

Arkansas Health Benefits Exchange Planning

State Agencies	June 30, 2011	Arkansas Studies Institute Rm. 204	2:00PM – 4:00PM
Members Present: Kristen Brown for ? Michael Crump for Marilyn Strickland Joni Jones Jason Lee Anna Makogonora for Dawn Zekis Ray Scott Staff: Cindy Crone Bruce Donaldson		Members Absent: Claire Bailey Clint Ball David Boling Linda Greer Dr. Paul Halverson Marquita Little Sheena Olsen Kym Patterson George Platte Frank Scott	

Meeting Summary:

I. Cindy Crone welcomed the group and those in attendance introduced themselves.

II. Update on Meeting Rules

Meetings are open, and time will be provided at the end of each meeting for guest questions and comments. Meetings may be video or audio-taped. A draft plan to disallow video taping of the meetings has been reversed due to strong opposition from members of our Community Leaders workgroup. Meetings *may* be audio-or video taped.

III. Skype

Some citizens in communities outside the central Arkansas area have requested options for participating in workgroup meetings via distance technology. Skype was recommended and is expected to be in place by the July meeting.

IV. Report on Community “Listening” Meetings

Some have provided criticism that the length of notice prior to meetings was inadequate.

Some have asked specific questions such as, “How many lives have to be covered in the Exchange for it to be a good business model and self sufficient”?

Questions remain in citizens minds as to whether or not legal authority is needed for planning.

Since the last meeting, Hot Springs has been added to the Community Meetings roster. West Memphis meetings have been confirmed. David Deere and Dr. John Wayne will be going back to Springdale to hold another general meeting as well as meetings for Spanish-speaking and Marshallese-speaking residents in order to obtain additional feedback.

Some of the meetings have been populated by people that are very much against Healthcare Reform in general, specifically TEA party members. Some have been more disruptive than others. The facilitator of the meeting in Searcy this week was unable to present his prepared information because of the disruptions. There was little attendance at the Clinton community meeting; no one came for the evening meeting. There has

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generally been good attendance at the mid-day meetings with good feedback and participation. We have been surprised at the lower attendance in the evenings.

There will be a web-based survey prepared by UAMS to collect additional stakeholder feedback. A Stakeholder summit and public hearings are to be scheduled for this fall.

V. First Data

The primary background research contractor started work on June 1, 2012. Jim Glick is the First Data Executive, Dave Sodergren is the Project Manager, and Kathy Grissom and J.P. Peters are additional First Data consultants. The firm will conduct Key Informant Interviews during the weeks of July 4th and July 11th. Some of the workgroup members will be contacted to participate. First Data has subcontracted with three firms, two of which are Arkansas-based. Arkansas Foundation for Medical Care is one of the Arkansas-based firms and will provide research on consumer outreach, public education, and evaluation. AFMC is headed by Ray Hanley. The second Arkansas-based firm is Powell and Associates which will provide research on customer demographics and marketplace. This firm is headed by Dr. Larson Powell, who is also a UALR professor and teacher of Insurance. Solucia is the third firm and will be providing actuarial expertise and teaming with Powell and Associates to provide background research and data analyses. First Data is working with other States and will be bringing some of what they learn to Arkansas. The background research and recommendations report is due by August 31, 2011. Recommendations will be used to move forward with Level One Establishment Planning.

VI. Vision Statement

The Steering Committee approved a draft vision statement for Exchange Planning. The workgroup was asked to review and provide final input. The feedback was that the vision statement as presently written is acceptable for the purpose of guiding the planning team. However, a more consumer-friendly version of the vision statement was recommended for when the Consumer Outreach campaign actually starts.

VII. Governance Survey

The preliminary report of the web-based governance survey administered by First Data was discussed. There were a total of 35 responders. The Information Technology group had the highest response rate at 40%. The State Agency group response rate was 27%. The Steering Committee showed a response rate of 29% followed by the Consumers group at 28.6%. The Small Business group had a response rate of 26.8% followed by the Healthcare Industry with a response rate of 23%. The Outreach group responded with the lowest rate of 22%. Overall, a majority of respondents favored a public-trust governance model with a connection to the Arkansas Insurance Department. The State Agency Group was an outlier in favoring a government agency to oversee Arkansas's Exchange. Once the final results have been received they will be distributed by e-mail and posted on the Exchange Planning website. Workgroup members were asked to review the results and be prepared to briefly discuss at the next meeting.

VIII. Exchange Planning Discussion:

What is the best strategy for obtaining State Government authorization to establish an Arkansas exchange?

- a. Approach the Federal Government to request an extension of the deadline.
- b. Initiated Act
- c. Seek a waiver for application date for Establishment funding
- d. Make the advantages of a State exchange public knowledge
 1. Arkansas will control the Exchange
 2. State regulation of companies
 3. Less expensive
 4. Potential revenue for the State

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- e. Examine the advantages of Federal exchange versus State exchange
 - 1. Will provide a wider range of plan options
 - 2. Decisions would be made for the state

The Federal definition of “legal authority” is “legal authority as defined by the State”.

Arkansas legislative opposition has included the argument that the Affordable Care Act is unconstitutional and will go away. Another viewpoint held by opposing legislators is that any tax spending for a Health Benefits Exchange is undesirable---State or Federal. There is therefore a lack of cooperation regarding Exchange establishment.

How do we get individuals, families, and small businesses to participate in the Exchange?

- a. Convey message that the Exchange is only offering a plan and is not selecting the plan for the business.
- b. Offer a tax subsidy or incentive.
- c. Creates a big opportunity for brokers
- d. Allows the business to be more competitive in attracting employees
- e. Pre-existing condition exclusions will be eliminated
- f. Potential for employees to become healthier

IX. Future Exchange Planning Discussion

- a. Consumer Outreach/Education-July meeting
- b. Consumer/Industry Demographics and Financial modeling-August meeting
- c. Linkages, promoters and barriers

X. Next Meeting: July 21, 2011 at 2:00 p.m., Arkansas Insurance Department