Arkansas Health Benefits Planning Exchange

Steering Committee Meeting	November 1, 2011	AR Health Benefits Exchange Planning AID- Hearing Room 1st Floor	3:00 PM – 5:00 PM

Members Present:	***Consultants:***	***Members Absent:***
Fred Bean Elizabeth Burak Michael Crump-DHS for Marilyn Strickland David Deere Rep. Barry Hyde Joni Jones Dr. Cal Kellogg Dr. Drew Kumpuris Tim Lampe Ray Scott ***Staff:*** Cindy Crone Craig Wilson-ACHI	Matt Cullen-First Data Carol Cassil- AFMC ***Guests:*** Dolores Chitwood-NAIFA Tricia Larson-Paschall Strategic Communications Melissa Masingill-Delta Dental John Ryan-Novasys Health/Centene Dwane Tankersley - Novasys	Patty Barker Deborah Bell Ed Choate Jim Glick Annabelle Imber Tuck Kevin Ryan Frank Scott John Selig Dr. John Wayne Kenny Whitlock Rep. Jon Woods Dawn Zekis

Meeting Summary:
Items in Bold indicate "action item".

I. David Sodergren, First Data, opened the meeting and welcomed the Steering Committee and guests, who introduced themselves.

II. **The Steering Committee meeting summary from October 18 was approved** as circulated without corrections and will be posted as "final" on the HBE website.

III. Updates

A. UAMS Stakeholder Involvement -David Deere reported that plans were being finalized for Public Hearings in November and December. The schedule will be light in November and heavier in early December with December 1 being the date tentatively planned for three compressed video meetings broadcast to ~15 sites across the state.

B. First Data Update – David Sodergren reported that First Data is working on functional requirements for automation needs for the possible Partnership Model. He introduced Matt Cullen, a consultant with First Data, who will be working on this project.

C. Self-Chartered Health Care Reform Industry Workgroup – Dr. Cal Kellogg reported the group delayed their meeting, providing an opportunity for State Officials to meet first. The meeting is now scheduled November 8th.

D. Project Update (handout) – Cindy Crone provided written report. In summary:

DRAFT

a. October 21st, the AGA Legislative Council reviewed requests for Exchange Planning no-cost extension budget revision and extended First Data contract. There were no further questions, and both are now approved.
b. Quartlery Project Report for period July 1 – September 30, 2011 was submitted to CCIIO and it will be posted on the HBE planning website.
c. Cindy thanked Craig Wilson for compiling and submitting NPRM Comments on Exchanges to DHHS and Steering Committee members for their comments. A copy of Arkansas comments was distributred.
d. Bruce Donaldson is at NAIC meeting in Maryland, attending sessions that focus on potential Plan Management and SERFF interfaces and other Issues that will assist Arkansas in better assessing possible State functions under the Federal Exchange Partnership Model.
e. Questions submitted to CCIIO based on prior Steering Committee input were distributed as a handout. Steering Committee members were encouraged to continue sending questions to be forwarded to CCIIO.
f. At this time, we continue planning toward Level One Funding application in December. This application would be for Federal Partnership Model components.

E. NPRM Comments (handout) - Craig Wilson reviewed NPRM Comments as presented to CCIIO. AR comments focused on consumer protection and state flexibility.

F. Other- Steering Committee member asked how Arkansas Premium Tax collections will be affected with Federal Exchange. If Federal Government operates the Exchange, will the products sold be federal and thus exempt from taxes? If 10% of existing insurance plans are sold through the Exchange beginning in 2014, Arkansas could lose millions of dollars in premium tax revenue currently being used for state fire pensions and other purposes. In addition Arkansas will lose the oppourtunity to collect new Premium Tax fees on the additional 120,000-plus plans sold to previously uninsured Arkansans. What are the direct and opportunity costs to Arkansas of a Federal Exchange? **David Sodergren will apply marketplace projections by Lars Powell and SCIOInspire actuaries to current premium fee of 2.5% to project potential losses and report back to Steering Committee.** Another question raised was, "If Federal Exchange, will Feds determine eligibility and enrollment for *all* Medicaid?" The answer is unknown at present. Would federal or state administrative costs be lower? It was suggested that if the federal hub is "real time" and the Feds determine all Medicaid eligibility, this could have very serious financial implications for Arkansas.

IV. Workgroup Reports/Recommendations

A. Workgroup liaisons reported decreased attendance at October meetings. This could be related to late meeting notices or to members waiting for State Officals to determine next steps. The workgroups did not continue to address policy questions.

