

## Arkansas Health Benefits Planning Exchange

<b>Steering Committee Meeting</b>	<b>July 26, 2011</b>	<b>Arkansas Insurance Department, Suite 201</b>	<b>3:00PM – 5:00PM</b>
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<p><b><u>Members Present:</u></b>  Patty Barker  David Boling  Elisabeth Burak  Ed Choate  David Deere  Joni Jones  Dr. Drew Kumpuris  Frank Scott  Ray Scott  Annabelle Imber Tuck  Dr. John Wayne  Dawn Zekis</p>	<p><b><u>Staff:</u></b>  Cindy Crone  Bob Alexander, Rate Review Attorney</p> <p><b><u>Consultants:</u></b>  Debbie Hopkins-AFMC  Lars Powell-Powell and Associates  Jason Scheel-AFMC  David Sodergren-First Data</p> <p><b><u>Guests:</u></b>  Bentley Hovis-Paschall Strategic Communications  Jim Johnson-Delta Dental  Carol Roddy-Get Insured  Derrick Smith-Mitchell Williams Law Firm  Dwayne Tankersley-Nova System Health  Jennifer Thompson-Paschall Strategic</p>	<p><b><u>Members Absent:</u></b>  Fred Bean  Deborah Bell  Michael Crump  Jim Glick  Representative Barry Hyde  Dr. Cal Kellogg  John Selig  Marilyn Strickland  Kenny Whitlock  Representative Jon Woods</p>
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### **Meeting Summary:**

**Welcome and Introductions:** Facilitator Jerry Wilson opened the meeting at 3:10. Those in attendance introduced themselves.

**Meeting Summary from July 12, 2011** was approved as printed with one correction: Patty Barker was not present. With consensus agreement and in an effort to provide the public and workgroups with quicker feedback, drafts of Steering Committee and Workgroup summaries will be placed on the Exchange Planning website prior to formal approval of respective meeting summaries at the next meetings.

### **Updates**

- **Community Meetings and Survey** – Dr. John Wayne of UAMS College of Public Health distributed *draft* Preliminary Results from the Web-Based Survey. The data presented were from the time the survey went “live” on July 12, 2011 through July 25<sup>th</sup> at 3:00 p.m. Of 995 times the survey was viewed, there were 520 survey starts, 367 completed surveys and 343 valid responses after data cleaning. The preliminary report included a narrative of all comments by participants. Due to meeting time constraints, Dr. Wayne presented a summary of observations:
  - Only 30% fully support Exchange planning; 38% felt the planning effort a waste of time and money and should be discontinued;
  - Almost half support an Exchange located in a public organization overseen by a separate Commission/Board;
  - Greatest support for “passive” and “hybrid” business models
  - Over 50% support the creation of a “Basic Health Plan” but a third are “uncertain”;
  - Majority support including individuals >400% FPL;
  - Majority would define small businesses as 50 or less
  - Navigators
    - Support for individuals from a variety of backgrounds
    - The modal compensation response: salaried
    - Should be Certified or Licensed
  - Adverse Selection
    - Support for all options except “tying open-enrollment to Enrollee’s birthday”

- Financing

- Least popular were: “increasing the premium fee” and “create a new tax”

The survey will remain live until August 25, 2011. The preliminary report will be posted on the AID Exchange Planning Website, [www.hbe.arkansas.gov](http://www.hbe.arkansas.gov).

The last community meeting will be held in Fayetteville on July 28, 2011 from 2:30 – 4:00 at the Clarion on I-540. There will be two special population (Marshallese and Latino) community meetings in Springdale at 6:00 that same evening. Press releases have been sent out.

- First Data Activities - David Sodergren reported that First Data’s “workstream” progress report is posted on the Exchange Planning website. All components of the planning project are on time. At the Steering Committee meeting in two weeks (August 9), Dr. Lars Powell and Actuaries from Solucia will present findings of demographic and marketplace background research and models for future planning for feedback from the Steering Committee.
- Workgroups – Verbal or written reports by Workgroup liaisons from the five workgroups or Exchange Planning Staff members were presented. The Information Technology Workgroup has not met since the last Steering Committee Meeting.

