AR Federally-facilitated Partnership Exchange
Steering Committee Meeting Minutes

Meeting Details

Meeting Facilitator:	David Sodergren, First Data	Date:	March 28, 2013
Minutes Taken By:	Tangelia Marshall, AID Ashley Odom, PCG	Time:	3:08p to 4:52PM

Attendees:

Members:	Edward Anderson-Video Conference Lenita Blasingame Jim Couch Cindy Crone Barry Hyde Joni Jones Haley Keenan-Gray Dr. Cal Kellogg Dr. Drew Kumpuris Herb Sanderson Dr. John Shelnutt Anna Strong Dr. Joe Thompson Justice Annabelle Imber Tuck
Guests:	Suzanne Biermann Andree Emsley -Conference Call Derek Smith Doris Smith Dan Sullivan Elisa White
Staff/Consultants:	Rich Albertoni-PCG Bob Alexander-AID Seth Blomeley-AID Zane Chrisman Brill-AID-Conference Call Terri Clark-AID Sandra Cook-AID Bruce Donaldson-AID David Deere-U of A/Partners for Inclusive Communities Kathy Grissom-First Data-Conference Call Carder Hawkins-AID Heather Haywood-AID Tangelia Marshall-AID Brenda McCormick-PCG

Ashley Odom-PCG
LeAnn Rollans-First Data
Amanda Spicer-AID
Sue Stone-First Data
Nichole Weldon-AID
Craig Wilson-ACHI

Absent

Members: Dr. Andy Allison
Rep. Mark Biviano
Dr. Creshelle Nash

Meeting Notes

Item #	Description of Discussion
I.	Steering Committee Facilitator David Sodergren opened the meeting and welcomed the Steering Committee and guests. All attendees introduced themselves.
II.	Revised minutes of the January meeting and February meeting minutes were approved. Annabelle Imber Tuck made a motion to approve the minutes. The motion was seconded by John Shelnutt.
III.	Cindy Crone provided an overview of the Monthly Report and Committee members discussed: The number of carriers to submit a letter of intent to participate in the Exchange is now (4) Medical and (4) Dental. The Commissioner will be reaching out to potential new carriers in the near future. Status update on RFQ/RFP's: o Outreach and Education RFP -released March 1; applications due April 1 o In-person assister RFQ-released March 5; applications due April 11 o IPA Training – In light of inadequate time for RFP procurement process and meeting program needs, AID contacted the Department of Higher Education about their interest / capacity to provide statewide training through the Two Year Community Colleges system. They are interested and this option is being evaluated. Update on Legislative activity: o Navigator licensure bill – AID is giving feedback on bill drafts to align with State Partnership model needs. o Governance Bill for *Health Exchange Alliance* – draft bill suggests private non-profit board. ▪ Stakeholder recommendations (2011 to current) have been consistent in supporting a quasi-governmental model as opposed to a totally private governance model.

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	▪ Medicaid feedback is that State agency needs to have role in the eligibility determination process. ▪ Legislation draft requests change to a state-based exchange. Flexibility in timing of that change is being advocated. o Medicaid "private option" legislation would help alleviate churning concerns and would also result in new Exchange enrollment issues and additional outreach need. ▪ Certified Application Counselor (CAC) is a new category of "assister" that would not be paid by Exchange funds, but by employers such as in hospitals, clinics, or other sites of eligibility determination and/or enrollment. ▪ May need to submit Level One " D" funding application in mid-May to request additional IT / in-person assister support if Medicaid "private option" moves forward. ▪ Manatt will be reconvening the Continuity of Coverage Stakeholder Advisory group in May following legislative action on "private option". ▪ AID is extending deadline for carriers to apply for QHP certification to June 30th to allow time for legislative decision on "private option" and for carriers to subsequently consider QHP applications. Dr. Joe Thompson provided an update on the "private option" where "premium assistance" would be used as the legal basis for Medicaid paying private QHP premiums. An estimated 250,000 Medicaid eligible Arkansans would be able to access private health insurance through the Exchange. Traditional Medicaid expansion is not a viable option with the Arkansas General Assembly. On February 22, Secretary Sebelius said "yes", verbally, to the Governor's request for Medicaid "privatization". On March 13, Andy Allison submitted a written, conceptual description of Arkansas's proposal. The Chamber of Commerce endorsed this plan on March 27, following reports that the costs of not adopting this plan would be $25-$35 million annually for business owners. Overall, the financial projections for the private option look really positive for Arkansas. Concerns that would be neutralized with Medicaid /Privatization: • "Churning" between private plans with subsidies and Medicaid coverage • Better provider access • Provider alignment: payment rates would be at commercial rate for subsidy and Medicaid eligible patients • State would not have to grow County Operations-Administration functions • Co-payment and management structure would have enhanced influence on patient outcome • State protected by 100% Federal funding for first 3 years. DHHS Secretary Sebelius has urged nonparticipating states to consider other options like Arkansas. Optumas evaluated cost impact: • AR Medicaid pays at a higher percentage of commercial rates than in other states; and AR

