

**ARKANSAS HEALTH INSURANCE MARKETPLACE BOARD OF DIRECTORS  
PROSPECT BUILDING, SUITE 520  
LITTLE ROCK, ARKANSAS**

The Arkansas Health Insurance Marketplace (AHIM) Board of Directors met on Wednesday, March 11, 2015, at 8:30 a.m., in the Prospect Building, Suite 520, Little Rock, Arkansas.

**Board members present:** Mr. Chris Parker, Mr. Fred Bean, Mr. Allen Kerr, Mr. Mike Castleberry, Mr. Jerry Jones, Ms. Annabelle Tuck

In the absence of Ms. Sherrill Wise, Chairman, Mr. Chris Parker, Secretary/Treasurer, conducted the meeting.

**Mr. Chris Parker**, Secretary, called the meeting to order at 8:32 am.

**CONSIDERATION TO ADOPT MINUTES**

**Judge Tuck** moved to adopt the meeting minutes from the 2-11-15 AHIM Board meeting. **Mr. Castleberry** seconded. The motion carried.

**IT COMMITTEE UPDATE**

**Mr. Castleberry** provided an update regarding the AHIM IT Committee. **Mr. Castleberry** stated during the last IT Committee meeting held on February 27, 2015, there was a discussion regarding the number of vendor finalists that would be asked to make presentations during the next AHIM Board meeting. **Mr. Castleberry** informed the Board that the IT committee chose to select 3 vendor finalists. In addition, **Mr. Castleberry** stated a question was presented regarding how to request a BAFO (Best and Final Offer) from the vendors and requested the Board review AHIM Procurement Rules to ensure the Board is requesting BAFOs according to the Procurement Rules.

**MARKETING & OUTREACH COMMITTEE UPDATE**

**Mr. Bean** provided an update regarding the AHIM Marketing and Outreach Committee. **Mr. Bean** stated the Outreach & Marketing committee received three vendor responses to the Outreach & Marketing RFP. **Mr. Bean** stated the committee discussed how to proceed with the evaluation process of the RFP and the Committee agreed to discuss the Procurement Rules that regulate the evaluation process of the RFP's with the entire Board. **Mr. Bean** stated the Board will have to be involved in what to do regarding the evaluation process and when action will need to take place. **Mr. Bean** stated the Board will need to decide on the following key points of the AHIM Procurement Rules as it relates to the current Marketing & Outreach RFP: Under General Policies, items 2.1, 2.3-A.2, 4B; Under Solicitations, items 3.9-A, 3.9-B.3, In the Sole Source Selection, items 4.4-H, 4.5-A. **Mr. Bean** stated the Board will need to decide if the process will entail choosing one vendor and moving forward or if the Board will use the "alternate method". **Mr. Bean** stated the Board will also need to decide when to release the redacted information of each vendor. **Mr. Parker** stated he has been somewhat troubled with the balance between open bidding and public disclosure and worries that some actions are questionable since the exclusion is that the Board can keep confidential information that gives an advantage. **Mr. Parker** stated he is unsure if the process has been properly researched and addressed and thinks the Board needs to have a discussion and decide to either change the way things are done regarding BAFOs or change the way the Board does things. **Mr. Parker** suggested this discussion be postponed until the next AHIM Board meeting. **Judge Tuck** stated a decision is needed regarding how the Marketing & Outreach Committee is to move forward regarding the current RFP. **Judge Tuck** stated her concern is the Board always uses option 4.5-A from the Procurement

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Rules regarding RFPs and never uses 4.4-H. **Judge Tuck** requested that Ms. Smith share with the Board the reasoning behind the decision about non-disclosure of the names of bidders of an RFP. **Ms. Smith** stated her experience is when bidders know who their competitors are, bidders often write their responses to their competitors' weaknesses as opposed to their own strengths and she does not feel this is the best practice. **Ms. Smith** stated it is common for companies not to bid their best price when they are aware of who their competitors are; instead, companies look at what their competitors typically bid then place their bid just below their competitors amount. **Judge Tuck** asked why the Board has 4.4-H listed as a general way of doing the bidding process in the Procurement Rules. **Ms. Smith** stated she was informed that the Procurement Rules were written in a way that would leave room for flexibility but it may be appropriate, at this point, for the AHIM Board to have a discussion about the Procurement Rules. **Judge Tuck** stated a decision will need to be made to determine what bidding method will be used moving forward with the Marketing & Outreach RFP. **Mr. Castleberry** asked what agreements have been made with the Marketing & Outreach RFP vendors regarding this matter. **Ms. Haywood** stated the current Marketing & Outreach RFP includes bidder anonymity until public presentations. **Mr. Castleberry** asked when the presentations would be done according to the new procurement schedule. **Ms. Haywood** stated she hopes to allow the bidders to present at the next AHIM Board meeting but this would be dependent upon the decision that is made today regarding how to move forward with the RFP process. **Mr. Castleberry** stated he felt that the "alternative method" is in line with the way the Marketing & Outreach RFP was written. **Judge Tuck** stated the reason this came up is because some members of the Board felt like they were not included in the decision on which method to use and the Board needs to decide to use only one way and rewrite the Procurement Rules or have both alternatives and have the Board decide which evaluation process to use on each RFP. **Mr. Parker** asked if a decision needed to be made during the current meeting. **Judge Tuck** stated no decision would need to be made because of how the RFP was written and because all three vendors would be invited to present and therefore would know each other's identity by the next meeting. **Judge Tuck** moved to proceed with the Marketing & Outreach RFP as it is written and adapt the timeline accordingly. **Mr. Castleberry** seconded. The motion carried. **Mr. Bean** stated he does not know who the vendors are and one could possibly be a client of his (or his business partner) and if so, he will need to excuse himself from the evaluation process and allow another member of the Board to replace him.