*Governance Report:*

All Workgroups *except the State Agencies group* concurred with the findings of the First Data governance survey which reported a majority of respondents favoring a “public trust” model with a state agency connection to the Arkansas Insurance Department. Since the term “public trust” has not been used in Arkansas, the term “quasi-governmental” entity will be used to describe the “hybrid” state agency-nonprofit board governance entity. It was reported that there is a public trust in Ft. Smith and a stakeholder will seek more information on that. Discussion included the need to carefully construct Conflict of Interest policies to prevent appointment of board members with potential or real financial interest conflicts. The Board could be “decoupled” from a State agency and funded through premiums or enrollee fees. Questions asked included: “Without a non-profit board, would government ‘watch itself?’” With quasi-governmental model, how would trustees be chosen? Who is rule-maker? Who is policy-setter?

State Agency Workgroup members stated they needed more information to form a consensus opinion. What would the Board functions be? What processes would it administer? Would a quasi-government board (which gets its power from the government) still be perceived as a State Agency? What are people’s objections to oversight? Sole source contracts could be considered. It was also suggested that procurement rules might be good. Contracts processing and implementation could remain slow (as for State Agency) when a non-state agency board does business with a State Agency. Issues of State Agency resource allocation and appropriations were raised.

Several Steering Committee members expressed that planning is going too slowly. Decisions are not being made. “We need to be ready.” It was suggested that the Steering Committee make a governance recommendation. A good place to start would be to review the enabling legislation that did not pass this year. A copy is on the Website. As far as a State Agency partnership(s), it was mentioned that various existing agencies have some needed components and we don’t need to “start from scratch”. Besides AID, EBD was mentioned.

*Communication/Education/Outreach/Navigator Discussion:*

Consumers – Elisabeth Burak reported. The preferred term “no dead end” vs. “no wrong door” was proposed to describe a desired consumer experience. It is important that consumers trust their source of information and the Exchange. Navigators need to be a “trusted guide”. It was suggested that we review experience of AR Kids First and Arkansas Health Net to determine differences in approaches, outcomes, and lessons learned. The Navigator program could be very expensive. Navigators need to be the “lowest level possible with broad

spectrum of reach". Look where there are existing entities, like CHCs, AAA, or other agencies. Train the trainer model? Volunteers? How will navigators be paid? By encounter? Salary? Could case management service definition include Navigator services? It was suggested that a "walk-through" from a consumer perspective would be helpful. Keep it simple. Be sure that ADA accessibility is required—12% of Arkansans have a disability. Benefits Planning Outreach and Assisted Plans (BPOA) is a resource –Fayetteville. For web service, consider TurboTax model where it's simple and immediate feedback is given to the user. The group was encouraged to remember anger by some members of the public—especially in rural areas. They don't want to spend money on insurance. It was suggested that the workgroup would draft a consumer bill of rights.

Outreach/Education – Annabelle Tuck (verbal) and Cal Kellogg (written) provided reports. The group requested clarity about whether or not a licensed insurance agent/producer could get a commission from a carrier for a plan sold through the Exchange. The group identified three key exchange enrollee target audiences: Small businesses, particularly those that had not offered coverage or dropped it; individuals with low-to-moderate incomes that would likely receive subsidies and have reduced costs through cost-sharing if they purchase through the exchange; and those that have access to coverage but have chosen to not take the coverage due to cost.

It was encouraged that we go where people are--where they go for healthcare or other services--like DHS or ADH local offices, CHCs, Cooperative Extension Service, County Fairs, schools, churches, pharmacies, PTA, libraries, or website. Consider a local celebrity to advocate exchange. Consider sending information through utility bills, SNAP, direct mail. Consumers will need an awareness of Navigators and their availability to help. Structure information roll-out like a grassroots political campaign, with message like an educational campaign—facts not sales. This approach could be tailored to local situations rather than having a one size fits all mass media campaign. It may be helpful to highlight compliance issues, personal responsibility, and "helping one's neighbor". Another message was, "Support your healthcare provider and keep health care local". See if AETN would make a video to be used in community settings. Reach small businesses through NAIFA, NAHIU, Independent Agents Association, PIA, Rotary, Lions Club, etc.

Some felt navigators should be licensed and be required to have continuing education. Others thought peer-to-peer approach with certification (vs. licensure) would be best. The issue of liability came up. Would navigators need errors and omissions insurance? Will DHS want County Operations to handle? It was suggested that Navigator work be face-to-face.

The group discussed the role of the navigator versus the role of the agent/broker. No consensus could be reached, however, all expressed some concern that navigators should have some level of training or certification if they are going to advise individuals on what insurance might best meet the needs of a given consumer or family. The group will continue to discuss the role of the navigator and offer suggestions on how navigators and agents can complement each other to improve the effectiveness of the exchange.

It was noted that pages 172-242 are actual "regulations" within proposed federal regulations document.

