

Arkansas Insurance Department (AID)
Arkansas Health Connector Division (AHC)
Monthly Report May 18, 2013 through June 21, 2013

General Update

- We are pleased to report that most matters pending before several legislative committees have received approval. These include personnel requests, appropriation to spend federal grants, and contract reviews—all finalized on June 21st for SFY'14. One issue that remains unresolved is the potential In-Person Assister (IPA) Guide contract with Planned Parenthood, which has become controversial and for which discussions continue. Commissioner Bradford continues to communicate with the legislative leaders and provide them with requested information.
- DHS funding for the contracted services of 100 IPA Guides targeting Private Option enrollees through our Guide Program was not approved by the Legislature. The concern was that state dollars were required for match funding. Although no new state dollars would be required, the spending of *any* state dollars is viewed as unacceptable by legislative leaders and DHS withdrew their request. CCIIO Exchange Establishment funds are to be used primarily for funding of tax credit (subsidy) eligible consumers not Medicaid eligible consumers. Medicaid dollars are to be spent for enrolling Medicaid eligible consumers. AID has notified affected Guide contractors that their contract amounts will be decreased. Eight entities were affected by the loss of funding for these 100 FTEs (the range of lost positions was 2 – 31). This change leaves a large gap in our outreach and enrollment plans for the Private Option. AID will be working with DHS to determine the best way to assure a positive consumer experience for Arkansans who might begin their education/enrollment process with AID-funded Guides and need to receive a “warm handoff” to DHS.
- Please note that the AID has renamed the Arkansas Health Benefits Exchange Partnership Division (AHBEPD). We are now the Arkansas Health Connector (AHC) Division. This change was made to simplify understanding for the public and to align with the name given to our Outreach and Education campaign. It will also help smooth the transition to a State-Based Marketplace (SBM) should that decision be made at a later date. Also, Cynthia Crone, formerly AHBEPD Planning Director, has a new title. She is now an AID Deputy Commissioner over the AHC.
- As directed by Act 1500 of 2013, board members are to be appointed by July 1, 2013 to the Arkansas Health Insurance Marketplace Board. Board members appointed by Governor Beebe, Senate President Lamoureux and House Speaker Carter will determine whether and when Arkansas will apply for State Based Marketplace status. The new board will assume Marketplace governance on July 1, 2015. As has been prior reported, the soonest Arkansas could implement a State-Based Marketplace would be Plan Year 2016. In the interim, the current Advisory Board will continue its role in advancing the State Partnership Marketplace.

Plan Management

- Commissioner Bradford and the AHC Staff remain heavily involved in recruiting and educating carriers for participation in the new Health Insurance Marketplace. June 30 is the deadline for issuers to apply for

Qualified Health Plan (QHP) approval. So far, five medical carriers have provided Letters of Intent regarding the Service Areas in which they plan to do business. Those letters came from: Arkansas Blue Cross Blue Shield, NovaSys/Celtic Insurance Company, National Blue Cross Blue Shield multi-state plan, QualChoice of Arkansas, and United Security Life and Health Insurance. AID will review each QHP proposal for compliance with QHP certification criteria as recommended by the Steering Committee and approved by the Commissioner, including the applicant's financial rating, business plan, and financial projections. AID must make final QHP approval recommendations to the U.S. Department of Health and Human Services (DHHS) by July 31, 2013.

- Bulletin No. 3A-2013 was released May 23 updating the requirements for QHPs in relation to the Private Option. This bulletin involved much staff time and attention as well as the cooperation and input from issuers, consultants, the state Department of Human Services (DHS) and the Arkansas Center for Health Improvement. Details of this bulletin are provided later in this report under the Plan Management Advisory Committee update. A second revision (3B-2013) is expected the week of June 24th.
- The deadline for Stand-Alone Dental (SAD) plans to be submitted for Health Insurance Marketplace approval is also June 30. SAD plans must comply with the AR EHB benchmark plan: ARKids First B (CHIP) for pediatric dental care. Five companies have declared their intent to offer SAD dental plans: Arkansas Blue Cross Blue Shield, Best Life and Health, Dentegra, and Guardian.

