

Arkansas Insurance Department (AID)
Health Benefits Exchange Partnership Division (HBEPD)
Monthly Report April 20, 2013 – May 17, 2013

General Update

Legislative Update:

- The 89th General Assembly in Arkansas ended with significant measures passed regarding the Affordable Care Act. The legislation will have wide-ranging impact on the state of Arkansas overall, but more specifically its uninsured population, the Arkansas Medicaid program, and the Health Benefits Exchange Partnership Division within the Arkansas Insurance Department. We believe the general health of the state will see major improvements as a result of the Affordable Care Act's implementation in Arkansas in cooperation with our Legislature. In addition, consumers, providers and insurers will benefit economically. The measures were described in detail in the previous monthly report.
- In review, Governor Mike Beebe signed the Arkansas Health Care Independence Act (SB1020/HB1143) on Tuesday, April 23rd. Otherwise known as the "Private Option," it is now Act 1497 and Act 1498 of 2013. This law and the companion appropriation (Act 1396) will result in federally-funded premium payments being paid to private insurers to cover individuals newly eligible for Medicaid under the ACA expansion to 138% of the Federal Poverty Level. Also signed by the governor were two bills directly affecting the operations of the State Partnership Marketplace: one (Act 1500) to create a new, non-profit governing board and a potential shift to a State-Based Marketplace in 2015 and another (Act 1439) that requires navigator and non-navigator assisters (Guides, Certified Application Counselors, and Licensed Producers) to receive licensure/certification from the Arkansas Insurance Department.
- Insurance Commissioner Jay Bradford, HBEPD Director Cynthia Crone, Surgeon General Joe Thompson, Arkansas Medicaid Director Andy Allison and other health agency staff leaders met with legislators who had led efforts to pass the Health Care Independence Act at AID and received valuable feedback. Sen. David Sanders, Rep. John Burris, and Rep. Mark Biviano attended. They shared with administration officials their desire for robust competition within the Exchange and for an effective Outreach and Education campaign. They emphasized the need for ongoing legislative support of the Private Option. Administration officials expressed the desire to work together and also asked for the legislators' help in expediting matters through the legislative process because of the tight timelines involved in setting up the Private Option. The legislators were invited to attend the Consumer Assistance Advisory Committee on May 10 for the presentation by Mangan Holcomb Partners (MHP). Rep. Burris and Sen. Sanders attended that meeting. Ongoing communications continue.
- Insurance Commissioner Jay Bradford and Cynthia Crone met with members of the Arkansas Legislative Black Caucus to provide an update on the State Partnership Marketplace. Issues discussed were the overall implementation timeline, the anticipated outreach education vendor and their minority subcontractor, upcoming Guide entity contracts, cultural diversity training of Guides, and upcoming positions in the HBEPD. Members were thanked for their ongoing support of the State Partnership Marketplace and invited to attend the May 10 presentation by MHP and their subcontractor, Lattimer Communications. Senator Chesterfield, Representative Armstrong and others

attended. Senator Chesterfield expressed concern at the Consumer Assistance Advisory Committee meeting that Lattimer is an out-of-state vendor.

Administrative Highlights:

- To plan and implement the Private Option, the Partnership continues to work with DHHS CMS (CMCS and CCIIO), Arkansas DHS, ACHI, contractors Manatt Health Solutions and Optumas, Arkansas legislators, and others. The Private Option will use the Medicaid Premium Assistance model, first evaluated by Manatt and Optumas as an alternative approach to minimize the negative impact of consumer “churning” (defined as movement between Medicaid and private, subsidized health plans offered through the federal Health Benefits Exchange), to pay private plan premiums for Arkansans under 138% of the federal poverty level.
- Arkansas contemplated requesting Level One “D” Cooperative Agreement funding May 15th instead of waiting until August 15th as originally planned due to the passage of the Private Option and need for additional Guides to assist with outreach, education and enrollment assistance of the 250,000 newly eligible consumers on top of the 211,000 anticipated to be served in the traditional Marketplace program. The administrative and service costs for the new “Private Option” Guides are required to be cost allocated to Medicaid. Arkansas DHS agreed to provide funding for an additional 100 Guides—at least one for each county and two in some of the more populated counties across Arkansas, with eight additional Guides in Pulaski County. These new Guides will be incorporated into the current Guide contracting, funding, and training cycle.
- DHS is applying directly to CMS for funds to create the interim Private Option Shopping Experience for newly eligible Medicaid consumers in Arkansas because the CCIIO eligibility and enrollment portal will not be able to accomplish this private plan shopping service in 2013-2014. The Arkansas commitment is to make the shopping experience as easy as possible for consumers eligible for the Medicaid expansion. The vision is that once this group of consumers is determined to be eligible for Medicaid by the FFM portal they will be shifted over to the DHS website to shop for a Medicaid-funded private insurance plan.
- The AID hosted a second meeting on May 13, 2013 following the first meeting held on April 11, 2013. with issuers interested in potentially offering QHPs in the State Partnership Marketplace. Representatives from nine issuers attended: Blue Cross Blue Shield of Arkansas, NovaSys/Celtic, QualChoice of Arkansas, United Health, United Security and Life, Wellcare, Coventry, Health Advantage and AHIP. Arkansas Insurance Commissioner Jay Bradford, HBEPD Director Cynthia Crone, Surgeon General Joe Thompson, state Medicaid Director Andy Allison, and Department of Human Services Director John Selig also attended. Joel Ario (Manatt) and Steve Schramm (Optumas) attended by phone. Schramm shared potential cost-sharing models and Bradford shared with the issuers the AID’s timetable for issuing its bulletin regarding the rules for participating in the Marketplace. All involved from the state stressed to the issuers the importance of their candid and timely feedback in shaping the bulletin. AID emphasized that they desire numerous plans to participate in the new Marketplace. Commissioner Bradford and Andy Allison have both reached out to carriers following the meeting.
- Following issuer feedback, the QHP Bulletin draft was revised to accommodate Private Option requirements and sent to CMS, CMCS and CCIIO for review and comment. The plan is to issue the revised bulletin by May 22nd. One major change to ensure the required consumer choice of at least

