

# My Arkansas Insurance

*More Competitive... More Options...  
More Arkansas*

## Welcome

Arkansas Health Insurance Marketplace  
Finance Committee Meeting  
Wednesday, April 11, 2018

**my Arkansas Insurance**   
Official Marketplace for Health Insurance

# AHIM Quarterly Finance Committee Meeting

## Agenda

- Quarterly Financial Overview
- FY2019 Preliminary Analysis
- Enrollment and Operations
- Agenda for Next Finance Committee Meeting



# AHIM Financial Overview

January – March 2018

# Q1 - 2018

Jan – Mar 2018

	Gross Revenue	Technology Fee	Net Revenue
Forecast	\$2,926,114	\$1,978,314	\$947,800
Actual	\$2,825,161	\$1,589,095	\$1,236,066

## Key Performance Indicators (KPI)

	2017 KPI	2018 Estimate	2018 Q1 Actual
<b>1. Average Enrollment Per Month</b>	55,201	55,000	56,156
<b>2. Per Member Per Month (PMPM) Average Premium</b>	\$424	\$510	\$525
<b>3. Per Member Per Month (PMPM) Revenues</b>	\$12.72	\$15.30	\$15.75

1. Average of monthly member counts
2. Premiums divided by members
3. 3% of average monthly premium

## Statement of Operations

JAN – MARCH 2018

	TOTAL
<b>REVENUE</b>	
• Cash Received	\$2,010,750
• Consumed Credit	\$814,411
<b>TOTAL REVENUE</b>	<b>\$2,825,161</b>
<b>Expenditures</b>	
• Technology Fee	\$1,589,095
• Contracts	\$765,662
• Facilities	\$42,970
• Governance	\$1,200
• Personnel	\$286,423
• Supplies & Equipment	\$3,032
<b>TOTAL EXPENDITURES</b>	<b>\$2,688,382</b>
<b>NET OPERATING CONTRIBUTION</b>	<b><u>\$136,779</u></b>

Revenue shown is on a cash basis and does not reflect revenue sources other than the 3% user fee.

<b>Key Per Member Per Month (PMPM) Indicators</b>		
	<b>2017 PMPM Full Year</b>	<b>2018 PMPM Jan – Mar *</b>
<b>Federal Technology Fee</b>	\$6.39	\$9.44
<b>Navigators</b>	\$1.05	\$0.63
<b>Hotline</b>	\$0.42	\$0.15
<b>Operating Costs</b>	\$3.92	\$2.76
<b>Marketing</b>	Grant Funded	\$0.94
<b>SUBTOTAL</b>	<b>\$11.78</b>	<b>\$13.92</b>

The 2017 Technology Fee was 1.5% of Exchange premiums.

The 2018 Technology fee is 2.0% of Exchange Premiums

\*Projected as annual trend

# Significant Events: Jan. – March 2018

- AHIM absorbed Technology Fee increase.
- Closed out the Federal Grant.

User Fee Impact to Arkansas			
	Technology Fee	AHIM Fee	Total
2017	1.5%	1.5%	3%
2018	2%	1%	3%





# Fiscal Year 2019: Preliminary Analysis

# Fiscal Year 2019 Estimated Spend Plan After Technology Fee

FISCAL Year 2019	
Contracts	\$1,229,000
Facilities	\$203,000
Governance	\$12,000
Personnel	\$1,596,000
Supplies & Equipment	\$47,000
<b>TOTAL</b>	<b>\$3,087,000</b>

