

Questions from Agents/Producers

- Q. How will income be determined? Will we take the word of the consumer about their income without verifying?
- A. Incomes will be verified by the data hub on the Federal Portal. Any large discrepancies will be reviewed.
- Q. If a person is Medicaid eligible and doesn't file taxes at the end of the year, will we also take his word?
- A. Yes, income will be self-attested and there will be additional verification by Medicaid enrollment & eligibility process.
- Q. If we enroll a family with children in Medicaid, will the children be included in their parents' plan?
- A. The children will be enrolled in either AR CHIP A or B the parents would be on any of the private plans offered under 138% of federal poverty level.
- Q. How will people between 138% and 400% of poverty pay their premiums?
- A. The premium method the consumer will pay will be determined by the carrier's capabilities to receive premium as it is today.
- Q. What will happen to the AR Health Network? When?
- A. AR HealthNetworks will terminate at the end of 2013.
- Q. Will a person over 65 years old roll over into the Health Insurance Marketplace?
- A. No, Medicare will be their option for health insurance.
- Q. How will commissions be paid? Will there be charge-backs?
- A. Commissions will be paid as they are now. You must be appointed by the carrier to receive commissions.
- Q. Are VA benefits considered acceptable coverage?
- A. Yes.
- Q. How will resident aliens be included?
- A. Only those 'lawfully present' in the US will be eligible to buy on the exchange and receive tax credits.
- Q. If veterans are eligible for subsidies can they take it?
- A. Yes.
- Q. Are bonuses included in MAGI calculations?
- A. Yes
- Q. Are commissions based on total premiums? How will subsidies affect commissions?



- A. The carriers will determine commissions paid to producers.
- Q. If a person moves to another state, may they transfer their insurance to the new state?
- A. Yes.
- Q. If a student is an Arkansas resident but is a student in another state, where will she be insured?
- A. The student can be insured in either state. The network of providers will be the driving force of that decision.
- Q. If a small business owner is getting a tax credit now, will they still be eligible for credits in the future?
- A. Yes. The tax credits are granted for two consecutive years. Beginning in 2014 and thereafter tax credits will only be provided to small groups that purchase a plan on the marketplace.
- Q. Can Guides and Navigators recommend plans?
- A. No, Guides, Navigators and Certified Application Counselors can only facilitate enrollment.
- Q. Will an agent's number be the same as it is now?
- A. Producers will use a Federally Facilitated Marketplace (FFM) login id and an NPN number.
- Q. Will appointments with carriers change?
- A. At this point, it will remain as it is today.
- Q. What happens to advance tax credits if the recipient does not file a tax return?
- A. Depending on the Federal Poverty Level based on household income the consumer may be eligible for tax credits or Medicaid Expansion where premiums would be funded entirely by Medicaid.
- Q. Will the Marketplace change E & O premiums?
- A. Yet to be determined what effect if any the marketplace will affect E&O premiums.
- Q. Will agents have to present all plans, whether or not the agent is appointed with the carrier?
- A. If the producer uses the federal portal all plans that are available to the consumer or small business will be displayed. If the agent uses the issuers website then only those plans of that issuer will be shown to the consumer.
- Q. How will the Marketplace affect Health Savings Accounts?
- A. The Marketplace will not affect the existence of Health Savings Accounts
- Q. How will the Marketplace affect premium only plans?
- A. These plans will continue to be available
- Q. If an agent is over 65 years old, will the agent still have to be licensed to sell through the Marketplace?
- A. Yes, the same rule applies as today with producer licensing.
- Q. Will an employer be penalized if an employee with Tri-Care doesn't take the employers coverage?

A. No

Q. Can a person on SSDI receive a tax credit on the marketplace?

A. Yes as long as the person is not Medicare or Medicaid eligible and his household income is between 138 and 400% of FPL.

Q. What is the definition of income?

A. Income will be based on Modified Adjusted Gross Income. Details can be found at:
http://aspe.hhs.gov/health/reports/2013/MAGIConversions/rb_magicon.cfm

Q. If an employer offers insurance, can an employee purchase on the Exchange?

A. If an employee is offered affordable coverage with at least a 60% Actuarial Value plan then the employee cannot receive tax credits on the marketplace. A group plan is deemed affordable to the employee if his/her contribution to the 'individual only' plan is less than 9.5% of his/her salary.

Q. Do employers have to offer family coverage, or just cover the employee?

A. Beginning in 2014 employers must cover both employees and dependents.

Q. Is the 9.5% contribution limit based on the individual or family income?

A. For the employer to make sure his group plan is affordable to the employee, the 9.5% applies to the employee's salary where he works. This is called the 'safe harbor' provision.