Private Option

- DHS and AID continue to work with vendor Manatt Health Solutions and CMS to develop Medicaid and Marketplace policies and processes for the Private Option (Medicaid expansion through Medicaid payment of premiums for QHPs doing business in the Health Insurance Marketplace). The Private Option will be possible through the use of a Centers for Medicare and Medicaid Services (CMS) Section 1115 Research and Demonstration Waiver. The draft waiver will be posted for public comment on June 24th. Public Hearings will be held in Little Rock on July 2 from 10:00 – 12:00 (UAMS I. Dodd Wilson Building, Room 126) and July 8 from 11:00 – 1:00 in Ft. Smith at the UA Fort Smith Math and Science Building, Room 101). DHS plans to submit the waiver to CMS in August. Section 1115 waivers are generally approved for a five-year period and can be renewed. This waiver is for 2014, 2015, and 2016. DHS is working with Manatt and CMS to develop an approach to budget neutrality.
- Iowa Insurance Department officials have expressed interest in the Arkansas-model of Medicaid Expansion and requested information. AID and DHS-Medicaid officials have respond to inquiries from Iowa officials including their Insurance Commissioner.

Guides

- The AHC on June 14 through a news release publicly identified 23 IPA entities and the counties they will serve. Four more entity contracts have subsequently been finalized. Two entities withdrew their applications during the contracting phase (Arkansas State Chamber of Commerce and Bost, Inc.). To date, we have 27 contractors for IPA services and have pending interagency agreements with Arkansas Department of Health and Arkansas Minority Health Commission. Following the loss of 100 Arkansas DHS-funded Guide positions, our goal is for IPA entities to employ 535 guides. We expect, and are working to recruit, additional organizations to employ more guides throughout the state. One entity expected to

contract for outreach to the small business community is the UALR Small Business and Technology Development Center. Two of three contract monitor positions are filled.

- Guide Training implementation by the Arkansas Association of Two Year Colleges continues. Two weeks of Train the Trainers sessions were completed by the seven lead colleges. Members of the Consumer Assistance Advisory Committee, UAMS College of Public Health, and Arkansas Minority Health Commission assisted with review of training modules for health literacy and cultural and linguistic appropriateness. The first week of Guide training was scheduled for the week of June 24th in four locations: Bentonville, Forest City, Hot Springs and Little Rock. The next week of training will begin July 8th. Locations will be announced following Guides hiring and registration. Modules 1-5 are near complete. We expect Modules 6-8 to be complete by June 27th. To complete Guide training, participants will be required to pass assessments for each module and an overall comprehensive competency test for Phase I, Phase II and Phase III. Successful completion of Phase I will be required for Guides to perform outreach and education functions. Completion of Phases II and III will be required for licensure.
- AHC has initiated bi-weekly webinars with all contracted Guide entities for bi-directional learning. The second webinar is scheduled for June 25th.
- The AHC IPA Guide Management System (GMS) is progressing, although a little slower than planned. We have switched to a Microsoft.Net solution for contract management and upcoming IPA training/licensure tracking.
- AHC Division is working with License Division on processes for licensure of Guides and other Marketplace assisters to comply with Act 1439 of 2013.
- AHC Division Public Relations and Program staff met with the Attorney General's Office of Consumer Protection to discuss the Guide program and ways to ensure consumers are protected against imposters or those attempting to misguide consumers to purchase low quality plans under the guise of ACA. Public Service announcements are planned by a collaborative effort between the MHP, AHC and the AG's Office.

