

## AR Federally-facilitated Partnership Exchange Steering Committee Meeting Minutes

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### Meeting Details

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Meeting Facilitator: David Sodergren, First Data  
Minutes Taken By: Tangelia Marshall, AID

Date: February 28, 2013  
Time: 3:15p to 5:15PM

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### Attendees:

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Members: Andy Allison  
Edward Anderson-Conference call  
Lenita Blasingame  
Cindy Crone  
Barry Hyde  
Joni Jones  
Haley Keenan-Gray  
Dr. Cal Kellogg  
Dr. Drew Kumpuris  
Herb Sanderson  
Dr. John Shellnut  
Anna Strong  
Dr. Joe Thompson  
Justice Annabelle Imber Tuck

Guests: Suzanne Biermann  
Jack Brill  
Charlie Frago  
Abby Oliver  
Ben Sullivan  
Elisa White

Staff/Consultants: Rich Albertoni-PCG  
Seth Blomeley-AID  
Zane Chrisman-AID  
Terri Clark-AID  
Sandra Cook-AID  
Bruce Donaldson-AID  
David Deere-U of A/Partners for Inclusive Communities  
Kathy Grissom-First Data-Conference Call  
Carder Hawkins-AID  
Heather Haywood-AID  
Tangelia Marshall-AID  
Brenda McCormick-PCG

Ashley Odom-PCG  
Amanda Spicer-AID  
Sue Stone-First Data  
Nichole Weldon-AID  
Craig Wilson-ACHI

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**Absent**

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Members: Rep. Mark Biviano  
Dr. Creshelle Nash

**Meeting Notes**

Item #	Description of Discussion	Action/Issue Item Number (if applicable)
I.	Steering Committee Facilitator David Sodergren opened the meeting and welcomed the Steering Committee and guests. All attendees introduced themselves.	
II.	Minutes of the January meeting were approved with the following revisions. <ul style="list-style-type: none"><li>a. Remove the title "Representative" from Barry Hyde's name.</li><li>b. Show Edward Anderson as present for the January Meeting</li><li>c. Remove item numbers 2-5 from Section VI</li><li>d. Remove the paragraph indicating that the Steering Committee voted unanimously to accept the PMAC recommendations to the Commissioner from section VI</li></ul>	
III.	Cindy Crone provided an overview of the Monthly Report:  Cindy announced that the AID has submitted a third Level One Establishment grant application to CCIIO (known as Level One C) for the February 15 <sup>th</sup> application cycle. A Budget Negotiation Call is scheduled for March 13 <sup>th</sup> .  A Legislative hearing was held on Wednesday, Feb. 27 <sup>th</sup> by the Senate Insurance and Commerce Committee to discuss the Arkansas Exchange. Ten people testified with the majority testifying in favor of the Partnership model including two members of the Steering Committee. Anna Strong provided a handout detailing the current Exchange Model options and four reasons why the Partnership is the best model for Arkansas. Herb Sanderson stressed the importance of local consumer assistance. Those opposed to the Partnership model argued that there is no reason to rush to declare which type of Exchange Arkansas will choose and that it's more	

