timeline showing activities of Level One A, B, and C Cooperative Agreements is available [as an attachment to this report](#).

State Partnership Exchange Workshop – CCIIO will be conducting a two- day workshop on April 4-5, 2013 in Baltimore for all FFE Partnership states. The workshop will include breakout sessions to work with states on all areas of plan management and consumer assistance to provide support through conversations with lead federal resources and other states addressing similar tasks under the Partnership model.

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.

Clarification about Employer Shared Responsibility under Differing Exchange Models - Federal Authority for Differing Exchange Models –Some legislators and others have reported that large employer (>50 FTE employees) shared responsibility to provide employees with affordable insurance is not required under ACA if a state utilizes the federally facilitated Exchange (FFE) through either a pure FFE or State Partnership FFE model. We have confirmed with CMS and IRS that the shared responsibility **is the same** for employers regardless of the type of Exchange in a state (State-Based, Partnership, or Federal).

The rationale for this interpretation was the linkage of the penalty with an employee receiving the premium tax credit, reasoning that that the premium tax credit is not available under an FFE, thus rendering the penalty moot. The Internal Revenue Service has made clear that premium tax credits are available in all Exchange models: “The statutory language of section 36B and other provisions of the Affordable Care Act support the interpretation that credits are available to taxpayers who obtain coverage through a State Exchange, regional Exchange, subsidiary Exchange, and the Federally-facilitated Exchange. Moreover, the relevant legislative history does not demonstrate that Congress intended to limit the premium tax credit to State Exchanges”. Thus, both the premium tax credit and employer responsibility and penalty provisions of the ACA are effective in the FFE, including State Partnerships.

Key upcoming events –

- Various CMS and CCIIO Technical Assistance Webinars on Exchange Development
- NGA meeting with State and Federal Resources on FFE and State Partnership Exchange Implementation is planned for the first week in April in Baltimore.

Advisory Committees/Steering Committee Updates

Advisory Committees

Plan Management Advisory Committee – Plan Management Advisory Committee met on February 8, 2013 and made recommendations relative to Rating Areas (accepted by Commissioner), Pediatric Dental (Commissioner is exploring options: *Update: 1) Final EHB regulation allows for pediatric dental waiver outside the Exchange; 2) AID will require the same filing requirements outside as inside the Exchange*), Tobacco Rating (Commissioner is limiting tobacco rating increase to 20% and exploring a requirement for tobacco cessation services in place of increased premium), and Benefit Substitution (Commissioner approved). These will be addressed at the 2/28/13 Steering Committee Meeting.

Consumer Assistance Advisory Committee - The CAAC met on February 8, 2013 and covered the following topics:

- Participants were provided with a handout summarizing Partnership guidance for Consumer Assistance activities released by CMS January 3, 2013.
- A presentation was provided by the Consumer Services Division of the AID outlining the current complaint and grievance intake and resolution process in the Consumer Services Division of the AID. This existing structure will be used for purposes of complaints and grievances for the health benefits exchange. The CAAC provided feedback and suggestions for incorporating the process into health benefits exchange operations.
- The Committee reviewed the draft eligibility application recently released by CMS that will be used for Medicaid, CHIP, and the Exchange. CMS also released a video to explain how the application will be completed. The CAAC provided comments on the video to make it more accessible to consumers who will be eligible for the Exchange. The video can be viewed at this URL <http://www.youtube.com/user/cmshhsgov>.
- The Committee discussed CMS draft rules for a new type of assistance for consumers to navigate the exchange, Certified Application Counselors (CACs). CACs are required to have the same training as IPA guides and must follow the same privacy rules. There is no funding mechanism for CACs. CMS regulations provide examples of non-profit organizations and health care providers as possible sources for this assistance type. Draft regulations were recently released by CMS and the comment period is now open. Further clarification on the role is expected in the future.

Steering Committee

The Steering Committee met on Thursday, January 24, 2013 and approved the Habilitative Benefit Scope of Services as presented by the PMAC. The Steering Committee further determined that a final

recommendation for the 2014 QHP Bulletin would be drafted by HBEPD staff for the Commissioner's review and signature with no further need for Steering Committee review.