State Agencies – Joni Jones reported, augmented by Cindy Crone. The group suggested we tailor messages to specific audiences, specific demographics. Look at Medicare Part D implementation experience. Consider AAAs, churches, other places where people trust information-givers. The exchange will need Call Centers—especially early—with a suggestion for on-line chat availability. Access Arkansas is currently recertifying children's eligibility, and 600 SNAP enrollees enrolled on-line. People use the internet. For special groups, we need to address, "What's in it for me?" Web face should have large print with few questions per page. Validate information keyed in. Allow customer to shop, leave and come back with saved data. Consider "retail model"—going where people are. Address quality, appeals (vs. court appeals). Question: Are penalties pro-rated by month?

For navigators, the recommendation was to have formal training and continuing education. Have credentialing process that includes a formal test, annual registration, background checks and check on list of OIG excluded providers. Need to take care with conflict of interest, for example with hospitals (may be tempted to steer toward a provider that reimburses best) and non-profits (may offer a health plan). When would effective date of coverage be? Immediately, the day after enrollment, next month? Need to consider this as an element of adverse selection prevention.

Providers - Liaisons were not present, so Cindy Crone provided report.

Public education message needs to vary by geographical area. Use cell phones, radio, TV, churches—depends on target population. Have public relations firm that knows what they're doing do this. Have PSAs. Educate providers—doctors and nurses are trusted messengers. Use a retail model—where people are, like Revenue Office, Wal-Mart, Pharmacy. Reach out where people go. Use pamphlets. Use 4<sup>th</sup> grade reading level.

Messenger needs to be “who looks like me?” “Who acts like me?”

Target self-pay patients, ERs, hospitals, social service agencies, faith-based organizations, United Way agencies, AARP, professional associations (nursing, pharmacy).

Consumer should talk to a person. Have on-line chat option for “hand holding”. Multiple access points besides web will be needed, like mail, walk-in, phones. UX2014 is a prototype for developing an easy to use web-public interface that can be adapted for States..

Specify health needs—what provider could help with outcomes? Structure plans to promote change in health behaviors to improve health care. Address chronic disease compliance; wellness center?? When we rate plans, will need to know customer values. What is access? What is quality? Leave room for carriers to response to conditions—such as phone wait time, claims data, feedback to providers as well as public. Need to consider primary care access—-increase APN practice—APNs as primary care providers. Remove barriers.

Protect confidential information using HIPAA, security. Be sure to address privacy complaints, administrative appeals processes.

Will need lots of advocates—front line staff in hospitals. Education the first year will be huge. Keep it simple. Consumers will need help, confidence-building. Look at lessons from Medicare Part D. Can't be on-line only. Which plan is best for who?

Navigators need education and credentialing using AID process. Licensure may be too much. Educate about Medicaid. Will they need E & O insurance? What about conflicts of interest? Compensation? Maybe navigators should be agents of the government so they can't be sued. What, really, are roles of educator vs. navigator vs. enroller? Will there be navigators in call centers? County Operations of DHS? Companies that get the word out—like Covenant? The group requested having DHS County Operations, AID SHIIP Program, and representative of a private agency that does aggressive Medicaid enrollment for hospitals –goes into homes, whatever it takes—come to present their methods, experiences at the next Workgroup meeting..

Medicaid is overwhelmed right now.

Community Leaders- Liaisons were not present. Cindy Crone and David Boling helped report. Concern was expressed about proposed federal regulations being too restrictive in meeting federal requirements, e.g., risk adjustment methodology must be approved by CMS—issue of state competitiveness vs. one-size fits all. Relative to an educational campaign, financing is issue. There is no product yet to educate about. However, the message could be that Exchanges have value—“not Obamacare” . Go to associations and focus dollars on special groups. Remember churches and non-profits. Ask, “Are you enrolled”?

The group felt that a public education message needed to be designed for anyone who might use the Exchange. Give facts. It was suggested that “since 55% - 60% of the people want to get rid of it (ACA)”, the

state should decouple Exchange from ACA. Others said we can't separate Exchange message from ACA and comply with federal Act. We need to emphasize free market aspects of Exchange and how-- with a State-run Exchange-- we will have more local control (vs. federal government control). Many believe the federal government has too much control over our lives—this is a sensitive issue. We need to separate politics from what the Exchange means for citizens.

Messages should address the consumer's perspective-- "Is there some way/ somebody that can help me get insurance?" "How do I get information?" Understanding is key word—"how do I get information I can understand?" Need to create awareness of how exchange could be helpful and how to use it. Also inform small businesses—75% of AR employers are small businesses—let them know that pooling risks and decreasing administrative costs will benefit them. Provide cost-benefit analysis.