two QHPs per county is a new requirement that the geographic boundaries of the newly selected rating areas will also serve as geographic boundaries of the 2014 service areas. A new requirement is that Issuers declare their service area(s) in a required letter of intent to be submitted by June 3, 2013. This will allow the Commissioner time to review for any potential service area gaps. Plans will still have until June 30 to submit their complete QHP application. The Commissioner must recommend certified plans to CCIIO by July 31.

- Outreach and Education activities are progressing. We have issued an “anticipation to award” to Mangan Holcomb Partners for the contract to provide the multi-media ad campaign to educate Arkansans about the Marketplace. The goal is that eligible small businesses and individuals learn about the benefits they could receive through the State Partnership Marketplace and that they also are aware of the start-up date to enroll being October 1, 2013. MHP has been working in good faith without final contract review. The contract will go before the ALC Review Committee on May 22 and full Arkansas Legislative Council on May 28, 2013. We are hopeful that meeting will lead to the final execution of the contract.
- The team from MHP presented its marketing plan for the Marketplace to the HBEPD staff on May 6, 2013. The firm will subcontract with Lattimer Communications, which specializes in reaching minority populations—particularly African American and Latino. Mangan Holcomb’s plans include targeting small business to build a support network for people to learn about the Marketplace. The firm stresses local and personal appeals. It will utilize polls and focus groups to shape messages. The catch phrase is “Get In,” with the aim of making it simple for people to quickly grasp the concept. Media avenues planned include TV, radio, social media, billboards, gas pumps, and news websites. There will be efforts to reach out to news outlets, bloggers, and other opinion shapers. Materials could be distributed at the state’s 1,000 public schools.
- We continue to develop HBEPD website enhancements, establish a social media presence, build content for the roll-out of the Health Connector website, and plan for the Speaker’s Bureau operations. The target date for “going live” with the new website is June 3.
- AID received 30 responses to the Request For Qualifications for IPA entities that were qualified by the Office of State Procurement. Following an evaluation team review of bids to determine statewide coverage through currently qualified vendors, AID sent notifications of anticipation to award contracts to each of the 30. We are specifying to each vendor which counties they are covering and the number of Guides that will be funded through the contract. Contracts are expected to be completed by the end of May. The RFQ process is open and potential new vendors can apply to be qualified.
- The Arkansas Department of Higher Education (ADHE) agreed to provide Arkansas’s IPA Training. ADHE has had experience and success with statewide workforce training through Arkansas’s system of Community Colleges. Dr. Ed Franklin, executive director of the Arkansas Association of Two-Year Colleges, and Shane Broadway, interim director of ADHE, are providing leadership for this project.
- Training of Guides will be broken into three phases. Phases I and III will be conducted at 22 community colleges and one 4 year college.
 - Phase 1 will include 30 hours of classroom training with assessments to be offered weekly (mid June through July). This phase includes nine modules, such as communication and a history of health care.

- Phase 2 will involve 20 hours of online training and assessments through a federal website (estimated to be in late July and early August). This will encompass the mandatory federal training to educate guides about navigating on the FFM.
- Phase 3 is estimated at 15 to 20 hours partially in classroom and partially by web and would be offered in September.
- Work continues on documenting multiple AID Division responsibilities for QHP Certification and Marketplace Operations (HBEPD, Rate Review, Life and Health, License, Finance, Legal, Consumer Services, Information Systems and Liquidation.)
- CAI, our IT vendor for the Guides Program, continues its work to develop management and reporting tools for that program. They will also be developing e-learning tools. CAI reports they are creating test simulations for the training experience.
- The Arkansas Center for Health Improvement continues its work on developing quality metrics. The current plan is to require the issuers to report customer claims and costs beginning in Plan Year 2 (2015). This requirement will come via Commissioner's Bulletin.
- Vendor PCG continues with progress in drafting Plan Management policies and procedures.