Q. Does the tobacco surcharge apply to Medicaid? Is the surcharge by individual family member?

A. The surcharge, if any, will apply to the Private plans sold for the newly eligible Medicaid consumers. The surcharge will apply to each of those who smoke in the family.

Q. What happens if the employee doesn't pay their portion of the premium?

A. There will be a 30 day grace period where claims will be paid if premiums are not paid. After 30 days claims will be pended for another 60 days. If the consumer wants reinstatement of his plan he will have to pay all back owed premiums. Otherwise the carrier will cancel the contract at the end of the initial 30 day grace period.

Q. Will the grace plan apply if the government doesn't pay its portion of the premium?

A. The government will pay its portion of the premium.

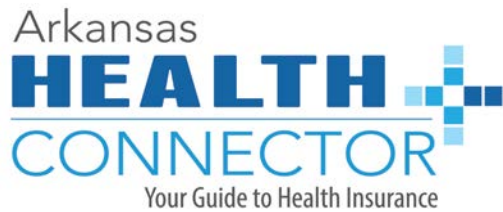
Q. If you have someone who becomes disabled and is not on Medicare, what happens to them?

A. If they are not Medicare eligible they may be eligible for the marketplace or Medicaid expansion depending on the household income.

Q. Who determines who is medically frail?

A. That determination will be made on the State Medicaid eligibility & enrollment system with a few questions.

Q. Will businesses have open enrollment?



- A. The rules that apply to business and group insurance pertaining to renewal dates and open enrollment will continue as it is today.
- Q. Will agents be allowed to get a consultant license and be paid consultant fees?
- A. As long as the producer is licensed as a consultant.
- Q. How many carriers have signed up?
- A. If approved the four carriers that have applied to sell plans on the marketplace in 2014: Multi State Blue Cross Blue Shield, Arkansas Blue Cross Blue Shield, QualChoice, Ambetter (Celtic/NovaSys).
- Q. Since there is no agent portal, will AID have a list of agents licensed for the Marketplace?
- A. Yes, the list of producers that are licensed to write business on the marketplace will be available on the AR Health Connector Website.
- Q. Are licensed agents free to advertise?
- A. Yes, under the same rules as they do now
- Q. Will customers be able to purchase without an agent?
- A. Yes, consumers can enroll in the marketplace on their own.
- Q. Will any of the plans offer the components of HSAs?
- A. Unknown at this time
- Q. Will participation be the same as they are now for SHOP plans?
- A. Yes the same rules for participation requirements for the carriers will apply. The only exception is in the period between 11/15 & 12/15, employers that cannot meet participation requirements will be able to buy a small group plan on the SHOP marketplace.
- Q. Is there information on the Website about catastrophic plans?
- A. You can access information on catastrophic plans and other information on the Affordable Care Act and market reform at: www.Healthcare.gov.
- Q. Do grandfathered plans have to offer EHBs?
- A. No
- Q. Will you explain the portal for agents and brokers?
- A. The Producer Portal development has been delayed until 2015. Therefore to enroll a consumer or small group, they will access the portal, set up an account and then the producer can take it from there and go through the process.
- Q. How long will it take to enroll a person?
- A. Depending on the complexity of the household and available information from the consumer, enrollment should take no more than an hour.



Q. Will the SHOP and individual plans both start January 1?

A. The Individual marketplace will begin January 1st and renew every year on January 1. The SHOP marketplace will continue to be the same as it is today. As an example, if a group enrolls March 1 they renew 12 months later

Q. Will Navigators have E & O?

A. Navigators are not required to have E&O insurance; however they come under protection of the entity that hires them.

Q. Can an agent process through another agency?

A. Yes, if the agency agrees to it.

Q. Why does the legislature think a state-based Marketplace is better?

A. With a state based marketplace, Arkansas will have more control and decision making how the marketplace will function.

Q. Can HHS decide not to allow the private option next year?

A. Yes, but unlikely.

Q. Does the private option allow a choice to the consumer?

A. Yes, the consumer will have high level silver plan options to choose from the available private carriers.

Q. Will people who are medically frail have options?

A. Those that are deemed medically frail will be enrolled in traditional Medicaid where their needs will be better covered.

Q. How will this function when a person is incarcerated for part of the year?

A. If incarcerated, the consumer will not be eligible for tax credits on the marketplace, when released and no longer incarcerated they will be eligible.

Q. How will this affect dual eligibles?

A. No effect on dual eligibles.

Q. Are consumers on the honor system when reporting income? How do we prevent fraud? Does the agent have any responsibility for verifying what they are told by the consumer?

A. Consumers will self-attest to their income and consumers will complete their application subject to federal perjury laws.