AFMC could provide information on Arkansas Health Net. Look at AR Kids First as model. AARP has helped explained taxes to many seniors. Maybe they could have an intensive clinic to help people sign up through Exchange. How much will be done by exchange vs. "selling" by those that might benefit financially? How do we employ stakeholders in message?

Is Exchange regulator? Policeman?

Computer (web) based service is essence of Exchange. What is second-line method for information /enrollment? Brochures? Phone? What amount of postage might be needed? What about Social Media? Keep it simple and easy to use. Present information at 5<sup>th</sup> grade reading level. Feedback from Community meetings included: "No call centers in India"; "no multiple option phone response". The first five minutes of consumer experience is critical. Web needs to have chat box—live person to "talk" to.

Places/ways people may "sign up": DHS offices, phone, ADH offices, Kiosks with Navigator in settings such as DHS/ADH offices, CVS, Walgreens, Wal-Mart...where people are. How do people sign up for Medicare /Medicaid? Hospitals currently have Medicaid enrollment staff; would need to consider how this would work with open enrollment periods. Need good information out to public about timing for individual open enrollment (initial and ongoing) periods – Educate regarding the open enrollment window. Navigator needs to be fair and impartial—can charge fees for service. Only those who enroll through Exchange will be able to get subsidies.

Look at provider network as a key piece of information to be communicated to consumer. Quality is about choices—the more qualified plans, the better. Consumer will obtain information about Plan through Exchange. Would Exchange be a source of information about other health issues? Education about wellness? Prevention? Chat with nurse? Telemedicine? Will Exchange help with health care beyond insurance enrollment?

Consumers will be concerned with privacy→security—"Who can see my information?" Enrollment security will follow federal regulations—consumer protection is very important (will need to define carrier, employer, exchange responsibilities).

The exchange will need to facilitate administrative review for appeals and ensure objective reviews as needed. It's recommended that no duplicative systems are created→ complaints could go through the AID Consumer Services Division,

Social Media will be important. Also use a variety of other methods—radio/TV/billboards/pamphlets--and places e.g., Chambers of Commerce (usually business with <25 employees) -- but there are many small businesses that are not part of Chamber, such as doctor's offices, beauty shops, farmers, etc. What about Cooperative Extension Service? Some are using local celebrities or sports figures (e.g., Massachusetts Red Sox experience).

Navigators will help get word out. Navigators should understand Health Insurance and be able to explain policies. Will they have education? License? Certificate? Will they be required to understand Medicaid? Need to consider people already with connections, like AARP; but navigators need to be impartial. Does AARP sell a specific product? Would they be impartial? Can a Blue Cross Blue Shield or Farm Bureau person (or agent), for example, be a Navigator?

Most agreed that navigators need a licensing or other credentialing process. How will liability be addressed for Navigators? Will they carry errors and omissions insurance? What would negate the need for a license? What if neighbor or grandchild is helping?

How do we notify the public what a Navigator is and how to find one? Who pays the Navigator? Who monitors quality? Who will oversee/monitor work of Navigators? How would we define educator role of navigator vs. advising client? It was suggested we look at Massachusetts and Utah. Small business owners, attorneys, other trusted advisors often guide employees—how does this work with current licensing? Some recommended we “Don’t interfere with current/past practices of ‘good advice’; such as small business owners, attorneys.

There were diverse opinions about whether agents should advise on Medicaid. Some said, “no, agents can’t keep up with Medicaid/Medicare”. Others said “Yes, it would be easier for the consumer to work with a single entity”

Are Navigators enrollers? How does one take advice of navigator? Will navigators enroll persons via Exchange, or not? Kansas has recently addressed similar issues –check with them or other states.

#### Self Chartered Health Care Reform Group

Cal Kellogg provided a written update on July 19 meeting. The workgroup discussed three items: (1) An update on the key aspects of the recently released exchange proposed regulations and the comment period for the regulations; (2) An update on the Arkansas Insurance Department Exchange planning process and how the group could support that process, and (3) a proposal from Paschall Strategic Communications regarding a state-sponsored exchange. The proposal consisted of several key deliverables including:

- (a) Identifying, recruiting and activating key coalition allies,
- (b) Conducting polling to determine citizen sentiment regarding a state exchange or a federal sponsored exchange,
- (c) Enlisting allies to disseminate approved messaging on exchanges,
- (d) Facilitate meetings with coalition allies and key decision makers,
- (e) Organize educational meetings and telephone town hall meetings.

