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Arkansas Health Benefits Exchange Planning

| Healthcare Industry-Insurance Carriers/ Healthcare Providers/Professional Associations | June 30, 2011 | Arkansas Studies Institute Rm. 204 | 9:00AM – 1:00PM |
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| Members Present: Edward Anderson Dr. Mark Attwood Donna Auld Julie Benafield Dr. Darlene Byrd Mike Castleberry Jim Clark Austin Gaines Steve Gelios David Holman David Ivers Dr. Andrew Kumpuris Treg Long Jacque Martin Sip Mouden Sharon Oglesby Sam Partin Mike Stock | Guests Jodiane Tritt Mary Woodson Paul Cunningham Staff: Cindy Crone Bruce Donaldson David Boling Andrea Hunter, recorder | Members Absent: Larry Alford Ed Choate Carla Groff John Harriman Lesley Nalley Ray Ortega John Ryan Doug Stadter Billy Tarpley Sheila Waits Arthur Wolover | |

Meeting Summary:

- I. Following welcome by Cindy Crone and Bruce Donaldson, those present introduced themselves. New Open Meeting rules were announced: Workgroup meetings are open and guests will be provided time for comments/questions at the end of each meeting. Videotaping is allowed.
- II. SKYPE will be available for out-of-area meeting participants beginning next month.
- III. Updates
 - a. Report to Joint Interim Committee on Public Health, Welfare and Labor of the Arkansas General Assembly - Committee members expressed concern about a lack of adequate advertising for Exchange Community Meetings and requested a report of the meetings' findings. The report will be completed by UAMS contractors by the end of July. Commissioner Bradford notified the Committee that he would be requesting an appropriation for continued Exchange Planning, to be followed by seeking State authority for an Arkansas-run Exchange.
 - b. Community "Listening Session" Meetings – handout of updated schedule was distributed. Since the last Workgroup meeting, UAMS has issued a press release regarding the 65 community meetings being held in 16 communities across the state during June and July in Arkadelphia, Clarksville, Clinton, Dumas, El Dorado, Fort Smith, Helena, Jonesboro, Hot Springs, Little Rock, Mountain Home, Pine Bluff, Searcy, Springdale, Texarkana, and West Memphis. Each community has been slotted four meeting times with the exception of Hot Springs with two meetings. The updated listing of times and dates of meetings has been emailed to workgroups and posted on Exchange Planning Website. Workgroup members are encouraged to help publicize meetings.
 - c. First Data Government Solutions has been selected as Background Research consultant. First Data has subcontracted with three organizations, two of which are Arkansas-based. Arkansas Foundation for Medical Care is one of the Arkansas based firms and will provide research on consumer outreach, public education, evaluation and quality improvement. AFMC is headed by Ray Hanley. The second Arkansas-based firm is Powell and Associates which will provide research on Exchange users' demographics and the Arkansas marketplace. P&A is headed by Dr. Larson Powell, who is a UALR professor and teacher of Insurance. Solucia is the third firm and will be teaming with Powell and Associates to provide actuarial research services. First Data began work on June 1 and is expected to provide their analysis by August 31, 2011. The recommendations will be used to move Arkansas planning efforts toward a level one establishment application.
 - i. First Data Timeline for concurrent work over the summer – handout