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	<p>practical to let the Federal Government operate the Exchange. A second hearing is scheduled for Monday, March 4<sup>th</sup> at 4:00p.</p> <p>The HBEPD Level One A positions were scheduled for review during the February 27th Personnel Committee meeting, however the review has been postponed to a later date (to be determined).</p> <p>Dr. Joe Thompson, Surgeon General, gave a brief overview of the \$40 + million Federal grant to support Arkansas's Payment Improvement Initiative and Governor Beebe's agreement with Secretary Sebelius to provide Healthcare coverage for Arkansans with household incomes below 138% of FPL through allowing Medicaid funds to be used to purchase private health insurance plans offered through the Exchange. The proposed agreement could: 1) Expand coverage from 0% to 138%; 2) Significantly decrease churning; 3) Make the enrollment process seamless for Medicaid and subsidy eligible consumers; and 4) Allow for private sector payment rates for providers. The existing Medicaid plan would remain in tact and newly eligible residents would be covered at 100% by the Federal Government for the first three years. The agreement would also allow for a sunset clause after year three, and is facilitated by Arkansas following the Partnership model.</p> <p>Issues to be addressed include:</p> <ol style="list-style-type: none"> <li>1. Lower income limit for private plan "buy in"</li> <li>2. Co-payments for Medicaid and Subsidy populations</li> <li>3. Long term care and Medicaid</li> <li>4. What about required drugs?</li> <li>5. Information Technology to support new option</li> </ol> <p>Cynthia Crone announced that the Steering Committee recommendations on Habilitative Services were approved by Commissioner Bradford.</p>	
IV.	<p>Consumer Assistance Advisory Committee Co-Chair Anna Strong provided an update from the February meeting. The CAAC : 1) Reviewed the current AID Consumer Grievance process; 2) Viewed a YouTube video detailing the enrollment application process for Individuals and Families (Sandra Cook submitted the CAAC comments to CCIIO); and 3) Discussed the Certified Application Counselor announcement from CCIIO (comments also provided to CCIIO).</p> <p>Anna announced that the AID's Exchange Partnership Public Information Manager gave an update on the outreach and education efforts currently underway and that the IPA Entity RFQ would be released soon.</p>	

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V.	<p data-bbox="310 306 1203 537">Plan Management Advisory Committee Co-chair Dr. Drew Kumpuris and Consultant Rich Albertoni gave the PMAC report on their February meeting and recommendations to the Steering Committee. <i>Cindy reminded the Steering Committee that their recommendation last month was for the QHP Bulletin to be released without an additional Steering Committee meeting.</i></p> <ol data-bbox="358 579 1203 1818" style="list-style-type: none"> <li data-bbox="358 579 1203 716">1. Pediatric Dental recommendation was to require carriers outside the exchange that filed a plan including an imbedded pediatric dental benefit to also file a matching plan that did not include the pediatric dental benefit.</li> <li data-bbox="358 747 1203 821">2. Pediatric Dental recommendation to allow for waiver outside of the Exchange to match waiver inside of the Exchange.</li> <li data-bbox="358 852 1203 1209">3. Tobacco Rating - The federal regulations allow an upcharge of 0-50%, which will not be covered by subsidies. Everyone noted that they would like to discourage tobacco use. The carriers noted that they already have wellness programs in place for tobacco use prevention or cessation. The PMAC recommended that the state should allow carriers to individually decide how much to rate up. The Commissioner reviewed prior to the release of the QHP Bulletin and limited the amount that a carrier could rate up to 20%. <i>The Commissioner also noted that further bulletins related to wellness programs and tobacco use may be forthcoming.</i></li> <li data-bbox="358 1241 1203 1566">4. Rating Areas - David Dillon of Lewis and Ellis, AID contract actuary, presented groupings of 7, 5, 3 and 1 rating areas for the state which compared current practices by carriers with ways to meet the federal requirements and encourage competition. The carriers present noted that the rating areas as presented by Dillon are similar to what they do now or that they could live with. Accordingly, the PMAC recommended the 7 area configuration developed by Lewis &amp; Ellis. <i>The Commissioner adopted this recommendation for the QHP Bulletin.</i></li> <li data-bbox="358 1598 1203 1818">5. Benefit Substitution - The ACA allows carriers to substitute benefits within the same category so long as the actuarial value is maintained. The state has an option to limit this requirement. The PMAC recommended that the state allow the substitutions to provide carriers with more flexibility. <i>The Commissioner accepted this recommendation for the QHP Bulletin.</i></li> </ol> <p data-bbox="310 1860 1127 1883">The Steering Committee reviewed the Plan Management Committee</p>	