Outreach and Education

- The Outreach and Education campaign is in high gear and is fortunate to have the interest of Gov. Beebe. The Governor participated in a taping of a video to be aired during an educational program June 27 on the Arkansas Educational Telecommunications Network (AETN). AHC staff prepared the script for the governor with input from the governor's office. Commissioner Bradford, AHC Deputy Commissioner Crone, Surgeon General Joe Thompson, AHC Stakeholder and Producer Specialist Bruce Donaldson, and Linda Nelson, District Director of the Small Business Administration will appear on the program. Republican legislative leaders were contacted about possibly appearing on the show but they were to be out of town during the taping. The show will be hosted by longtime and respected Arkansas television journalist and AETN host Steve Barnes. The program will be taped but we will have a staff prepared to take calls live during the airing of the show at 7:00 p.m. June 27th on AETN.
- The Outreach and Education vendor, Mangan Holcomb Partners (MHP), has conducted 14 focus groups with various demographic groups throughout the state to fine-tune messaging, and identify phrases that resonate with different consumers. AHC staff and MHP has also completed a Speaker's Bureau kit to aid

speakers as they communicate the mission of the Marketplace throughout the state. Speaker's Bureau Training is scheduled for July 25th.

- We continue to receive multiple news media requests for information and interviews. These have included the *Arkansas Business*, *Arkansas Democrat-Gazette*, *Arkansas News Bureau*, *Arkansas Times*, The Associated Press, *El Dorado News Line*, *Eureka Springs Independent*, *Fresh Talk Radio Show*, and out of state media-- New Hampshire Public Radio and *New York Times*.
- Work on the new AHC website (www.ARHealthConnector.org) is ongoing with vendor Internet Network of Arkansas (INA). The current go-live date is June 27.

Operations

- Toward the goal of coordinating and aligning operational activities as we move toward implementation at a rapid pace and with multiple interdependent activities, the AHC has begun daily updates at 8:15 each morning to brief fellow team members, coordinate and align activities, and identify any implementation barriers.
- Project manager First Data made available an organizational consultant to assess the AHC Division's change readiness—particularly in the consumer assistance areas. We are meeting multiple deadlines and need to improve our ability to identify interdependencies and alignment opportunities as we work to effect efficient operations in the implementation of the Marketplace.
- First Data continues its work on an a request for proposals (RFP) for the Arkansas Partnership Marketplace Development and Implementation Evaluation project. We have received verbal CCIIO support for a second No Cost Extension of our Level One A Grant so that the evaluation can cover the entire open enrollment period and early AR Health Connector implementation.
- Policies for Plan Management, Consumer Assistance, and Financial Operations are in near final drafts.

Community outreach

- AHC Stakeholder and Producer Lead Bruce Donaldson has been working to set up meetings with agents and brokers throughout the state to communicate what they need to know regarding the Marketplace. The University of Arkansas Partners for Inclusive Communities (UAPIC) will help coordinate these meetings. MHP also produced an introductory video with the Commissioner to be played at the meetings. The dates and locations for the meetings are:
 - Little Rock July 9th
 - Fort Smith July 10th
 - Fayetteville July 11th
 - Jonesboro July 15th
 - West Memphis July 16th
 - El Dorado July 24th
 - Texarkana July 25th

CCIIO/CMS Update

- AHC staff met on June 19 (some in-person and some by interactive video conferencing) with DHHS staff for Arkansas's Implementation Review in Bethesda, MD. This review involved two-way briefings with key DHHS personnel in CMS and particularly the Center for Consumer Information and Insurance Oversight (CCIIO) about the progress of the AHC toward readiness for open enrollment on October 1, 2013. Open dialogue addressed progress and expectations by each partner. AHC staff also shared issues and concerns with DHHS and expressed appreciation for their willingness to listen and their thoughtful collaboration on the project. We are especially pleased that Arkansas will be able to get real time data on enrollment into the Marketplace to assist with our ongoing enrollment performance improvement efforts. An Operational Review will be scheduled for the fall.
- Weekly meetings continue among AHC staff, our CCIIO Project Officer, Emily Pedneau, and other CCIIO/CMS staff as needed regarding pending CCIIO-related questions. AHC staff also engage in meetings via webinar for technical assistance and Exchange development.
- CMS CMCS and CCIIO, Manatt Health Solutions, AR DHS, and AID Information Services and business operations staff continue to hold "systems" meetings to discuss needed changes and enhancements to planned Information technology and operations as a result of the newly-adopted Private Option.
- We plan to seek a second No Cost Extension for AID's existing Level One A grant funding to perform the AHC development and implementation evaluation project. We are also planning an initial Level One B grant No Cost Extension to continue Level One B grant projects beyond September 20, 2013, including the IPA program, IPA training, and Outreach and Education efforts. We will be seeking an administrative supplement to Level One B to increase funding for rent.