Key upcoming events –

- Steering Committee Meeting (February 28, 2013, 3:00-5:00pm) Consumer Assistance Advisory Committee meeting (March 8, 2013 1:00-4:00 pm)
- Plan Management Advisory Committee meeting (March 8, 8:00-11:00 am) Agenda items will include QHP decertification/recertification recommendations and Small Business Health Option (SHOP) update.

Procurement Updates

In-Person Assister Program IT Services (Level One A) - CAI, the IPA IT Solution vendor, will have resources at AID beginning the first week of March for onsite development activities to begin.

In-Person Assister (IPA) Contract Entities Request for Proposal (RFP) (Level One B) – The completed RFP draft for IPA Guide services was submitted to the Office of State Procurement (OSP) on Friday, February 22, 2013 for their final review and approval. The OSP recommended a Request for Qualifications (RFQ) versus an RFP be released. Staff is revising the request to meet the new format for an estimated release within the next week or so.

Outreach and Education Campaign RFP (Level One B) – The RFP for the second phase of Outreach and Education as described in the Level One B grant was reviewed by OSP on Friday, February 22, 2013 and is scheduled to be posted on the AID and OSP websites by February 28, 2013. This Phase II is the part of the campaign that targets Arkansas's uninsured and underinsured citizens including those who work in small businesses to provide them with information in preparation for Open Enrollment. This is the "get ready--open enrollment is coming" phase of the overall Outreach and Education plan.

IPA Guide/Navigator/Agent & Broker Training RFP (Level One B) - The first draft was submitted for internal review on February 22, 2013 and is expected to be finalized and released within the next week or so.

ACHI/UAMS Creative Services Interagency Agreement is being revised to procure services directly through UAMS Creative Services. ACHI will no longer be a part of this inter-agency agreement.

Key upcoming events –

- Selected IPA IT Vendor, CAI, to begin work the first of March.
- Release the IPA RFQ and the Outreach and Education RFP by the first week in March.
- Complete new MOU with UA Partners for Inclusive Communities
- Begin RFP preparation for Exchange Evaluation (Level One A)

Exchange Staff Update

Arkansas HBEPD Staff Hiring – HBEPD has been unable to fill the HBEPD vacancies reported in last month's report. The following four positions remain open: Two Contract Monitors, an IPA Education Lead, and QHP Compliance Officer.

Office Space is being prepared for additional staff and contractors through cubicles across the hall on the second floor and cubicles in the East end of the Rate Review Center.

The HBEPD Bi-weekly Status Meeting - Meetings were held on February 7 and February 22, 2013 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 remaining Level One (B) new staff positions
- Continue space renovations for new staff

Key Risks/Issues

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

Risk	Risk Category	Possible Outcome if Risk Occurs	Risk Response Strategy	Risk Status
SFY 2014 Exchange Planning Appropriation is not Approved	Legislative	<ul style="list-style-type: none"> • Exchange Partnership Division goes away and State defaults to a full FFE 	Educate policy-makers on consumer risks associated with loss of FFE Partnership	Open
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 multiple 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 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

Risk	Risk Category	Possible Outcome if Risk Occurs	Risk Response Strategy	Risk Status
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 business model.	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 focus on aligning with required aspects once guidance is received. Regular/frequent communications with CCIIO State Representative and others. 	Open

Key Meetings/Milestones Completed

Meeting/Milestone	Type	Completed Date
January Steering Committee Meeting	State	01/24/2013
Plan Management Advisory Committee	State	02/08/2013
Consumer Assistance Advisory Committee	State	02/08/2013

Key Meetings/Milestones Upcoming

Meeting/Milestone	Type	Date
February Steering Committee Meeting	State	02/28/2013
Insurance and Commerce Committee Hearing	Legislative	02/27/13 03/04/13
Plan Management Advisory Committee	State	03/08/2013
Consumer Assistance Advisory Committee	State	03/08/2013