

Arkansas Insurance Department
Health Benefits Exchange Planning Update
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Exchange Overview

A *Health Benefits Exchange* is a mechanism for organizing the health insurance marketplace to help consumers and small businesses shop for coverage in a way that permits easy comparison of available health plan options based on price, benefits, services and quality. Under the Affordable Care Act of 2010, legal residents in every state will have access to a health benefits exchange effective January 1, 2014, where they can shop for and enroll in qualified health plans. If Arkansas does not have a U.S. Department of Health and Human Services (DHHS)-certified Exchange operating by January 1, 2014 (with enrollment beginning October 1, 2013), the federal government will operate an Exchange in Arkansas. If Arkansas does establish an Exchange, it must be self-sufficient by 2015. Insurance carrier fees are expected to be critical to Exchange sustainability.

It is estimated that nearly a half-million Arkansans could be determined newly eligible for Medicaid, federal subsidies for private plan premiums, or other cost reductions through the Exchange. Individuals and families with incomes under 139% of the federal poverty level will be eligible for Medicaid; those with incomes between 139% and 400% of the federal poverty level may be eligible for advanced tax credits. Small businesses (50 or fewer employees, with a State option for 100 or fewer employees) will also be eligible to shop through the Exchange. This portion of the Exchange is called SHOP (Small business Health Options Program). In 2016, a small employer will be defined as having ≤ 100 employees. In 2017 Arkansas could opt to allow large businesses to shop through the Exchange. Increased size of risk pools and administrative efficiencies of scale are expected to give small businesses the same purchasing power that large businesses now enjoy.

Entry to the Exchange is through a single, secure and integrated web-based eligibility and enrollment portal. Eligibility determinations will require secure data exchange between the Arkansas Exchange and an integrated DHHS, Homeland Security, Treasury, and Social Security portal. Most residents are expected to access the Exchange directly through the web-based portal; however, phone, mail, and walk-in services are also required. Each state is required to develop a Navigator program to assist potential enrollees through outreach, education, facilitating enrollment, and assistance with registering and resolving complaints. Licensed insurance brokers and producers will also be able to assist consumers in accessing tax credits or other cost reductions and enrolling in an Exchange plan. Tax credits and other cost reductions are available only for plans purchased on the Exchange.

Federal and state level leaders are committed to collaborative planning and partnerships to maximize resources and avoid duplication as we develop Arkansas's Exchange. We plan to design and implement shared, interoperable program and IT solutions. Public entities (Department of Information Services-DIS, Office of Health Information Technology SHARE, DHS/Medicaid, AID, Exchange) will also work with private insurance carriers and other providers on Exchange Program-IT solutions. Current Exchange planning efforts are engaging key leaders in dialogue with consultants to identify existing technology, business requirements, planned improvements, gaps and recommend integrated solutions. A day-long Stakeholder Summit will be held October 11, 2011 at Embassy Suites in Little Rock.

Arkansas Insurance Department is recipient of a one-year, one million dollar Health Benefits Exchange Planning Grant awarded by the U.S. Department of Health and Human Services (DHHS), Center for Medicaid and Medicare Services (CMS), Center for Consumer Information and Insurance Oversight (CCIIO). The planning goal is to design an integrated, efficient, and user-friendly Arkansas Exchange that is in compliance with federal and state law and provides consumer protection and choice of quality, affordable health plans. The ultimate goals are improved health outcomes, decreased uncompensated care, and decreased health-related financial risks for individuals and small businesses.