

MINUTES

HOUSE & SENATE INTERIM COMMITTEES ON
PUBLIC HEALTH, WELFARE AND LABOR

March 27, 2014

The House and Senate Interim Committees on Public Health, Welfare and Labor met Thursday, March 27, 2014 at 1:00 p.m. in Committee Room A of the Multi-Agency Complex (MAC) Building.

Public Health Senate members attending were: Senators Cecile Bledsoe, Chair; John Cooper, Jonathan Dismang, Stephanie Flowers, and Missy Irvin.

Public Health House members attending were: Representatives David Branscum, Deborah Ferguson, Greg Leding, Kelley Linck, Fredrick Love, Stephanie Malone, David Meeks, Betty Overbey, and Henry "Hank" Wilkins, IV.

Non-Voting Public Health House members attending were: Representatives Mary Broadaway, Charlotte Vining Douglas, Sue Scott, and Tommy Thompson.

Other legislators attending were: Senators Jane English, Uvalde Lindsey, David Sanders, and Jon Woods. Representatives Charles Armstrong, Duncan Baird, Nate Bell, John Catlett, Harold Copenhaver, Andy Davis, Dan Douglas, David Fielding, David Hillman, Douglas House, Sheilla Lampkin, Andrea Lea, Homer Lenderman, Walls McCrary, Josh Miller, Jim Nickels, James Ratliff, Wes Wagner, and Marshall Wright.

Comments by the Chairs

Senator Cecile Bledsoe called the meeting to order, and announced that the April Public Health Committee meetings are set for April 24 and April 25.

Senator Bledsoe provided answers to questions that were posed by legislators at the last Public Health meeting. Afterwards she acknowledged Breck Hopkins, Legal Counsel, Department of Human Services (DHS), to present the guidelines for Medicaid and Private Option Payment Recovery (*Handout #1*). This question was also raised at the last Public Health meeting.

Consideration to Approve the Minutes of the January 16, 23, & 24, 2014 Meetings and the February 4, 2014 Meeting (EXHIBITS C-1, C-2, C-3, & C-4)

Senator Bledsoe stated that without objection, the minutes will stand as approved.

Implementation of the Private Option: Expansion of Healthcare Coverage (Act 1498 of 2013 and Act 257 of 2014)

Andy Allison, Director, Division of Medical Services, Department of Human Services (DHS), and Joe Thompson, M.D., Arkansas Surgeon General, & Director of the Arkansas Center for Health Improvement (ACHI); presented a brief overview on the implementation of the Private Option.

Dr. Thompson said the Private Option insurance program seems to be operating smoothly and to date there are about 180,000 Arkansans covered in the Private Option plan, out of 500,000 potentially eligible people. Also, Arkansas healthcare providers are already seeing a reduction in uncompensated care.

Reports on the marketplace enrollment by counties will be presented quarterly to the Public Health Committee beginning with the next meeting; along with the review of the evaluation plan for the Private Option. The position of executive director of the Health Insurance Marketplace Board has been offered to Cheryl Smith, formerly executive director of the Utah Healthcare Exchange.

Dr. Allison provided more detail on enrollment numbers in the Private Option program, specifically the medically frail. The average age of enrollees is 38, and the rate of enrollment is growing each month. Dr. Allison also stated that the enrollment process and the connectivity between the federal marketplace and the state marketplace will improve.

Three policy issues with options and/or recommendations to be brought before this committee, the stakeholders and policy makers for discussion are:

- ◆ Implementation of cost sharing for individuals between 50% and 100% of the federal poverty level
- ◆ Developing an alternative approach to providing non-emergency medical transportation
- ◆ Implementation of independent accounts

Dr. Allison stated that “transition to market” is very important to the success of the Private Option Insurance plan, as it will build competition so that one carrier cannot dominate the field. Four cornerstones of the ‘transition to market’ strategy are:

- ◆ To attract out-of-state carriers into the state for statewide participation
- ◆ To work with the insurance commissioner to identify purchasing and regulatory structure
- ◆ Purchasing strategies
- ◆ Restricting benefits to meet budget targets

Update on the Number of People Signing up to Get Health Insurance Through the Marketplace Exchange, and Evaluation of the Private Option (EXHIBIT E)

Cindy Crone, Deputy Commissioner, Arkansas Health Connector Division; and Jay Bradford, Commissioner, both with the Arkansas Insurance Department; presented an update. Jay Bradford stated that by the end of May, 2014 the Arkansas Insurance Department will have a uniform health insurance policy manual for individuals insured by the Private Option plan.

Ms. Crone gave a brief overview of the latest Health Insurance Marketplace report. Next year, January, 2015, insurance carriers will have to submit ‘pricing requirements’ for only the Essential Health Benefits (EHB) of each insurance package offered. This requirement will be for the insured who are both under and over the 138% poverty level mark.

The Private Option dental carriers are located in only three of the five regions of Arkansas. Senator Stephanie Flowers asked Mr. Bradford to provide information on and the location of these dental carriers, and he said he would provide this information to Senator Flowers.

Implementation of the Medicaid Primary Care Case Management Program (PCCM) (Act 1453 of 2013)

Andy Allison, Director, Division of Medical Services, Department of Human Services, presented an update on the PCCM program. This is the procurement and identification of a vendor, to provide care management services for high-cost individuals within the Medicaid program in 39 Arkansas counties (most of these counties are in the Delta, with a few in the Ozarks). This is a voluntary program for physicians & and clinics, and about 5,000 or 6,000 participants have been predicted for the first year.

Implementation of the Medicaid Eligibility Verification System (Act 1265 of 2013)

Andy Allison, Director, Division of Medical Services, Department of Human Services, presented an update on the Medicaid Eligibility Verification System. This act requires Arkansas to use both the federal data services hub to verify eligibility for these health insurance programs and to develop a state services hub that will coordinate with the federal data services hub to increase the accuracy of eligibility determination. This process has been in place for the last several months.

The meeting adjourned at 3:13 p.m.