

UPDATE ON ARKANSAS HEALTH BENEFITS EXCHANGE PLANNING

September 16, 2011

Arkansas Legislative Council

Planning Grant Activities

- Arkansas Insurance Department is Grantee
- Two Full Time Staff
- Primary Contracts/Agreements
 - First Data for Government Solutions
 - UAMS

Stakeholder Involvement

- Steering Committee
- Six Workgroups
- 64 Community Meetings in 17 Towns/Cities
- Web-Based Survey
- Stakeholder Summit - October 11, 2011

Community Meetings - Areas of Agreement

- Majority for Arkansas Exchange, designed by Arkansans
- Most are for AID regulation of plans and companies
- Want Exchange to be as Inclusive as Possible
- No support for new taxes; most preferred a premium fee for sustainability
- Support for tracking quality indicators to include customer satisfaction

Community Meetings Areas Lacking Consensus

- A strong and vocal minority of participants were opposed to planning an exchange at all
- Governance control - State Agency, Non-Profit, or Hybrid?
- Will there be enough providers?
- Any willing insurer or active purchaser model?
- Role of Navigators vs. Licensed Producers?

Findings/Recommendations

Web-Based Survey (n=432)

- 68% for Arkansas Exchange; 70% want AID regulation of plans; 32% believe planning should stop
- 52% believe we should have Active or Hybrid purchasing model
- 74% believe persons with incomes $>400\%$ FPL should be allowed to shop on Exchange
- 49% believe small group should be defined as ≤ 50 employees
- 75% believe Navigators should be Certified or Licensed
- Most believe financing should be through Insurer Fee

Background Research

- First Data is Primary Contractor
 - Subcontractors
 - Arkansas Foundation for Medical Care
 - Powell and Associates
 - SCIOInspire (formerly Solucia)
- Seven Separate Reports

Key Findings and Recommendations

Governance

- State-Based (vs. Federal Exchange)
- Quasi-Governmental Structure
- Appointed, Non-Profit Board
- Connection with AID

Key Findings/Recommendations

Marketplace

- 211,000 Arkansans predicted to enroll in private marketplace
 - 116,000 in Individual Market
 - 95,000 in Small Group Exchange
 - *120,209 of these previously uninsured*
- 175,000 additional Arkansans predicted to enroll in Expanded Medicaid in 2014
 - Increase from 682,000 to 857,000

Key Findings/Recommendations

Marketplace

- Uninsured Population to decrease
 - from 20% in 2013 to just over 10% in 2014
 - then to 9% in 2019
- 11% are predicted to see decrease in premiums

Only those shopping through the Exchange can receive subsidies, tax credits, or other cost reductions

Key Findings/Recommendations

Eligibility/Enrollment

- Outreach/Education Critical to Success
 - Strong Navigator Program
 - Strong Participation by Brokers/Producers
 - Call Center
 - Also, provide for walk-in, mail enrollment
- Integrate Medicaid and Private Plan Eligibility/Enrollment Determinations
- First Class User Experience (UX 2014)

Key Findings/Recommendations

Navigator Program

- Purpose is to raise awareness about QHPs, tax credits, and other cost-sharing reductions—especially to hard-to-reach populations
- Navigator does not serve same purpose as Broker/Producer – does not enroll consumer
- Navigators to obtain training/certification and be regulated by AID

Key Findings/Recommendations

Navigator Program

- Navigator payment through traditional, competitive grant program with predetermined amounts and required deliverables
- Oversight to prevent Fraud, Waste and Abuse
- Producers are generally in agreement with this role

Findings/Recommendations

Program – IT Integration

- Maximize existing Arkansas Business and Technical Resources/Investments
- Optimize Federal Funding Streams
 - 100% Exchange funding and 90% Federal funding for Medicaid*
- Avoid Duplication
- Ensure Security
- Establish Interagency Agreements for Planning and Development

Key Exchange Dates

- State Exchange Must be Certified by DHHS January 1, 2013
 - Full
 - Conditional
- Open Enrollment October 1, 2013
 - State or Federal
- Exchange Fully Operational January 1, 2014
 - State or Federal
- Exchange Self-Sufficient January 1, 2015
 - Likely carrier fee at current level

Key Planning Dates

➤ Level One Establishment Grant

- To apply September 30, 2011
- Does not require State Exchange Decision
- One Year

➤ Level Two Establishment Grant

- Does Require State Authority for Exchange
- Last application date is June 29, 2012
- Funds through December 31, 2014

Next Steps

- Expect Level One funding in November and will seek spending authority via interim appropriation process
- A few additional positions may be requested
- Most requests will be for planning contracts
- Will continue Stakeholder Involvement

Needed Planning Contracts

- Interagency Program – IT Integration and Procurement Planning
- Plan Navigator Program
- Develop Communications Plan targeting Consumers/Enrollment
- Plan Call Center and Other Customer Relationship Services
- Refine Evaluation Plan and Methods
- Develop Health Plan Certification and Management Processes
- Develop Financial Model for Operations and Sustainability
- Develop Operations Policies

Arkansas must be Ready for January 1, 2014

- Most Arkansans Want a Health Benefits Exchange Planned by Arkansans for Arkansans rather than a Federally-operated Exchange in Arkansas.
- We cannot be ready if we don't keep moving forward.
- We plan to go through routine legislative approval at every step.
- We respectfully request your support and participation.