

## Arkansas Health Benefits Exchange Planning

Healthcare Industry-Insurance Carriers/ Healthcare Providers/Professional Associations	September 22, 2011	Arkansas Studies Institute Rm. 204	9:00 AM – 1:00 PM
<b>Members Present:</b> Dr. Darlene Byrd Mike Castleberry Jim Clark Austin Gaines John Harriman Leo Hauser David Ivers Dr. Drew Kumpuris Treg Long Sip Mouden Sam Partin Doug Stadter Billy Tarpley	<b>Staff:</b> Bruce Donaldson Craig Wilson, ACHI  <b>Guests</b>  Russell Greene, Connecture	<b>Members Absent:</b> Larry Alford Edward Anderson Julie Benafield Ed Choate Steve Gelios Carla Groff David Holman Jacque Martin Lesley Nalley Sharon Oglesby Raymond Ortega Marvin Parks John Ryan Marie Sandusky Mike Stock Sheila Waits Arthur Wolover	

### MEETING SUMMARY

- I. Bruce Donaldson-HBE, opened the meeting. Bruce pointed out the handouts available to accompany the discussions for today's meeting.
- II. CCIIO/Project Updates- Bruce reported that Cindy Crone has provided a written report (handout). Bruce informed the workgroup of several meetings recently attended by the HBE planning division and gave a brief synopsis of each meeting.
- III. ACHI Updates-Bruce reported that ACHI is working to develop radio ads targeted at Small Businesses. The campaign will be small and the focus will be in regard to the tax credits that will be available to Small Businesses who participate in the Exchange.
- IV. Stakeholder Summit-Bruce reported that that Stakeholder Summit will be held on October 11, 2011. Registration will begin at 7:30am. There will be an Exchange 101 at 8:30am and meetings will begin at 10:00am. Joel Ario and Joe Thompson will be the Keynote Speakers. The Summit will be an all day event. Lunch will be provided. A suggestion was made to create a flyer that workgroup members can distribute via email to help with awareness of the event.
- V. Exchange Planning updates-Bruce reported that Cindy is preparing the Level One Funding Grant that is to be submitted by September 30, 2011. The Initial request was \$20 million however the IT Integration portion was taken out which scaled back the request to \$5 million. December 2011 will be the final opportunity to apply for Level One Funding and June 29, 2012 will be the final opportunity to apply for Level Two Funding. If the June deadline is missed then Arkansas will have a Federal run Exchange.

Questions

1. What is the relationship between the Partnership Model and Arkansas Legislative Authority to apply?

Response-The Partnership Model gives one more option but would still give Arkansas some control over the exchange. The Partnership Model is a Federal Exchange but would still require Legislative Authority.

#### Comments

1. Commenter requested clarification on whether or not Legislative Authority would be required with a Partnership Model.
  2. Commenter stated that the regulation comments are due in a week and a half and encouraged the workgroup members to submit their comments.
- VI. Steering Committee Update-Dr. Kumpris and Ed Choate were not present so Bruce reported that the Steering Committee has requested that the workgroups be assigned specific topics to discuss and make recommendations on. The Steering Committee will synthesize the information and move forward with the Planning Efforts. The Topics that are to be discussed are listed in the today's meeting agenda. Bruce stressed the importance of getting through all the topics today.
- VII. Discussion Topics
- A. General Topic-Navigator Role and Plan-Bruce and Craig Wilson lead the discussion. The workgroup members discussed in detail many questions, concerns and issues regarding the Navigator Program.

#### QUESTIONS

1. Who will provide oversight for the Navigator Program?

Response- The Insurance Department already has a system in place; there is no need for duplication. Criteria for the Navigator Program can be set by the Board.

2. Does the Insurance Department have the resources to take on this task?

Response-There was no specific answer given. Bruce commented that with the State already reducing spending, it is uncertain.

3. Should the bar be set high in the beginning to ensure highly qualified applicants and to minimize issues and problems with the Navigator Program?

Response-The bar should be set high initially but needs to be careful not to exclude particular groups.

4. Should the Navigator Program be rolled out as a Pilot Program in different areas of the state initially?

Response-Some commenters liked the idea of a Pilot Program however others had concerns that the timeframe would not allow for a Pilot Program to be implemented. If a roll out is allowed it would be favorable.

5. How would you determine which areas to start the Pilot Program in?

Response-That would need to be determined later.

6. Will there be other training options available for those who prefer face to face instruction rather than online training?

Response-Other options have not been given, there were concerns that resources would not be available to provide onsite training throughout the state.

## ISSUES

1. Licensure or Certification.
2. Competency and Cultural Issues.
3. Oversight/AID.
4. Roll Out/Pilot Program.
5. Training and Continued Education.