CCIIO/CMS Update

- HBEPD staff including Commissioner Bradford and Cindy Crone attended a meeting in Baltimore on April 30th with key staff from CCIIO/CMS along with Arkansas Medicaid Director Andy Allison, Arkansas Surgeon General Joe Thompson, and key staff from each referenced Arkansas health agency. Productive exchanges were shared and each party offered the other important perspectives and guidance as we move forward in the goal to make the Private Option successful in Arkansas. Arkansas HBEPD will present our Partnership planning progress at an Implementation Review in Baltimore on June 19. This review is a part of the required approval process leading to State Partnership Marketplace implementation for Plan Year 2014.
- CCIIO-Arkansas Leadership Meetings - Weekly meetings continue between HBEPD staff, our CCIIO Project Officer, Emily Pedneau, and other CCIIO/CMS staff as needed regarding pending CCIIO-related questions.
- CCIIO, Manatt, Arkansas DHS, and Arkansas Insurance Department IS and Business operations staff continue to hold "systems" meetings to discuss needed changes to planned Information Technology and operations as a result of the newly adopted Medicaid Private Option.
- AHBEPD staff also engaged in meetings via webinar for technical assistance and Exchange development.

Advisory Committees/Steering Committee Updates

Steering Committee – The Steering Committee met April 25, 2013, and, among other things, addressed the following topics:

- The fact that CClIO has indicated that the Federally Facilitated Marketplace shopping experience will not be able to support the Private Option population and that DHS is working on developing a state solution.
- Heard a summary of the Private Option from Surgeon General Joe Thompson.
- Informed about details of Act 1500 and Act 1439.
- Received an update of the QHP certification process.

Advisory Committees

Plan Management Advisory Committee–The Plan Management Advisory Committee met on May 10, 2013. Manatt Health Solutions presented an update on the Private Option and PCG presented an update on QHP requirements including for Stand Alone Dental plans. Zane Chrisman Brill gave an overview of the expected changes to the QHP Bulletin that was to be released to the Issuers May 13, 2013.

Consumer Assistance Advisory Committee - The CAAC met on May 10, 2013 and, among other things, covered the following topics:

Outreach and Education vendor Mangan Holcomb and subcontractor Lattimer Communications introduced their planned media strategies and the Committee viewed examples of potential media spots. There was spirited discussion about Lattimer being an out of state vendor. Their particular skills in Latino outreach, local trust-building, and past successful campaigns similar to the Arkansas need were discussed.

- Update of the Private Option.
- Planned training to be provided at community colleges around the state for those seeking to be IPAs.
- Update of Act 1439 and Act 1500.

Procurement Updates

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. The implementation of this initial Entity Management version originally scheduled to be completed by early May has been rescheduled for the third week of May. This was largely because the business requirements changed, scope from the original Statement of Work changed and unforeseen infrastructural issues surfaced.

In-Person Assister (IPA) Contract Entities Request for Qualifications (RFQ) (Level One B) – Finalizing contract details by the end of May with guides being trained in June and able to provide outreach and education work in their communities by the first of July.

Outreach and Education Campaign RFP (Level One B) — Notice of Anticipation to Award, April 22, 2013, to Mangan Holcomb Partners. The contract will go before the Arkansas Legislative Council for review and approval on May 28, 2013.

IPA Guide/Navigator/Agent & Broker Training (Level One B) - The Arkansas Department of Higher Education is working with community colleges and the Arkansas Association of Two-Year Colleges to provide this service beginning by May 1, 2013. Seven Lead Colleges will design curricula and serve a train the trainers function for 22 Community Colleges and one 4 year college that will deliver training statewide beginning in June 2013.

Interagency Agreement for Statewide Stakeholder Engagement – HBEPD is in the process of completing 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. The agreement is expected to be signed soon. UAPIC is planning seven agent/broker information sessions, each in a particular region of the state. UAPIC is also working with HBEPD and the Arkansas Educational Telecommunications Network (AETN) to stage a statewide call-in informational program on the Exchange on June 27. This program will focus on the Affordable Care Act and small business while another such show in September will focus on individual customers.

Key upcoming events –

- Begin RFP preparation for Exchange Evaluation vendor (Level One A).
- Working with Mangan Holcomb to develop ad campaign.
- Consider proposal for Minority Outreach and Education through the Arkansas Minority Health Commission.
- Finalize contracts with IPA entities to provide Guide Services.
- Finalize list of Qualified Health Plans offered through the Exchange.