B. Following discussion, it was determined that **workgroups will be realigned to focus on Exchange Partnership Model Options for Arkansas.** This would result in **Plan Management**

DRAFT

(likely to include current Provider workgroup members), **Consumer Assistance** (to include Outreach,Education and Navigators), and **Information Systems Workgroups**. Each workgroup will meet as scheduled under the existing structure in November. Members will be thanked for their work to date and invited to self-select into one of the three re-organized workgroups. **Each new workgroup will focus on their specific content area as well as on recommendations for Exchange evaluation, consumer protection/service, and how oversight would best occur for Arkansas-operated Exchange functions.**

V. New Business

A. Exchange Governance Update and Discussion – Commissioner Jay Bradford thanked Steering Committee members for their continued commitment to the Exchange planning process and Arkansans. He reported that "the Exchange is gone for Arkansas". We will have a federal Exchange. Now we must work with the Governor and Legislators toward embracing a Federal Parntership Model so that some consumer protections and revenue are locally controlled. The continued work of this Steering Committee is particularly important now as we work toward support for the Partnership Model. The Partnership Model will need more media support. We've seen positive "letters to the editor" lately *and* "biased" reporting such as that on the recent Summit. When asked about his meeting with Governor Beebe, Commissioner Bradford reported that he had a good meeting with the Governor. Governor Beebe did not approve the Partnership Model nor Arkansas's Level One Establishment application—however, the door remains open to explore both.

B. In light of the current unknowns, the group discussed whether or not to proceed with Public Hearings in November/December. Questions/Comments were: "What would the message be—would it be about the Partnership Model?" ;"What if the Partnership Model is not approved and we've talked with the public about that model?"; "What if these Public Hearings should become an outlet for protest and negative media coverage?"; "If we don't go forward with these, we could be critized for not being inclusive…it's a 'no win', as we're criticized for getting stakeholder input and criticized for not getting it"; " The Public doesn't know specifics about the Exchange yet…and really neither do we…so let's not go public until more is known". **A decision was made to recommend to Commissioner Bradford that the public hearings be placed on hold until more information is known for public discussion.**

C. The question of whether Exchange Governance would be addressed in the upcoming Fiscal Session of the Arkansas General Assembly was asked. The answer: "no, it would take a 2/3 majority to be heard…plus this would open up all Insurance-related legislation". If Governor would act, budgets could be held up.

D. Policy or Politics? A comment was made that this body (Exchange Planning Steering Committee) was established to make policy recommendations about the Arkansas Exchange. The last two meetings have been focused on politics of HBE—understandably so, given that without State operations we have little ability to impact Exchange policy. It was

DRAFT

suggested we either get back on track with policy discussions or embrace political work needed to "make this work" for Arkansans. It's time to find out who supports us. How can we create an opportunity for a logical discussion? This led to a discussion of: **How we can use quality indicators to guide our development work for the Partnership Model?** What are "drop dead" dates for development of specific functions outlined in the Partnership Model? Can we focus on getting those core areas "as good as we can get them"? Following discussion**, the Steering Committee requested the following information by next meeting:**

a. Timelines for implementation of core areas a State can operate under the Partnership Model;

b. Estimated budget for those core areas "to do it right" (quality programs).

This would lead to a proposal we can send CCIIO for Arkansas.

E. The Commissioner and Cindy Crone met with DF&A OSP Director about Exchange planning uncertainty and how that impacts timelines for Partnership Model procurement should Arkansas elect to go that route. OSP will work with AID to expedite procurement timelines the best they can.

F. A discussion of key reasons to promte a Federal Partnership Exchange over a totally Federally-facilitated Exchange identified the following:

a. State costs to connect with the Federal Exchange—particularly the Eligilbility/Enrollment portal—the Federal Partnership Model provides an avenue for funding to Medicaid and AID for planning needed connections/interfaces with the Federal portal;

b. Having more influence on the total enterprise framework (e.g., DHS is interested in exploring other consumer assistance linked to Exchange E/E functions);

c. Arkansas input into defining quality standards for core Exchange components;

d. Direct and opportunity costs if Federal Exchange collects/keeps premium tax revenue;

e. Ability to define and collect State-specific data that can drive State-specific performance improvements in health coverage; and

f. Development of key Exchange components to make later transition to a State Exchnge more viable if State should later elect such

VI. Next Steering Committee Meeting

A. Next Meeting is November 15, 2011; 3:00 – 5:00 AID Hearing Room.

B. Agenda Items will include report on timelines and estimated costs for development of Arkansas-operated functions under the Federal Partnership Model Exchange, and projected costs to Arkansas (direct and opportunity costs) if we lose premium tax revenue.

VII. Public Comment Period – Delores Chitwood, Arkansas NAIFA, encouraged Arkansas to send the Federal government a Partnership Model for approval.

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