Advisory Committees/Steering Committee Updates

Steering Committee – The Steering Committee met May 23, 2013:

- There were no recommendations from the Advisory Committee meetings in May for the Steering Committee to consider.
- Heard a brief update of the AID 3A-2013 Bulletin status and the related Q&A for the issuers.
- Heard an update on the status of IPA entity contracts.

Learned details of the IPA training: Phase I will consist of 30 hours of classroom training facilitated by the Arkansas Association of Two-Year Colleges and is scheduled to begin in June. Phase II (federal training) will consist of ~20 hours of online training scheduled to begin in late July-August. Phase III will consist of 15 to 20 hours of partial classroom and online training and is scheduled to begin in August-September. Several present expressed concerns that training would not be made available to the public. They felt strongly that individuals who were interested be given the opportunity to be trained even though they are true volunteers and not federally or state funded. Such training opportunities will be available later in the summer, on-line, following the contracted training to be conducted by AATYC for the contracted Guides.

- David Rainwater with MHP presented an overview of the Outreach and Education Campaign
- An update on the Private Option was presented by Suzanne Bierman from Arkansas Medicaid.

Advisory Committees

Plan Management Advisory Committee – The Plan Management Advisory Committee (PMAC) did not meet in June. However, vendor PCG provided an electronic update to the members regarding the 3A-2013 bulletin. Among other things, the update noted:

- According to the Arkansas Health Care Independence Act, consumers in each of Arkansas’s 75 counties must have a choice among at least two health insurance issuers.
- Private Option eligible individuals at or below 138% of the Federal Poverty Level (FPL) will be permitted to shop among and enroll in QHPs offered at the Silver metal level. Consumers with incomes between 0% and 100% of the federal poverty level (FPL) will be eligible for the zero cost-sharing silver plan variation. The high-value silver plan variation (94% + 1% Actuarial Value) will be available to eligible individuals with incomes between 101% and 138% of the FPL.
- AID is requiring that all high-value silver plans have prescribed cost sharing amounts with a consistent deductible, out-of-pocket maximum, and copay. This plan and corresponding CMS Actuarial Value Calculator will be submitted with QHP filings and will be reviewed by AID to ensure consistency with these requirements. In addition, AID will ensure that there is meaningful difference among all plans submitted by an issuer.
- To align with Medicaid pharmacy coverage, AID will require that QHPs: (1) provide response by telephone or other telecommunication device within 72 hours of a request for pharmacy prior authorization, and (2) provide for the dispensing of at least a 72-hour supply of covered drugs in an emergency situation. The Private Option Waiver will address any needed pharmacy waiver.
- If a QHP is decertified, the market standards such as service area coverage must be maintained. AID must take steps to ensure coverage standards are met (at least two QHP issuers in each county) in the event of plan decertification.

Consumer Assistance Advisory Committee - The Consumer Assistance Advisory Committee (CAAC) met on June 14, 2013 and, among other things, covered the following topics:

- New staff members: Chloe Crater-Betton, IPA guide program education liaison, and Tomika Clark, IPA guide program contract monitor, were introduced.
- Update of IPA entity contracts.
- Update on the promotional campaign by MHP.
- Heard details from Arkansas Medicaid of the enrollment process into the Private Option. Auto assignment will be conducted by service/rating region and happen for two reasons:

- The enrollee chooses not to make a selection of a QHP and allows the system to do it for them.
- The enrollee is determined eligible through the Federally Facilitated Marketplace (FFM) portal and because there is no “live link” with the State’s eligibility and enrollment system, the consumer doesn’t complete the selection and enrollment process.
- The number of auto-assignments are expected to be higher until a real time exchange shopping experience can be established with CMS. The planned process would ensure a minimum percentage of consumers assigned to a carrier depending on how many carriers are in a particular service area. By Arkansas regulation, consumers will have 30 days to request a change of the company to which they were assigned. Committee members were particularly concerned about this issue and requested another meeting to discuss and troubleshoot.
- Update regarding meetings to be held with agents and brokers around the state.
- Heard from Steve Lease at the Arkansas Association of Two-Year Colleges regarding the “Train the Trainer” trainings for instructors who will train the IPAs. The nine modules in the training are:
 - Customer Service
 - Basic Understanding of Health Care and Health Care Reform both Nationally and in Arkansas
 - The Affordable Care Act
 - Health Insurance 101
 - Privacy and Confidentiality
 - The Arkansas Insurance Department and the Health Insurance Marketplace
 - Qualified Health Plans
 - Diversity and Cultural Competency
 - Basic Computer Skills

