

MINUTES

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

April 24, 2014

The House and Senate Interim Committees on Public Health, Welfare and Labor met Thursday, April 24, 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; Linda Chesterfield, Vice Chair; Ronald Caldwell, John Cooper, Jonathan Dismang, and Stephanie Flowers.

Public Health House members attending were: Representatives David Branscum, Deborah Ferguson, Kim Hammer, Justin Harris, Greg Leding, Kelley Linck, David Meeks, Betty Overbey, Mark Perry, Butch Wilkins, Henry "Hank" Wilkins, Richard Womack, and James Word.

Non-Voting Public Health House members attending were: Representatives John Baine, Mark Biviano, Mary Broadaway, Charlotte Vining Douglas, John Hutchison, Stephen Magie, Mark McElroy, Sue Scott, and Tommy Thompson.

Other legislators attending were: Senators Joyce Elliott, Jim Hendren, Johnny Key, Bruce Maloch, and Jon Woods. Representatives Charles Armstrong, Eddie Armstrong, Scott Baltz, Harold Copenhaver, Bruce Cozart, Andy Davis, Dan Douglas, Jim Dotson, Jon Eubanks, Joe Farrer, David Fielding, Jeremy Gillam, Bill Gossage, Debra Hobbs, Douglas House, Sheilla Lampkin, Homer Lenderman, Walls McCrary, Josh Miller, Micah Neal, James Ratliff, and Tommy Wren.

Comments by the Chairs

Senator Cecile Bledsoe called the meeting to order, and announced that the May Public Health Committee meetings will be May 27 at 1:00 p.m. and May 28 at 9:00 a.m.

Consideration to Approve the Minutes of the March 27 & 28, 2014 Meetings

Consideration of these minutes will be postponed until the May Public Health Meeting.

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

John Selig, Director, Department of Human Services, Andy Allison, Director, Division of Medical Services, also with the Department of Human Services, and Steven Schramm, Founder & Manager, Optumas; presented the quarterly enrollment report for the Private Option Expansion.

Mr. Selig said that enrollment numbers are large and about 60% of the enrollees are women, the average age is about 39, and about 80% of the people who are eligible for the private option would not qualify for any other insurance. If it wasn't for the Private Option, they would still be uninsured.

Dr. Allison listed the objectives of setting up the Health Savings Accounts for Private Option participants:

- ◆ To help people below 138% of the poverty level gain experience in making monthly contributions towards health costs
- ◆ To give them experience with a healthcare system they may have previously lacked
- ◆ To help them save money for transitioning from the Private Option to the Marketplace.

Representative Kim Hammer wanted to know if the total benefits that a recipient receives from state agencies will be considered as a factor in determining how much to put into their health savings account. Dr. Allison will bring this information to the committee members at a future meeting.

Steven Schramm briefly presented an updated study of the Private Option that was conducted by Optumas, an independent evaluator (*Handout #1*). The four key components Mr. Schramm highlighted and discussed were:

- ◆ The March 2013 legislative cost estimate
- ◆ The waiver budget neutrality cost estimate
- ◆ Differences between the March estimate and the budget neutrality estimate
- ◆ Differences between budget neutrality and actual premium spend to date

This study confirmed that the spending on health insurance premiums remains in line with the budget that was approved in the state's federal waiver and will not exceed budget targets after allowable adjustments are made.

ADOPTION of ISP 2013-189 for Study: "Requesting the House Committee on Public Health, Welfare & Labor Study Cost-Efficient Methods for Tracking Electronic Sales Information of Pseudoephedrine Products Across State Lines". (EXHIBIT H)

Representative Greg Leding, sponsor of the ISP, explained the purpose of ISP 2013-189. Senator Chesterfield made a motion to adopt ISP 2013-189 for interim study. Senator Bledsoe stated that without objection the motion passed.

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

Andy Allison, Director, Division of Medical Services, Department of Human Services, presented a brief update on the selection of a Medicaid Primary Care Case Management (PCCM) vendor. Through a Request for Qualification (RFQ), the vendor that was selected is Community Health Solutions (CHS).

Dr. Allison explained the difference in the way payments are channeled to a PCCM vendor and to a Patient Centered Medical Home (PCMH) provider.

Update on the Number and Demographics of People Enrolled for Health Insurance Through the Marketplace Exchange (EXHIBIT E)

Cindy Crone, Deputy Commissioner, Arkansas Health Connector Division; and Jay Bradford, Commissioner, both with the Arkansas Insurance Department, presented an update on the number and demographics of people enrolled in health insurance through the Marketplace Exchange. Mr. Bradford stated for clarification that this group of people are not on the Private Option as they are over the 138% of the poverty level, and are required to connect through the federal exchange to apply for health insurance.

Ms. Crone briefly discussed in detail, the Health Connector Report, dated April 24, 2014. Contracts with the 26 guide organizations for in-person assister activities will end June 30 2014. To be eligible to sell their policies in the Federally-Facilitated Marketplace in Arkansas for plan year 2015, insurance companies must submit their health plans for certification between May 1, 2014 and June 15, 2014, so that the Arkansas Insurance Department can submit them to the U.S. Department of Health & Human Services (HHS) by August 8, 2014.

Ms. Crone noted that Cheryl Smith has been appointed Director of the Arkansas Health Insurance Marketplace Board (AHIM), and the Arkansas Insurance Department (AID) will continue to work closely with the AHIM to insure a smooth transition from a State Partnership Marketplace to a State-Based Marketplace to be completed in 2016.

Implementation of the Medicaid Verification System (Act 1265 of 2013) and Eligibility & Enrollment Framework Project

John Selig, Director, Department of Human Services, gave an updated report on the progress of modernizing and updating the current verification system. This system verifies eligibility for all the Department of Human Services programs.

The meeting adjourned at 4:10 p.m.