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- ii. First Data Project Manager is David Sodergren
 - iii. Key Informant Interviews will occur the weeks of July 4th & 11th
 - d. Exchange Planning Vision Statement draft was reviewed as approved by Steering Committee. Concerns were expressed about the length and literacy level of the proposed statement. Workgroup members were asked to provide suggestions within the next two weeks for a more condensed and consumer friendly version of the vision statement.
 - e. First Data Web-Based Governance Survey Results have been prepared. There were a total of 35 responders. The Internet Technology group had the highest response rate at 40%. The Healthcare Industry responded at 23% and the Outreach group responded with the lowest rate of 22%. Final results will be posted on the Health Benefits Exchange Planning Website. The overall response rate (28%) is considered adequate for a survey open for five days. Cindy suggested the workgroup briefly discuss survey results at next month's meeting after group members have had time to review. If Workgroup members believe the results are not reflective of their views, a "minority report" can be submitted.
- IV. Future Meeting Discussion Topics
- July - Outreach & Education
 - August - Marketplace/Financial Models
 - September – Program - IT Integration
- V. Discussion Topic for today: What is the best strategy for obtaining State government authorization for AR Exchange?
- a. Political grassroots & grass tops efforts with clear messaging
 - b. Be able to tell the public what we know about the Exchange as well as what we do not yet know.
 - c. Share the advantages of a State versus Federal exchange.

State Exchange Advantages

1. State would have regulatory control over the carriers.
2. State would risk losing domestic carriers without a State exchange.
3. May have a one size fits all program, or cost may not be affordable to Arkansans without a State Exchange.
4. Navigator program is regulated by the State

Federal Exchange Advantages

1. It does not cost the State taxpayer dollars.
2. They already have the systems and resources in place to implement the Exchange.

- d. Define the Legislative role as far as who appoints Exchange Board...what is Board composition?
- e. Add a bi-partisan face to the campaign for the Exchange.
- f. Ask the legislators directly what it would take to gain their vote for the Exchange.
- g. What is the impact of the Exchange on healthcare providers?
 1. Timeliness will suffer
 2. It will impact quality of care from smaller physician offices that do not have manpower or time to handle increased demand.
 3. . Will reimbursement rates level out, which will encourage providers to see all patients regardless of coverage plan?
- h. Additional Questions & Discussion:
 - What are the conditions required to move forward to level 2 planning? *There is a requirement that the state have legal authority—as defined by the State-- for a State-run Exchange. The application deadline for Level Two Establishment funding is June 2012.*
 - Has the Commissioner exhausted all aspects of gaining legal authority through regulation? *The option of regulatory authority through existing programs such as the CHIP (high risk pool) has been explored and was determined not to be a viable option for Arkansas due to the specificity of enabling legislation for CHIP or Liquidation entities.*
 - How do we move forward with community outreach? We need to be able to reach those that feel the Healthcare Act was forced upon them. *We need to be able to explain the Exchange to communities in a culturally appropriate manner and at the appropriate educational level.*
 - **Will the self-employed be allowed to continue to buy insurance privately? Specifics have not yet been determined other than to say that policies purchased prior to March 23, 2010 will be grandfathered in. ARE THEY TALKING ABOUT GROUPS OF ONE? SHOULD THIS HAVE BEEN SELF-INSURED VS SELF EMPLOYED? Can't follow this one.**

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- What are the benefits to remaining outside the Exchange Plan? *The benefits would be determined on an individual basis. Only those enrolling through the Exchange would be eligible for advance tax credits or other cost reductions.*
- Will there be a tax or penalty for those that choose the Cadillac plan? *Possibly.*
- How do you level the playing field so that everyone will benefit from the Exchange and consumers are not encouraged to select inside or outside coverage? *Premiums must be the same inside and outside the Exchange for the same plan. Only those enrolling inside the Exchange will be eligible for tax credits or other cost reductions. There will be some sort of risk adjustment or reinsurance plan or those plans getting sicker customers.*

Future Exchange Planning Discussions:

- Will there be more Navigator Program details as we continue further discussions regarding outreach and education? *We expect more specifics on the Navigator Program from DHHS as regulations come out.*
- What similarities are there between Medicaid expansion, Outreach enrollment, and the Navigator process in Insurance Expansion?
- What efforts will be made to ensure that the Exchange is viable after 2016? How will we avoid the onset of adverse selection?
- Should Small Business and Individual pools be separate or combined?
- What would be rules that would apply to inside and outside plans?
- Should newly eligible Medicaid participants be enrolled in private plans?
- Should the group size allowed in the SHOP Exchange move to 100 in 2014 or 2016?