Contracts/Procurement Update

In-Person Assister Program IT Services (Level One A) - CAI, the IPA IT Solution vendor, is continuing with the development of the initial version of the IPA Entity IT solution. This function has been renamed the “Guide Management Solution” (GMS). This implementation includes setting up a guide profile entry screen as well as creating a screen for scheduling of IPA assignments. A change has been made from the IBM Curam information sharing system to the Microsoft.*Net* system. This is thought to be best for the short-term.

In-Person Assister (IPA) Contract Entities (Level One B) Contracts with 25 IPA entities have been signed and finalized. Two interagency agreements (Arkansas Minority Health Commission and the Arkansas Department of Health) are pending. More contracts are possible.

Outreach and Education Campaign (Level One B) — The contract with MHP was finalized upon approval of the Arkansas Legislative Council on May 28, 2013. MHP is undertaking numerous activities including the production of an educational program on AETN, educational inserts in the *Arkansas Times* and *Arkansas Business*, paid media and reaching out to news media, among other things.

IPA Guide/Navigator/Agent & Broker Training (Level One B) - The Arkansas Department of Higher Education is working with two year colleges and the Arkansas Association of Two-Year Colleges to provide this service. Seven lead colleges implemented the “Train the Trainer” sessions. These two sessions—during the weeks of June 10 and June 17-- educated the instructors who will be teaching the IPAs on the ACA and Marketplace materials. UAMS College of Public Health coordinated the module reviews for health literacy and cultural/linguistic appropriateness . Those reviewers were from UAMS, Arkansas Minority Health Commission, Consumer Assistance Advisory Committee, and end-user consumers.

Interagency Agreement for Statewide Stakeholder Engagement – The Arkansas Health Connector has completed an agreement with the University of Arkansas Partners for Inclusive Communities (UAPIC) to provide logistical services needed for meetings planned for all 75 counties, and a conference and/or news conference planned for early fall, 2013, regarding Marketplace operations and Open Enrollment. UAPIC is planning seven agent/broker information sessions, each in a particular region of the state.

Exchange Staff Update

Positions – AHC has hired Tomika Clark as an In-Person Assister Grants Monitor to ensure IPA contracts compliance. She has worked for the AID since 2002, most recently as volunteer program manager in the Senior Health Insurance Information Program.

Positions were advertised and applications received for the following: insurance investigator, two grant coordinators, property & casualty manager, attorney specialist, and systems specialist. AHC received approval from the state Office of Personnel Management for an expedited hiring process due to the urgent nature of the project.

Office Space –Remodeling and re-furnishing to accommodate new staff is complete.

Meetings – Daily meetings have been implemented to start at 8:15am. The aim is to educate and keep staff up-to-date and apprised on the overall operations of the AHC.

Stakeholder meetings/Presentations

- Arkansas Nurses Association District Three Conference, Hot Springs, May 18 (Crone)
- Arkansas Community Action Agencies Annual Conference, Fort Smith, May 23 (Donaldson)
- Arkansas Governor’s Developmental Disabilities Council, Little Rock, May 24 (Donaldson)
- Risk Adjustment Initiative & Society for Education, Scottsdale, Ariz., May 29-30 (Cook)
- Association of Arkansas Counties, Little Rock, June 10, (Crone, Cook)
- Human Resource Management Association of Arkansas, Little Rock, June 12 (Donaldson)
- America’s Health Insurance Plans (AHIP) Conference, Las Vegas, Nev., June 13 (Crone)
- Office of Community-Based Health, UAMS College of Public Health, Little Rock, June 13 (Cook)
- Arkansas Residential Assisted Living Association, Little Rock, June 18 (Crone)