Calendar Year 2017 Actual spend: \$3,530,475

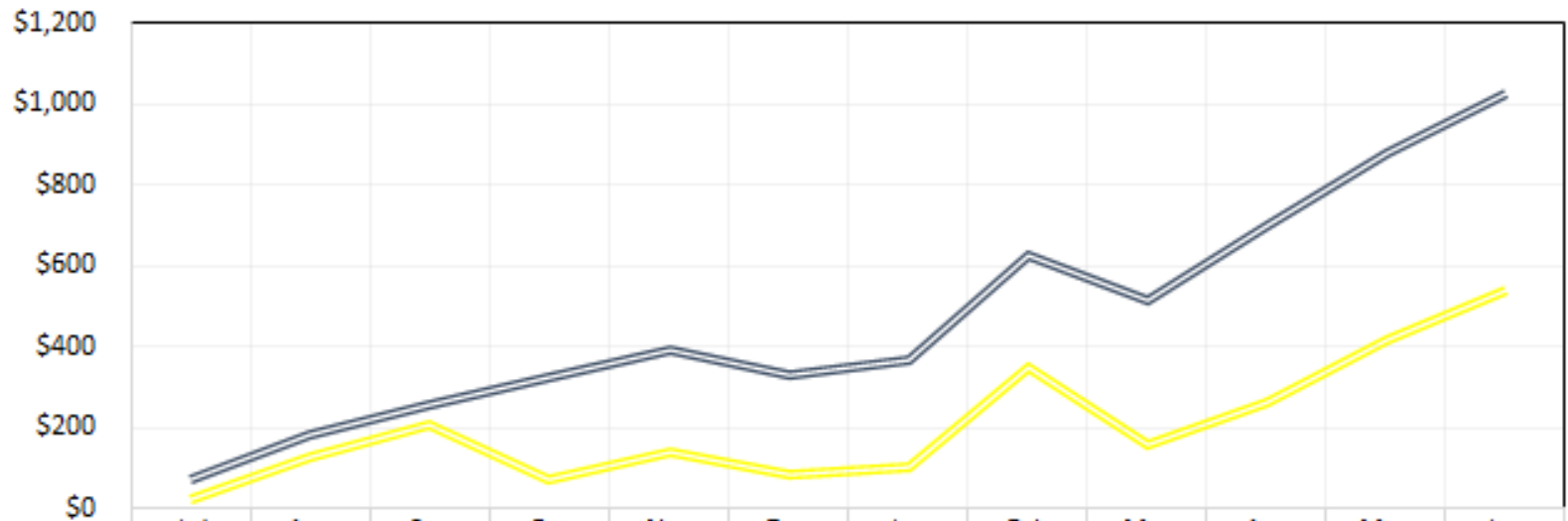
# Transitions

KNOWN CHANGES		
Category	Description	Result
Finance	Changing Financial period from Federal requirements to State Requirements	Overlap in reports
Operations	Replaced SHOP Solution with in-house operations for Direct Enrollment model	Annual Savings of \$1,759,422
Consumer Assistance	Utilizing Staff for Customer Support Analysis	Annual Savings of \$150,000
Outreach	Reduced Scope of Navigator Contract	Annual Savings of \$212,037

PROSPECTIVE CHANGES		
Category	Description	Result
Outreach	Enhance direct outreach campaign and Agent/Broker campaign	Decrease Marketing/Outreach expenses
Consumer Assistance	Increase capacity to provide Customer Assistance in-house	Decrease contracted customer assistance expenses

# Fiscal Year Operating Expectations

## CUMULATIVE FINANCIAL RETURN



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Known	\$24	\$130	\$205	\$71	\$140	\$83	\$103	\$350	\$156	\$264	\$414	\$540
Prospective	\$74	\$180	\$255	\$321	\$390	\$333	\$365	\$624	\$515	\$700	\$877	\$1,025

— Known — Prospective

## Financial Outlook

Calendar Year	2017 3.0%	2018 3.0%	2019 4.25%	2020 4.25%
<b>REVENUE</b>	\$8,290,034	\$10,098,000	\$13,888,320	\$13,671,315
<b>EXPENDITURES</b>				
• <b>Direct</b>	\$5,840,598	\$8,236,000	\$11,253,520	\$10,800,340
• <b>Indirect</b>	\$1,641,117	\$1,786,383	\$1,817,202	\$1,906,562
<b>TOTAL PROJECTED EXPENSES</b>	\$7,481,715	\$10,022,383	\$13,070,722	\$12,706,902
<b>NET OPERATING REVENUE</b>	\$808,318	\$75,617	\$817,598	\$964,413
<b>STRATEGIC RESERVE</b>	\$808,318	\$883,935	\$1,701,533	\$2,665,946



# Enrollment and Operations

# Enrollment Metrics

Jan. – March Enrollment and Trends - Q1		
As a % of Total Members	2017	2018
Advance Premium Tax Credits	84%	86%
Cost Sharing Reductions	54%	57%

# Enrollment Metrics

Financial Summary - Q1 2017 v Q1 2018	
	Increase/(Decrease)
Total Premiums	\$15.2M
Total Savings to Arkansans	\$20.2M
Total Consumer Share	(\$5M)



# Agenda for Q3 Meeting

- YTD Financial Results
- Audit Proceedings



Thank You