

Arkansas Health Benefits Exchange Planning

Small Business/Community Leaders/ Legislators	October 24, 2011	Arkansas Studies Institute Rm. 204	10:00AM – 12:00PM
<p>Members Present: Ray Hanley Rep. Barry Hyde Harold Simpson Vic Snyder</p> <p>Staff: Bruce Donaldson Craig Wilson-ACHI</p>	<p>Members Absent: Ron Boyeskie Jason Brady John Burriss Jay Chesshir Richard Eden Alan Hughes Jeremy Hutchinson Annabelle Imber Tuck Jim Langston Gregory Leding Frederick Love John Morris Rep. Tracy Pennartz Jody Purifoy Amanda Rose Mary Anne Salmon Karen Sullivan Kenny Whitlock Rep. Jon Woods</p>		

Meeting Summary:

- I. Bruce Donaldson-AID, opened the meeting. Workgroup members and guests introduced themselves.
- II. **The Small Business Workgroup meeting summary from September 19 was approved** as circulated without corrections and will be posted as “final” on the HBE website.
- III. Updates
 - A. Project Report/CCIIO Update-Bruce Donaldson provided a written report (handout). Bruce informed the workgroup members that Cindy is accepting additional questions to be submitted to CCIIO. Craig Wilson is working on compiling comments and questions to be submitted to CCIIO on October 31, 2011. Craig has received recommendations from Cal Kellogg and anticipating additional recommendation from other workgroup members.
 - B. Surgeon General’s Summit-Craig Wilson reported that the Surgeon General will be holding a Summit on November 7, 2011 at the Arkansas Children’s Hospital Chairman’s Ballroom. There is the capacity for approximately 160 attendees. The Summit will be a two hour meeting held from 9:00am to 11:00am. Dr. Thompson will make a presentation outlining the problems that Arkansas faces regarding the Exchange. Steve Barnes will lead a one hour question session where attendees will be given an opportunity to ask questions in writing. Steve will then present the questions to the panel for their responses.

- C. Steering Committee Update-Craig Wilson reported that the Steering Committee met on October 18, 2011. Craig stated that the Steering Committee expressed concerns about going forward with Exchange planning.

IV. New Business

- A. No Level One Funding Application-What now?

The final opportunity to apply for Level One Funding is December 31, 2011 and the final opportunity to apply for Level Two Funding is June 2012. Bruce stated that at this point he is pessimistic about moving forward with the Level One Funding application in December. The No Cost Extension that was granted will end on January 29, 2012.

- B. Political Climate

- C. New Federal Partnership Options (hand out)

The Federal Partnership model still requires a letter from the Governor. The Insurance Commissioner has a meeting with the Governor scheduled for next week to discuss the Federal Partnership option.

- D. Other

V. Future Exchange Planning Discussions

- A. Agenda Items for next meeting- At this point the workgroups are at a stand still until after the meeting with the Governor which is scheduled for next week. After the meeting the Exchange Planning Staff will decide which topics will need to be discussed during future meetings.

- B. Information needs

The next meeting will be held November 14, 12p to 2p at the Arkansas Studies Institute, Room 204.

VI. Public Comment

Questions

1. Who has to make the ultimate decision to establish an Exchange?

Response-Either there has to be 75 votes from the Legislature or the Governor has to issue an Executive Order. The Federal Government has to make a decision as to whether all the components are in place to allow a State Exchange or if it will be a Federal Exchange.

2. Is Legislative Authority still required for appropriation even if federally funded?

Response-Yes, appropriation requires Legislative authority

3. Can we charge a State Premium Tax on a Federal Premium?

Response-This question has been submitted to CCIIO for an answer

Comments

1. The commenter stated that based on Lars Powell's Model, ten percent of existing Healthcare will be affected by the Exchange. The state may lose existing premium taxes and fail to capture new the new tax
2. The commenter stated that the Governor took the opportunity to distance himself from the decision to move forward with a State Exchange.
3. The commenter stated that there is the potential that the Governor will reject the Partnership model also for fear of exposing the Democrats.
4. The commenter suggested that the message to the Governor needs to be that a Partnership Model would be the best option for an Exchange and also that even if there is a Federal Exchange the state would still need money for Medicaid.
5. If there is a Federal Exchange, the Feds will determine what the premium tax will be and whether or not Insurers are subject to a State Premium tax.

DRAFT