Staff attended the following meetings:

- CCIIO Implementation Review, Bethesda, MD. June 19 (Crone, Donaldson, Heywood, Cook, Brill)
- Robert Wood Johnson Foundation Executive Nurse Fellows *Alumni Leadership Conference*, Chicago, June 5-7 (Crone)

The AHC Bi-Weekly Status Meeting – This regular gathering was held May 30 and June 13 and was attended by the AHC staff, contracted vendors, and other resources engaged through intra-agency and interagency agreements.

Key upcoming events

- Taping for AETN Partnership Health Insurance Marketplace special June 24 --to air June 27.
- First round of Guide Training by AATYC begins June 24th.
- Hometown Health Speakers Bureau training by MHP June 25.
- Update to Arkansas Legislative Public Health Committee - June 27th.
- Meetings with Insurance Producers across Arkansas - July
- Educational inserts released in the *Arkansas Times* and *Arkansas Business* - week of June 24th..
- Deadline for QHP applications - June 30
- Deadline for AID to recommend approved QHPs to DHHS – July 31
- New website launch July 1 (soft launch June 27th)

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
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 staff, 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.
Getting navigators and guides hired and trained in a timely manner.	Organizational	Delays in educating eligible individuals about their health insurance choices.	<ul style="list-style-type: none"> • Expedited agreement with Department of Higher Education for community colleges to provide training. 	Open.

Risk	Risk Category	Possible Outcome if Risk Occurs	Risk Response Strategy	Risk Status
		Those individuals fail to sign up for coverage.	<ul style="list-style-type: none"> Quickly getting information to IPA vendors. 	
Continuity of Coverage recommendation for Medicaid to purchase private plans through the Exchange fails to receive the necessary appropriation during the 2014 fiscal session of the Legislature.	Legislative	A quarter million low income Arkansans remain will lose health insurance coverage in 2015 after gaining it in 2014.	<ul style="list-style-type: none"> Provide data for economic and human benefit of Medicaid buying into private health insurance. Continue planning for “privatizing Medicaid” so state will be ready to implement when/if approved. Doing all we can to cooperate with and welcome legislators into our planning process. 	Open. The Legislature approved the “private option” plan during this session but will be on table again next year. Lack of approval for DHS-funded Guides places enrollment assistance for 225,000 Medicaid eligible Arkansans at risk.
Few issuers apply to participate on the Exchange.	Organizational	Lack of choices for Exchange consumers.	Holding multiple meetings with carriers to urge them to participate and answering any questions they may have.	Open.

Key Meetings/Milestones Completed

Meeting/Milestone	Type	Completed Date
ALC-Performance Evaluation and Expenditure Review	State - Legislative	5/22/2013
Public Health, Welfare & Labor Committees	State - Legislative	5/22/2013
ALC – Personnel Subcommittee	State - Legislative	5/22/2013
Steering Committee Meeting	State	5/23/2013
ALC – PEER Subcommittee	State – Legislative	5/23/2013
Arkansas Legislative Council	State - Legislative	05/28/2013

Meeting/Milestone	Type	Completed Date
ALC – Performance Evaluation and Expenditure Review (PEER)	State – Legislative	06/13/2013
Plan Management Advisory Committee	State	No May meeting
Consumer Assistance Advisory Committee	State	06/14/2013
ALC – Personnel Subcommittee	State - Legislative	06/18/2013
Implementation Review	Federal - CCIIO	06/19/2013
Arkansas Legislative Council	State – Legislative	06/21/2013

Key Meetings/Milestones Upcoming

Meeting/Milestone	Type	Date
IPA Guide Training Launch	State	6/24/2013
Public Health Committee	State - Legislative	6/27/2013
Steering Committee Meeting	State	06/27/2013
QHP Applications Due	State	6/30/2013
Public Media Launch	State	7/1/2013
Plan Management Advisory Committee	State	07/12/2013
Consumer Assistance Advisory Committee	State	07/12/2013