Exchange Staff Update

Arkansas HBEPD has hired Chloe Crater as the IPA Education Lead. She started May 20 and will immediately begin to serve as a liaison between IPA vendors and the AATYC IPA training, helping to organize IPA training. HBEPD vacancies currently include a Contract Monitor. We will be seeking additional staff positions with the Level One “C” our Level One C appropriation, including an attorney specialist, Arkansas Health Connector Resource staff, and an IT Specialist.

Office Space -- Desks and chairs arrived for existing staff who had been working on folding tables and conference chairs. Four additional cubicles were added to the east end of the Rate Review Center.

Stakeholder meetings/Presentations

- Office of Minority Health Disparities, Arkansas Health Department, Little Rock, April 24 (Cook)
- Retirement Advisors of Arkansas, Little Rock, April 24 (Donaldson)
- Delta Dental Board of Directors, Sherwood, April 26 (Crone, Brill)
- Arkansas Governor’s Developmental Disabilities Council, Little Rock, April 26 (Brill)
- North Little Rock Chamber of Commerce, North Little Rock, April 30 (Donaldson)
- First National Health Insurance Summit, Washington DC, May 2-3 (Crone)
- Sixth Annual Chronic Disease Forum, Little Rock, May 3 (Donaldson)
- Children with Special Needs, Little Rock, May 9 (Brill)
- Mercy Home Health and Hospice, Berryville, May 10 (Donaldson)
- Center for Healing Hearts and Spirits, Little Rock, May 11 (Cook)
- Arkansas Minority Health Commission forum, Monticello, May 16 (Cook)

- Arkansas Advocates for Children and Families, Little Rock, May 16 (Crone)
- Arkansas Nurses Association Region 3 Conference, Hot Springs, May 18 (Crone)

Staff attended the following informative conferences:

- National Health Insurance Exchange Summit, May 2-3, Washington DC (Crone)
- AR-CMS meeting on Arkansas private option implementation – April 30, Baltimore (Bradford, Crone, Donaldson, Brill)
- CCIIO State Partnership and FFM State meeting at NIH near Bethesda, May 1-2 (Crone, Donaldson, Brill, Cook, Rollans, Sodergren)

The HBEPD Bi-Weekly Status Meeting – This regular gathering was held May 2 and May 16 and was attended by the HBEPD staff, contracted vendors, and other resources engaged through intra-agency and interagency agreements.

Key upcoming events

- Request legislative approval for Outreach and Education contract (Level One B) on May 22 at PEER Contracts meeting
- Request legislative MFG approval of full Level One C grant on May 22 at PEER
- Release updated QHP Bulletin on May 23, 2013
- Release Stand Alone Dental Bulletin on May 23, 2013
- Request legislative approval for Level One (C) new positions (May 23, 2013 PEER Personnel Committee)
- Present State Partnership Marketplace update to Joint Public Health Committee on May 23rd
- Request full MFG approval at ACL on May 28
- Continue space renovations for new staff
- Continue to meet with faculty from seven lead community colleges for IPA training
- Meetings with Insurance Producers across Arkansas (Donaldson)
- Hometown Health Speakers Bureau training tentatively planned for June 20 and June 25 by Mangan Holcomb.
- America’s Health Insurance Plan meeting, June 12, Las Vegas (Crone)

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 	Regular/frequent communications with key stakeholders and agency leaders to ensure ongoing and consistent information sharing and status updates.	Open

Risk	Risk Category	Possible Outcome if Risk Occurs	Risk Response Strategy	Risk Status
		multiple requirements.		
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 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. Some grant/contract appropriations for SFY14 still must be approved by legislative committee.
Getting navigators and guides hired and trained in a timely manner.	Organizational	Delays in educating eligible individuals about their health insurance choices. Those individuals fail to sign up for coverage.	<ul style="list-style-type: none"> Expedited agreement with Department of Higher Education for community colleges to provide training. Quickly getting information to IPA vendors. 	Open.
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.
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
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Meeting/Milestone	Type	Completed Date
Steering Committee Meeting	State	04/25/2013
Plan Management Advisory Committee	State	05/10/2013
Consumer Assistance Advisory Committee	State	05/10/2013

Key Meetings/Milestones Upcoming

Meeting/Milestone	Type	Date
Steering Committee Meeting	State	05/23/2013
Plan Management Advisory Committee	State	06/14/2013
Consumer Assistance Advisory Committee	State	06/14/2013
CCIIO Implementation Review	Federal	06/19/2013
ALC PEER (Contracts and MFG)	Legislative	05/22/2013
ALC Personnel Committee (Level One C Positions)	Legislative	05/23/2013
House and Senate Interim Public Health, Welfare, and Labor Committee meeting	Legislative	05/23/2013