The workgroup reviewed the proposal and agreed to provide feedback and to see if private funding could be obtained for the effort. The next meeting is scheduled for August 16.

- CCIIO Update

Cindy reported that Arkansas’s new project officers are Jabaar Gray and Anna McCourt.

Several questions have been posed to CCIIO and answered:

Q. May licensed insurance producers/agents get commissions from Carriers for plans sold on Exchange?

A. *Yes. There is nothing in the law that prohibits this.*

Q. May non-legal residents purchase through the Exchange, even though they would not qualify for subsidies?

A. *No, they may not enroll through Exchange*

Q. Will DHHS allow states to decide Minimal Essential Benefits?

A. *Will need to wait on regulations yet to be released for answer.*

Cindy asked Debbie Hopkins to report on UX2014 User Experience Project. Debbie is serving as Arkansas Team leader for this project. She and Randy Lawson from DHS recently attended an introductory design meeting in Palo Alto. The design contractor is IDEO. The intent is to develop a user friendly and interoperable “face” for

the federal exchange portal that could be adapted and configured for use by states as desired. There is no product cost to States.. Arkansas population demographics, including internet availability and use, are different than those of other participating states. The Arkansas Team is providing feedback through web meetings over the next couple months. A final design evaluation meeting is planned for September in San Francisco.

Proposed federal regulations describe three required methods for mitigating adverse selection:

*Reinsurance* – temporary (3 year) program that is designed to cover high cost individuals; applies inside and outside Exchange; State-run through non-profit entity.

*Risk Adjustment* – permanent – State or Federally (if State Exchange) operated, Individual and SHOP;

*Risk Corridor* – temporary (3 year) Federal program; total premiums collected minus administrative costs compared to claims (charges/payment for rates 97-103% off target).

- Unfinished Business

- Arkansas Governance Examples

- Bob Alexander, AID attorney, discussed Arkansas examples of quasi-government entities in state and local governments. They are corporate bodies, created legislatively, to be beneficiaries of state or local governments. Examples include airport commissions, local water boards, Connect Arkansas. Legislative language provides for exemptions from state laws such as procurement, salary requirements of state agencies, etc. These entities can incur debt and receive tax dollars but do not receive a state or federal appropriation. It was clarified that some non-profits receive state funds (special or general) such as Community Mental Health Centers and Community Health Centers.. A discussion resulted in the following list of needs the Steering Committee believes to be important for the exchange governance entity:

- Flexibility with salaries
    - Flexibility with procurement
    - Ability to collect revenue
    - Ability to enter into inter-agency agreements with State government entities
    - Ability to incur debt (discussed)
    - “Permanent” status (not discussed, but implied)

- Education Campaign

- Not discussed due to lack of time. A handout of draft messages about the Exchange was distributed.

- Demographic/Marketplace Study

- Not discussed due to lack of time. Dr. Powell will be at August 9, 2011 meeting.

- Plan for Gathering Federal Regulations Reactions/Comments

- Exchange Planning staff will collate comments received from Workgroups and Steering Committee into a document for review by Steering Committee for subsequent response to DHHS. Individuals or other groups may wish to send comments as well. Comments to be collated through AID need to be received by September 9 in order to be reviewed by Steering Committee and submitted by September 28 deadline. Send to [Bruce.Donaldson@arkansas.gov](mailto:Bruce.Donaldson@arkansas.gov). An outline of proposed regulations prepared by NAIC was distributed. It was also reported that the Commonwealth Fund recently released a new report summarizing the proposed regulations that would be helpful to review.

- There were no comments from guests.

- Summary of Workgroup Discussions on Education/Outreach/Navigators

- Debbie Hopkins reported that AFMC facilitated discussions about outreach and navigators at last week’s workgroup meetings. Due to workgroup liaisons or staff having already presented a summary of these

discussions at today's meeting, Debbie did not repeat such. She reported that a draft document listing topics discussed at three of five workgroup meetings has been prepared and will be updated to include all groups. She and other AFMC staff will categorize this information and provide the summaries to Exchange Planning Staff to be used as a guide in planning communications, outreach, and Navigator strategies for Arkansas's Exchange. AFMC Medicaid experience and knowledge is expected to be helpful, including knowledge of advertising and state marketing restrictions. A plan for Navigator program revenue will be included in the First Data Plan of Operations

- Next meeting

August 9, 2011, 3-5 pm, AID.

October 11, 2011 is the tentative date for Exchange Stakeholders' Summit in Little Rock.

DRAFT