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	commercial payment rates are among the lowest in the nation. While OMB estimated a 50% difference in commercial vs. Medicaid rates; that difference in Arkansas is estimated to be closer to 20%. • Normalization of rates would occur since commercial rates include a "hidden tax" due to lower Medicaid rates and cost shifting due to high rates of uncompensated care. • The "private option" would still cost the state more, but increased private sector buy-in is expected to balance what inflation rates would have been. DHS is reviewing AR Health Networks data to aid in predictions of costs of "pent up demand" and medical risks in similar and previously uninsured populations. . The Arkansas private option plan would place "medically frail" individuals in the Standard Medicaid program. These "medically frail" are estimated to make up 10% of the newly eligible population and 20% of predicted health care costs. The state would determine who meets medically frail definition and they would be extracted from the risk pool. Others to be placed in the traditional Medicaid program would include dually eligible individuals, SSI-disabled, and those allowed to choose to remain on standard Medicaid (e.g., pregnant women). One question remaining to be answered is whether the 3Rs risk mitigation strategies (reinsurance, risk adjustment, and risk corridor) would be available to plans for Medicaid eligible beneficiaries—early indications are the answer will be "yes" as desired. AR Kids B (CHIP) recipients would not be transferred to the Exchange until 10/1/2015 and per lawmakers' decisions. A question was raised about Issuer capacity to enroll this number of new lives. Should issuer capacity be an item for QHP review? It was reported that Blue Cross Blue Shield enrolled 750,000+ at one time in AR with 2-year ramp up and no problems.
IV.	Consumer Assistance Advisory Committee Co-Chair Anna Strong provided an update from the February CAAC meeting. The CAAC reviewed the AID /HBEPD contractor CAI's IT System Platform for training and grant management use. The presented system is a short term solution to get through October 1. The platform would transition to a long term solution following the open enrollment period. Anna announced that the HBEPD's Outreach and Education RFP is currently out. The HBEPD will launch their new website in April.

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V.	Plan Management Advisory Committee Co-chair Annabelle Imber Tuck provided an update of the PMAC recommendations. (handout) • Committee voted and accepted PMAC Recommendations Caveats: If Medicaid is expanded via Exchange, auto enrollment might need to be reconsidered; rating areas might also need to be reconsidered • Tobacco rating upcharge was recommended to remain at 1.2:1 • Discussions on benefit substitution and actuarial equivalence resulted in affirmation of prior recommendation to allow actuarial equivalent substitutions per category Dave Sodergren opened the floor for questions or motions. 1.1- PM Committee recommended and Cindy Crone seconded-unanimously accepted 2.1- PM Committee recommended and Lenita Blasingame seconded-unanimously accepted Dr. Joe Thompsons requested a placeholder to revisit should Medicaid come in exchange. 3.1- PM Committee recommended –Joe Thompson seconded-unanimously accepted 4.1- PM Committee recommended -Annabelle seconded-unanimously accepted
VI.	Closing- Dave Sodergren commented that Arkansas's stakeholder engagement model is the premier model nationally. Dr. Joe Thompson commented that Cindy and her team have always made the effort to keep the Exchange as good as can be for Arkansas citizens. Dave Sodergren thanked the Committee members for attending and the meeting was adjourned at 4:52pm. The next meeting will be held April 25, 2013 at the Arkansas Insurance Department, Suite 201, 3:00 pm.