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	<p>recommendations from February and voted to recommend the following to Commissioner Bradford:</p> <ul style="list-style-type: none"> <li>○ <b>Allow waiver of the pediatric dental benefit outside of the Exchange to match the waiver inside the Exchange.</b> This became a non-issue as the final EHB Rule allows health plans to sell an unembedded product outside of the Exchange if a stand alone dental plan containing pediatric dental benefits is available and the health carrier is reasonably assured that the person has purchased an Exchange certified pediatric dental product. <ul style="list-style-type: none"> <li>▪ <b>So what does this mean?</b> It is difficult to say right now since the language of the rule seems clear but CCIIO is providing some contradictory guidance. Zane reported that In a teleconference with the states immediately after the rule was released, CCIIO did not have any guidance as to what was required for a plan to be “reasonably assured” that a pediatric dental benefit was purchased. Further, CCIIO indicated in that call that the “certified” pediatric dental product did not have to be purchased through the Exchange or even certified to be on the Exchange. Further guidance is expected within a month, however CCIIO has ruled that medical plan carriers are not required to embed pediatric dental into their products either on or outside the Exchange.</li> </ul> </li> <li>○ <b>Have the same requirements related to pediatric dental both on and off of the Exchange.</b> The Commissioner previously accepted a recommendation that would require carriers who offer an embedded product on the Exchange to also file and offer a matching unembedded product on the Exchange when a stand alone dental product is available. A recommendation is requested for a matching requirement outside the Exchange.</li> <li>○ <b>Define the Geographic rating areas as the 7 defined areas in the Lewis and Ellis Brief.</b> At the time the recommendation was made, this was the maximum number of rating areas allowed by CCIIO. The rating areas were arranged to try to best mimic what insurers were currently doing and to provide for a way to easily address the service area question in future years. The Steering Committee was concerned that with Medicaid “buying into the Exchange” the more rural areas would be hit with an unfair geographic rating increase because of the lack of providers and poorer health in these areas. Additionally,</li> </ul>	

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	<p>the final rule would allow Arkansas to have 9 rating areas. As such, this was sent back to the PMAC for discussion in March. The vote reflected 2 abstaining; the rest voting “yes”.</p> <ul style="list-style-type: none"> <li>○ <b>Tobacco Rating to be left to the carriers to decide.</b> There was a lot of discussion around whether to limit tobacco rating increase or require additional wellness benefits. How would tobacco use be monitored? Following discussion, the PMAC determined that it was better to allow the carriers who had the most experience in this area to address the tobacco surcharges. The group also acknowledged at that the carriers were implementing wellness programs and would not include a surcharge of up to 50%. (Vote: 6 yes; 3 no; 2 abstained)</li> <li>○ <b>Benefit substitution to be left to the carriers.</b> The ACA allows carriers to substitute benefits within an EHB category if the actuarial value remains the same. The downside is that the substitution would make the jobs of the form reviewers and the navigators more difficult. The upside is that it would allow carrier flexibility that has been virtually removed by other areas of the ACA. The PMAC determined that limiting substitution would hinder carrier flexibility and the ability to compete. Therefore, it recommended that the carriers be allowed to decide whether to substitute benefits or not. The Steering Committee disagreed with this recommendation due to the recent addition of Medicaid to the Exchange population and requested PMAC reevaluate this in March. It was suggested that Arkansas evaluate what other states are doing and determine how the AV calculator would inform this decision.</li> </ul>	
VI.	<p>Handout showed early projections of sustainability costs for Partnership Exchange (\$13.3 million) and State-Based Exchange (\$18.9 million) and projected premium fees at the current 2.5% state rate that would more than cover projected Exchange costs. It was suggested that low income consumers would likely pay for any excess revenue from premium fees on the Exchange plans and this needs future evaluation.</p>	
VII.	<p>Other future discussion items included:</p> <ul style="list-style-type: none"> <li>● Marketplace changes and provider “consolidations”</li> <li>● Reconsideration of active purchasing strategy in 2016</li> <li>● Statewide coverage revisit in light of new Medicaid expansion model</li> <li>● Co-pays for 100-138% FPL</li> <li>● Look at CBO estimates for hospital margins by number of beds</li> </ul>	

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VIII.	<p>Cindy asked the Steering Committee to let the HBEPD know if they know of people interested in employment within the division.</p> <p>Closing- The next meeting will be held March 28, 2013 at the Arkansas Insurance Department, Suite 201.</p> <p>Dave Sodergren thanked the Committee members for attending and the meeting was adjourned.</p>	