

Arkansas Health Benefits Exchange Planning

Consumers Workgroup	November 16, 2011	Arkansas Studies Institute Rm. 204	2:00 PM – 4:00PM
<p>Members Present: Julie Larson for Steve Copley Herb Sanderson Clar Hall for Elizabeth Small</p> <p>Staff: Cindy Crone Bruce Donaldson</p>		<p>Members Absent: Billy Altom Claire Bailey Curtis Bailey Robert Barnes Deborah Bell Elisabeth Burak Veronica Clark Marcella Garcia Kanisha Halton Kevin Harkey Rich Huddleston Sharon Moone-Jochums Kym Patterson Joe Pelphrey Sean Pitman Amy Rossi Joyce Solaire</p>	

Meeting Summary:

- I. Cindy Crone-AID, opened the meeting. Workgroup members and guests introduced themselves.
- II. **The Consumer Workgroup meeting summary from October 25 was approved** as circulated without corrections and will be posted as “final” on the HBE website.
- III. Updates
 - A. Project Report/CCIIO Update-Cindy Crone provided a written report (handout). Cindy Crone reported that the Planning Grant No Cost Extension was approved through January 29, 2012 and that the Exchange Planning Staff has requested a second No Cost Extension through September 29, 2012 to complete the original scope of work. The public hearings will need to be postponed until more is known about Arkansas’s roles with Federal Exchange implementation. The Steering Committee recommended these meetings be postponed until after the Arkansas General Assembly’s Fiscal Session. First Data continues to work on Market Research and the Operations Plan. We also need more data on Medicaid costs per eligibility status. Cindy reported that Craig Wilson prepared and submitted the Exchange Planning Groups’ response to Exchange Proposed Regulations. The comments had a heavy consumer focus. Cindy also reported that the Quarterly Report for period 7-1-11 through 9-30-11 was submitted to CCIIO. The list of 19 questions collected from all the workgroups have also been submitted to CCIIO; however, responses have not yet been received. Cindy informed the group that the NPRM comments and the Quarterly Report will both be posted on the HBE website for viewing. Bruce Donaldson attended a NAIC meeting in Maryland October 31 – November 1, 2011. He reported that the meeting focused on “SERFF”

use in qualifying health plans. SERFF is a NAIC system currently used by all states where carriers submit plan information which is then submitted to States. Cindy informed the workgroup that CCIIO is forming a Federal Exchange Workgroup that will start during the first week of December. Arkansas will participate in the workgroup via telephone. Cindy informed the workgroup that it is still unknown whether or not the Governor will provide the letter needed to move forward with the Level One Grant Application to CCIIO in December. The Exchange Planning Staff is hoping for an answer by the first of December.

B. Steering Committee Report- Cindy notified the workgroup that the Steering Committee met on November 15, 2011 and recommended to Commissioner Bradford that all workgroup meetings end this week. The decision was based on a recommendation from the Small Business/Community Leaders workgroup meeting on Monday of this week based on the fact that a State Exchange is no longer an option for Arkansas. The Steering Committee requested that a press release go out stating that Arkansas will have a Federal Exchange. The Commissioner accepted this recommendation. The Consultants were asked by the Steering Committee to prepare a timeline and budget for the Federal Partnership model. The consultants presented that information to the Steering Committee yesterday. The budget is for the years of 2012, 2013, 2014. The estimated budget for year one is \$5.2 million, year two \$5.8 million, and \$6 million for year three. The last date to request Level One Funding is December 30, 2011. The Steering Committee had previously recommended that the workgroups be realigned to match the Federal Partnership Model. The newly aligned workgroups will begin meeting in January if the Level One Funding Application is submitted. The new workgroups would be as follows:

1. Information Technology Workgroup
2. Plan Management Workgroup
3. Consumer Assistance Workgroup

C. Stakeholder Summit Results-(Handout provided)-Cindy informed the workgroup that the Stakeholder summit was held on October 11, 2011 at Embassy Suites Little Rock, AR. Tangelia prepared a report showing the results.

IV. New Business

A. Re-Alignment of Workgroups to Match Partnership Model- Cindy informed the workgroup of the realignment plans during her update from the Steering Committee. Cindy informed the workgroups that the Community Hearings are expected to take place during the spring of 2012. Cindy told the workgroup members that the Exchange Planning Staff will inform them of more details regarding the next steps and the realignment of the workgroups as soon as a decision has been made by the Governor on the Level One Funding Application. Cindy told the workgroup members to expect an email sometime in December informing them of the decision.

B. Other

Cindy reported that the Supreme Court has issued an order to hear the Florida and the NFIB cases regarding the Individual Health Insurance Mandate and other ACA issues by March 2012, with a decision expected by late June 2012. The Supreme Court announced it will allow five and a half hours of oral argument on 4 issues.

V. Public Comment

1. Commenter stated that it is safe to assume that the Federal Government will not run the exchange for free, they will charge something.
2. Commenter stated that it is extremely unusual for the Supreme Court to allow 5 hours for oral arguments. A second commenter stated that they normally allow 1 hour for oral arguments.
3. The commenter stated that it would be disingenuous to announce that the planning efforts have stopped when the Exchange Planning Staff plans to continue preparing to submit the Level One Funding applications. *Response was that the announcement would be that planning for a state exchange had stopped.*
4. The commenter stated 60% of hypertensive residents of Arkansas are not being treated.
5. Commenter stated that it looks like the \$12 million loss to the state with a Federal Exchange would be enough for the Governor to want to move forward with the Federal Partnership.
6. Cindy thanked the workgroup for all of their work and said that she is optimistic that the workgroups will be asked to reconvene in January.

VI. Questions

1. Why are health insurance premiums in Arkansas so low, compared to other states, if we are such an unhealthy state?
Response- Because people do not have coverage and do not have access to care.
2. Has the Steering Committee disbanded?
Response-Yes, they have said they will not reconvene until after a decision is made on the next steps for Arkansas.
3. Is all the funding for the planning grants already appropriated through the ACA?
Response-Yes, the \$1 billion for the Exchange is already appropriated.
4. What does the first question on the list submitted to CMS-CCIIO mean? (is State authority required for Partnership Model?)
Response-It is asking if Legislative or Legal action is necessary or if for example, a state agency can oversee the program.
5. Is the question regarding the loss of premium tax to the state if there is a Federal Exchange on the list submitted to CMS-CCIIO?
Response-We have asked that question and they do not know the answer yet. It is suspected that the Feds will assess a premium fee of some amount. Our consultants have projected that a total loss of revenue for Arkansas will be approximately \$28 million (\$12 million from the current premium tax and \$16.37 million for the additional revenue that could have been earned with a State Exchange)*if the Feds were to assess a premium tax and not Arkansas.*