Q. Are there supplements for a person waiting to become eligible for Medicare?

A. Those that are already in place, the ACA makes no changes for Medicare Supplements.

Q. Must a person be a resident of Arkansas to participate in our Marketplace?

A. No, for example you may have an out of state student from Iowa that may access a better network from a

plan sold in Arkansas.

Q. How are rate increases determined for grandfathered plans?

A. Those rates will be developed by the carriers based on their current methodology.

Q. Is there a way for consumers to change their subsidy during the year?

A. Contact healthcare.gov

Q. Will there be extremely large deductibles in some of the plans?

A. Group plans will have a maximum deductible of \$2,000 per person and \$4,000 per family per calendar year. Individual plans can have a maximum deductible of \$6,350 per person and \$12,700 per family per calendar year.

Q. Won't people above 200% of the federal poverty level get hammered with premium increases?

A. Consumers will pay a maximum of 9.5% of their household income at 400% of Federal Poverty Level. At 200% of Federal Poverty Level the consumer would pay approximately 6.3% of his income towards the premium. Above 400% the entire premium is paid by the consumer with no tax credits available.

Q. If a husband applies for single coverage, will that be based on the family income?

A. Premium responsibility is based on household income.

Q. What is the date for transitioning to the state-based Marketplace?

A. If decided to pursue a state-based marketplace- July 1st, 2015 for plans effective 1/1/2016.

Q. What is the state planning to do to control fraud?

A. The Commissioner released a consumer alert on August 27, 2013 alerting consumers to be aware of potential scams and fraud. You may access the alert at:
<http://www.insurance.arkansas.gov/Consumers/Alerts/Scanners-Health-Reform.html>

Additionally, consumers can be assured that back ground checks and other security precautions have been completed on the Navigators IPA Guides, Certified Application Counselors (CAC) or Producers that will be assisting consumer enrollment into the marketplace. If someone reports a potential problem via email or phone call, the issue should be directed to AID Consumer Services Division at 1-800-852-5494 or emailed to insurance.consumers@arkansas.gov.

Q. How will the Marketplace check assertions that insurance is not affordable?

A. The verification of affordable coverage at an employer is delayed until 2015.

Q. Are penalties set after the first year? Could they escalate rapidly?

A. Following are the penalties for the next three years:

2014 - \$95 or 1% of adjusted gross income, whichever is greater, for each adult in the household.

2015 - \$325 or 2%, whichever is greater, for each adult in the household.

2016 - \$695 or 2.5%, whichever is greater, for each adult in the household.

Q. Do assets affect eligibility?

A. No, eligibility determination will be income based.

Q. Will penalties be assessed on people receiving earned income tax credits?

A. Penalties will be deducted from tax refunds due the consumer at year end.

Q. Is it possible to change the open enrollment date, since this enrollment period is the same as the one for Medicare?

A. The open enrollment dates for the individual marketplace is set the first year for October 12, 2013 through March 31, 2014 (6 months); thereafter, each year from October 15th thru December 7th.

Q. If an employer only has a couple of employees that exceed the 9.5% limit on the cost of coverage, will the employer be penalized?

A. If the large group employer offers group insurance to his employees and one or more employees access tax credits on the marketplace because the group insurance is unaffordable, the employer will suffer a tax penalty of \$3,000 for each employee. The penalty will not exceed \$2,000 times the number of Full Time Employees (FTEs) less the first thirty.

Q. Will all agents have a license?

A. In order to write on the Marketplace, producers will be required to be trained and licensed per legislative Act 1439. Producers will take federal and state based training and apply for a license once complete.

