

MINUTES
SENATE AND HOUSE INTERIM COMMITTEES ON INSURANCE AND COMMERCE
State Capitol, Room 171
Little Rock, Arkansas
Tuesday, December 5, 2017

The Senate and House Interim Committees on Insurance and Commerce met jointly at 8:30 a.m. Tuesday, December 5, 2017, at the State Capitol, Room 171, in Little Rock, Arkansas.

Committee members present: Senators Jason Rapert, Chairman; Larry Teague, Cecile Bledsoe, and Stephanie Flowers. Representatives Charlie Collins, Chairman; Chris Richey, Deborah Ferguson, Les Eaves, Grant Hodges, DeAnn Vaught, Marcus Richmond, John Maddox, and Les Warren.

Also attending: Representatives Danny Watson and Kim Hammer.

Senator Rapert called the meeting to order.

CONSIDERATION TO APPROVE NOVEMBER 7, 2017, MINUTES **[EXHIBIT C]**

Senator Teague made a motion to approve the November 7, 2017, Senate and House Insurance and Commerce Committee meeting minutes. Senator Bledsoe seconded the motion, and the motion carried.

OVERVIEW OF ARKANSAS ALL PAYOR CLAIMS DATABASE (APCD) **[HANDOUT 1]**

Joseph W. Thompson, M.D. MPH, President and Chief Executive Officer, Arkansas Center for Health Improvement, stated the APCD was developed two years ago in the transparency initiative, requiring payors to share their claims data in the APCD to try to open up the “black box” of health care payments. The intent is to have price transparency in the health care system. After two years, collected data is from:

- Commercial carriers
- Arkansas Medicaid
- State funded self-insured plans, (the two largest are the State Employees and the Public School Employees)
- Medicare
- Workers Compensation Commission

Medical claims include:

- Payments to physicians
- Payments to hospitals
- Payments to different therapists
- Mental health providers
- Pharmacy claims
- Dental claims

Early this year enhancements were added to the database, these include:

- Uninsured hospital discharge data
- Uninsured emergency room data
- A flag on individuals qualifying for medical marijuana to track individual consumption of care before and after medical marijuana use
- Cancer registry
- Birth and death records

There are no individual patient names in this database, there is a 40-digit unique randomized ID so someone can be tracked over time.

Currently, state agencies are not charged for access to the data. The database was built with a federal grant, but there are ongoing costs that are not covered. The price/cost going forward will be determined for all payor databases nationwide. This will be a fiscal session topic, because state agencies use the databases the most. The APCD will need bridge money, approximately \$1.5 million per year for about two years to remain viable. It is expected that national interest in the medical marijuana data will begin to

generate income after about two years. Arkansas is the only state tracking individual medical marijuana use. The goal is for state agencies and BLR to not have to pay for data.

Representative Ferguson asked how the database recognizes a balanced billing charge, an allowable charge, and a participating provider. Dr. Thompson noted, the claim has both what the insurance company paid and what the individual paid.

Representative Collins noted the real opportunity is for someone who funds and manages this, to assess what is working and deliver quality outcomes at lower costs. We want to know where that is happening and what those individuals are doing. Obviously this is a benefit to providers and other groups.

ARKANSAS INSURANCE DEPARTMENT (AID)-PROPOSED RULE 27: MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES (Rule to Allow Medigap Purchase for Someone under 65 with Disability (Act 684 of 2017) [EXHIBITS E-1, E-2]

Mr. Booth Rand, Managing Attorney, AID, stated the proposed rule now says and provides that no later than July 1, 2018, insurance companies that offer Medigap must make these products available to persons under age 65 with a disability on Medicare.

Senator Rapert stated that without objection, Rule 27 has been reviewed and approved.

OTHER BUSINESS

With no further business, the meeting adjourned at 9:05 a.m.