## COMMENTS

1. Commenter stated that Navigator should be licensed, trained and well versed in qualifications for Medicaid and subsidy levels. Commenter feels that licensure promotes accountability and minimizes the probability of bad Navigators. A second commenter stated that certification also has the same effect and can be done through AID.
2. Commenter stated that Community Health and Community Mental Health Agencies should be utilized as Navigators.
3. Commenter stated that Errors and Omissions Insurance should be a requirement for Navigators.
4. Commenter stated that he is skeptical of online training for the Navigator Program and is also uncomfortable with the gradual roll-out of the program. Commenter feels that more discussion is needed on how the areas to start the roll out would be determined.
5. Commenter suggested that Community Colleges, Community Health Centers, etc. be used for training and education purposes.

## B. Workgroup Specific Topic-

### **1. Should we allow groups of 50 or 100 employees in the Exchange 2014-2016?**

The main focus on this discussion was the idea that the Exchange has a better chance of being sustainable with a larger number of purchasers. The workgroup members felt that the larger number of purchasers would also bring more political support. The potential to attract more businesses as well as the law requiring all exchanges to include businesses with up to 100 employees by 2017 was also discussed. The workgroup agreed that the recommendation to allow groups of 100 should be made.

### **2. Should we allow issuers to offer regional coverage or statewide only?**

During the discussion regarding this question there were many issues and questions raised. The workgroup agreed to make the recommendation that regional coverage is allowed. The idea that regional coverage would allow the carriers to tailor products to meet the needs of specific regions was the basis for the recommendation. Another consideration was that regional coverage would possibly attract more carriers to Arkansas. The workgroup feels that the risk of “cherry-picking” would be offset by the subsidies.

#### ISSUES

There is considerable risk for adverse selection if regional coverage.

#### COMMENTS

Commenter reiterated that the objective of the exchange is to provide more options for more individuals.

Commenter was concerned if not statewide that the healthcare disparities would be an issue.

Commenter stated that Insurers could tailor products to meet needs of particular areas with regional.

Commenter stated that carrier options should not be limited.

Commenter stated that it is important to attract additional insurers to Arkansas.

Commenter stated that there is potential for economic growth for the state.

### **3. Should we have two Exchanges or one (combined individuals and SHOP)?**

The workgroup members agreed that the two Exchange model appeared to allow more flexibility and would enhance Small Business participation. One workgroup member stated that it preferable to have one Exchange for Healthcare providers.

#### ISSUES

The economic viability of two Exchanges.

Portability for Individuals.

Carrier requirements to participate in both sides of the Exchange.

#### COMMENTS

The comment was made that the cost for premiums only varied by \$5.00 for the Individual Exchange versus the SHOPP Exchange according to the Marketplace report prepared by Lars Powell.

**4. Should Exchange be an Active, Passive or Hybrid purchaser?**

The workgroup members discussed the definitions of a Passive purchaser which they defined as an organization that provides the products offered, sells the insurance, takes the money for the product and pays money out. The Passive purchaser is not involved in setting up a Marketplace. The Active Purchaser was defined as anything other than an Active purchaser. An Active purchaser is involved in cost setting and setting quality standards. The workgroup defined a Hybrid Purchaser as one that has the potential to maintain cost and quality without direct negotiation. The workgroup members recommended a Hybrid Purchaser Model that stresses Quality, Choice and Access with the flexibility in the marketplace in order to create viability in the rural areas.

**5. Fees to support the Exchange: Should they be assessed on QHP's sold inside and outside the Exchange?**

The workgroup recommends that fees should be assessed on QHP's Inside the Exchange and on "Exchange-like" products that are purchased outside the Exchange.

**6. Should we have an Inside and Outside the Exchange Marketplace?**

The workgroup recommends that products offered Inside the Exchange (Individual and/or Group) also be offered Outside the Exchange.

**7. Is it reasonable to have The Employee Benefits Division expand their facilities to take on the Exchange or make the EBD a non-state agency to take on the Exchange?**

The workgroup had various opinions regarding this question of which many issues and questions raised. The workgroup made the recommendation that there be a process to determine the best qualified agency to handle the Exchange.

COMMENTS

The commenter stated that the Exchange should not be handled by a State Agency.

Another commenter stated that the Exchange should be managed separate from the Employee Benefits Division.

**8. What should the Board composition for the Exchange look like?**

The workgroup discussed in detail many issues regarding this question. The workgroup recommends that the Board be highly competent. The workgroup recommends that there be designated position requirements to be a member of the board and that the board is appointed in a manner that prohibits appointment by one individual (such as by the Governor or the Commissioner). The workgroup recommends that the board include a person from the Insurance, Provider, Consumer Industry as well

as a Legislator. The board members would not be paid except for per diems and would potentially include someone from each of the eight regions that are currently designated by the Department of Health. The board would include between 5 to 15 members and could potentially have an Advisory Board and/or an Executive Board.

VIII. Future Exchange Planning Discussions

The next meeting will be held October 24, 10a to 12p at the Arkansas Studies Institute, Room 204.