Q. Will agents have to relicense each year?

A. Yes. Details to follow.

Q. Will agents have to be appointed by each carrier to be paid by each carrier?

A. Yes.

Q. Will Area Agencies on Aging assist people with enrollment?

A. No.

Q. Will there still be provider networks?

A. Yes

Q. Is the Marketplace on track for its development?

A. Yes

Q. How will coverage be verified?

A. Consumers will receive notification from the carrier as it is today of their enrollment..

Q. Is there someone to handle calls that come in from the advertising?

- A. Yes, we have a Consumer Assistance Division that handles calls from consumers relating to the Affordable Care Act.
- Q. Will free clinics lose their funding?
- A. There is nothing in the statute that defunds
- Q. Is someone addressing the need for more health care providers?
- A. Yes, the Arkansas Center for Health Improvement (ACHI) under the leadership of Attorney General Joe Thompson is currently addressing this need throughout our state.
- Q. How will the government pay the subsidies to the carriers?
- A. The government will fund its share of the premiums for consumers directly to the carriers based on enrollment.
- Q. If an employer with fewer than 50 employees drops group coverage, is there any penalty?
- A. No, there is no mandate to offer insurance for groups less than 50 Full Time Employees (FTEs). However, the large group mandate has been delayed until 2015.
- Q. How will agents know when their training is available?
- A. An e-mail blast to all producers licensed domestically and foreign in Arkansas will be notified when both federal & state training becomes available.
- Q. Can the Insurance Department come up with forms that agents may use to will protect themselves against untrue claims by consumers?
- A. AID may at a later date create additional forms for agents
- Q. Can a family with a young adult have the parents on one plan and the young adult on another plan that is subsidized?
- A. Any tax credits will be based on household income. Each family member can be on a different plan and tax credits will be assessed accordingly.
- Q. Is the 9.5% limit on group insurance based on the employee contribution or the total cost?
- A. The group insurance coverage is deemed affordable if the employee's contribution amount to the 'individual only' plan is less than 9.5% of his/her salary.
- Q. Can you explain the metal levels?
- A. Metal levels apply to the Actuarial Value (AV) of each plan. The plans Actuarial Value are: Platinum- 88-92% AV Gold- 78-82% of AV Silver- 68-72% of AV Bronze- 58-62% of AV
- For example the Bronze plan will pay anywhere from 58 to 62% of the claims the individual may incur, the balance will be out of pocket costs to the individual.
- Q. I know that CHIP is going away. What about AR Kids?
- A. AR Kids A & B and TEFRA will remain as they are today for plan year 2014.



Q. Can a child be on the plan even if they live outside the household?

A. Yes.

Q. Will people above 400% pay the full premium?

A. Yes, there will be no tax credits above 400% of FPL.

Q. At what FPL level, will people be able to participate?

A. Consumers with household incomes from 0-138% will participate in private plans funded at 100% of their premiums by Medicaid through the Private Option. Consumers with household incomes from 139-400% will participate on the Insurance marketplace and may be eligible for tax credits to help pay their premiums.

Q. Who will be expected to participate in cost sharing?

A. Consumers with household income less than 100% will have no cost sharing in the first year. Consumers between 100 & 138% will have some cost sharing in the form of copays and co-insurance. Consumers between 139-150 will be eligible for a cost sharing actuarial value of 94%. These consumers will be responsible for deductibles, copays and co-insurance. Those with 151 to 250% will have increased cost sharing. Above 250% consumers will be responsible for the entire deductible and coinsurance and other co-pays and out of pocket costs depicted in their plan of choice. In the second year of the Marketplace those between 50 & 100% of FPL will have minimal cost sharing.

Q. On which line on the IRS form 1040 is the MAGI?

A. Line 38 of Form 1040; Line 22 of Form 1040A; Line 36 of Form 1040NR

Q. If someone had 0 income and didn't file a tax return, how would this work for them?

A. If no income they may qualify for Medicaid expansion (0-138% of FPL). Those with no income or do not income tax at year end will not be subject to penalties.

Q. Has the Health Care Independence Act been approved by CMS?

A. Not as of 9/4/2013.

Q. Will the penalty be paid through your taxes?

A. The penalties will be assessed and collected if the individual is due a return at the end of the year.

Q. What happens if the second lowest cost silver plan changes?

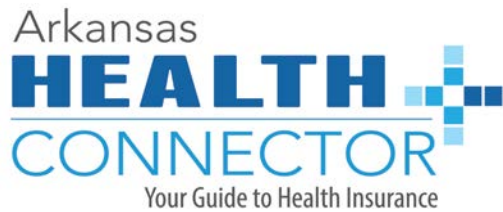
A. The second lowest silver plan will be determined at the beginning of the year and will remain until the following year when plans will be re-certified.

Q. If a person loses his group coverage, will he be able to purchase through the Marketplace?

A. Yes, that is considered a 'life changing' event and allows enrollment mid-year into the marketplace.

Q. Will employees eligible for Medicaid count against the number of total employees for a group?

A. No, and if a large group with 50 or more FTEs, the employer will not be penalized.



Q. Can a producer sell a policy from a carrier to which they are not appointed?

A. Yes, but will not receive any commissions unless appointed.

Q. Will everyone have to pay \$63 to support the Marketplace?

A. No, only on fully insured and self-funded group plans to fund transitional reinsurance to cover high risk individuals in the individual market. The tax deductible transitional fee for 2014 will be \$63 per covered life per year. The fee is paid by the carrier or the plan sponsor for self-funded plans.

Q. Do you know how commissions will be determined? How much will they be?

A. Commission amounts & frequencies will be determined by each carrier as it is today. You must be appointed by the carrier to be able to receive commissions.

Q. Will the IPAs be able to do the job?

A. IPA Guides will have 3 levels (Class Room, Federal & State) of training and will be capable of helping consumers across the state of Arkansas.

For More Information Contact:

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