**Mr. Bean** asked if a budget for the Level II grant award has been set. **Mr. Parker** stated a formal budget has not yet been set however the proposed budget included in the grant application has been used as a guideline. **Judge Tuck** asked if AID has been given its extension of their Level I-C grant. **Ms. Smith** stated there were initially five grants and there was not an extension given on the Level 1-C grant. **Ms. Smith** stated the Level I C grant will expire in April and AHIM Staff is working with AID to determine if there is a possibility that AHIM could transition that grant to AHIM allowing AHIM to contract with AID for some essential services. **Judge Tuck** asked if there is a need for a Grant Committee meeting. **Ms. Smith** stated she has spoken with Mr. Parker about a meeting. **Mr. Parker** stated there needs to be clarification from CCIIO before scheduling a Grant Committee meeting. **Mr. Bean** stated he called Mr. Parker before the Marketing & Outreach Committee meeting and asked him what the Marketing & Outreach budget would be because he wanted to know how much money would be allotted. **Ms. Smith** stated the budget is currently a moving target and unknown what will be left in restricted AID funds.

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**EXECUTIVE DIRECTOR UPDATE**

**Ms. Smith** stated a copy of the Monthly Budget report [**Handout A**] has been included in each member's binder. **Ms. Smith** stated members of AHIM, hCentive and PCG have begun meeting to begin work on the IT project. **Ms. Smith** stated that hCentive has secured an office space on the 3<sup>rd</sup> floor of the Prospect Building. **Ms. Smith** informed the Board AHIM has received a letter from an attorney that is representing a former AHIM employee regarding matters related to that employee's termination. **Ms. Smith** stated that AHIM Staff would like to engage an employment attorney and stated Procurement Rules allow the hiring of an attorney without Board action because the cost would be below \$10,000. **Ms. Smith** stated there was a recommendation to consult Attorney Ms. Carolyn Witherspoon at Cross Gunter Witherspoon & Galchus. **Mr. Parker** stated he agrees with the decision to consult an employment attorney and does not think that Staff should be responding to letters from attorneys. **Ms. Smith** stated in the absence of in-house legal counsel, Staff has been working with Mr. Steve Bingham, an attorney at the Cross, Gunter Law Firm, on a temporary basis for the purpose of contract negotiations. **Ms. Smith** stated AHIM Staff has also consulted with Mr. Bingham regarding FOIA questions.

**Mr. Castleberry** stated he was under the impression that the AHIM Board decided to have the following standing agenda items: for the Board to move into Executive Session, and a time set aside for public comments. **Mr. Castleberry** moved to have the agenda for AHIM Board meetings to always include an agenda item for the Board to move into Executive Session and an opportunity for open comments from the public (a time limit of 10 minutes; a signup sheet will be provided at each meeting). **Mr. Bean** seconded. The motion carried.

**IV&V VENDOR SELECTION**

**Mr. Norman** stated the three vendor finalists are FirstData, CSG, and Maximus and that each vendor will present for one hour (35 minutes on recommended topics; 25 minutes for Q&A). **Mr. Norman** stated there will be 10 minutes between each presentation. All vendors presented and stayed within the time guidelines. **Judge Tuck** asked if discussion and a decision would be made today. **Ms. Smith** stated the Board was free to make a decision but if not, the Board could meet again next week. **Ms. Smith** advised the Board that if they choose to wait 2 weeks to meet again, AHIM would begin to build without an IV&V vendor and there are risks associated with this method. **Mr. Norman** stated AHIM is attempting to align the two. **Ms. Smith** stated if any members of the Board had additional clarifying questions for the vendors, the questions should be submitted to AHIM Staff by COB. **Mr. Parker** asked AHIM Staff to send a reminder email containing this information to the entire Board today.

The next AHIM Board meeting will be held on Wednesday, March 18, 2015 at 8:30 am.

The Board did not move into Executive Session.

There were no public comments made.

**Mr. Bean** moved to adjourn. **Judge Tuck** seconded. The motion carried.