

House and Senate Public Health, Welfare and Labor Committee meeting  
Arkansas Insurance Department (AID)  
Arkansas Health Connector Division (AHCD)  
August 28, 2014



## Update on the Health Insurance Marketplace in Arkansas

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### Plan Management

The Governor's Office announced Tuesday that the aggregate average premium rate for Marketplace plans in Arkansas is projected to drop by 2.2 percent for 2015 from 2014. This calculation includes the policies offered through Arkansas's Private Option, which will notice a small decrease in premiums, but will essentially remain flat in comparison to 2014. This is an aggregate projection, meaning that some individual consumers will see a small increase in premiums, and others will see their costs drop more than two percent.

Final rates will be released once the plans are certified by the U.S. Department of Health and Human Services. Certification is expected by November 3. Open enrollment for 2015 begins on November 15.

Preliminary rate data for on and off Marketplace issuers, placed on the AID Rate Review website in error, was reported by the news media on Friday, August 22 and Saturday, August 23. This data, which contained incomplete and incorrect information, was removed from the AID website on Friday, August 22.

AID announced July 2 that five issuers had filed to offer plans in the Marketplace for Plan Year 2015. The issuers filing for Qualified Health Plan certification are Arkansas Blue Cross Blue Shield, Celtic Insurance Company (Ambetter), National Blue Cross Blue Shield Multi-State, QCA Health Plan Inc., and QualChoice Life and Health Insurance Company, Inc.

The companies submitted plans and named their proposed service areas for 2015, which were carefully reviewed for adequacy by AID. Arkansas Blue Cross Blue Shield and the Blue Cross Blue Shield Multi-State Plan requested an 8.5 percent average increase and a 2 percent increase was approved; Celtic requested a decrease of 9.4 percent and a 12 percent decrease was approved; and QCA Health Plan Inc.

requested a 6.5 percent increase and a 5 percent increase was approved. The QualChoice Life and Health plan is a new plan so there is no increase or decrease from the current year.

## Enrollment

Data that AID received from issuers indicate that through August 3, 2014, there was some increase in enrollment, compared to last month, of consumers with incomes greater than 138 percent of the Federal Poverty Level (FPL). A high percentage of consumers enrolled in Marketplace plans continue to pay their premiums and are keeping their plans active.

According to this most recent data, 42,371 consumers with incomes greater than 138 percent of the FPL have enrolled in Marketplace plans in Arkansas with 36,880 being current on their premiums. Some of those not current on premiums have not yet had their first month's premium due.

Of the 42,371 found to be enrolled in the August 3 report, the top ten counties in terms of individual enrollment by consumers with incomes greater than 138 percent FPL are:

Pulaski	5,559
Benton	3,646
Washington	3,512
Garland	1,910
Faulkner	1,699
Saline	1,530
Sebastian	1,466
Craighead	1,313
White	1,013
Pope	877

The federal government has granted a Special Enrollment Period through October 10, 2014 for eligible consumers who had their Private Option or Medicaid coverage canceled due to being inappropriately enrolled for Medicaid on May 31, 2014. Affected consumers have been notified and should contact the federal call center at 1-800-318-2596.

## Quality Ratings

AID is working in conjunction with Plan Management vendor PCG and diverse stakeholders, especially those participating on the Consumer Assistance Advisory Committee and the Plan Management Advisory Committee, to help create a pilot quality rating system for health insurance plans to be used to assist consumers as they seek to choose plans for enrollment.

The pilot design is to be consumer-centric, address Arkansas's leading health issues, and add minimal administrative burden to providers. The universe of potential metrics was reduced from 107 to 21 with eight alternate metrics that would not be able to be assessed in the first year due to timeframe or other constraints; for example, a two-year time period would be needed to assess appropriate mammogram screenings or, for other measures, data would need to be obtained from clinical records.

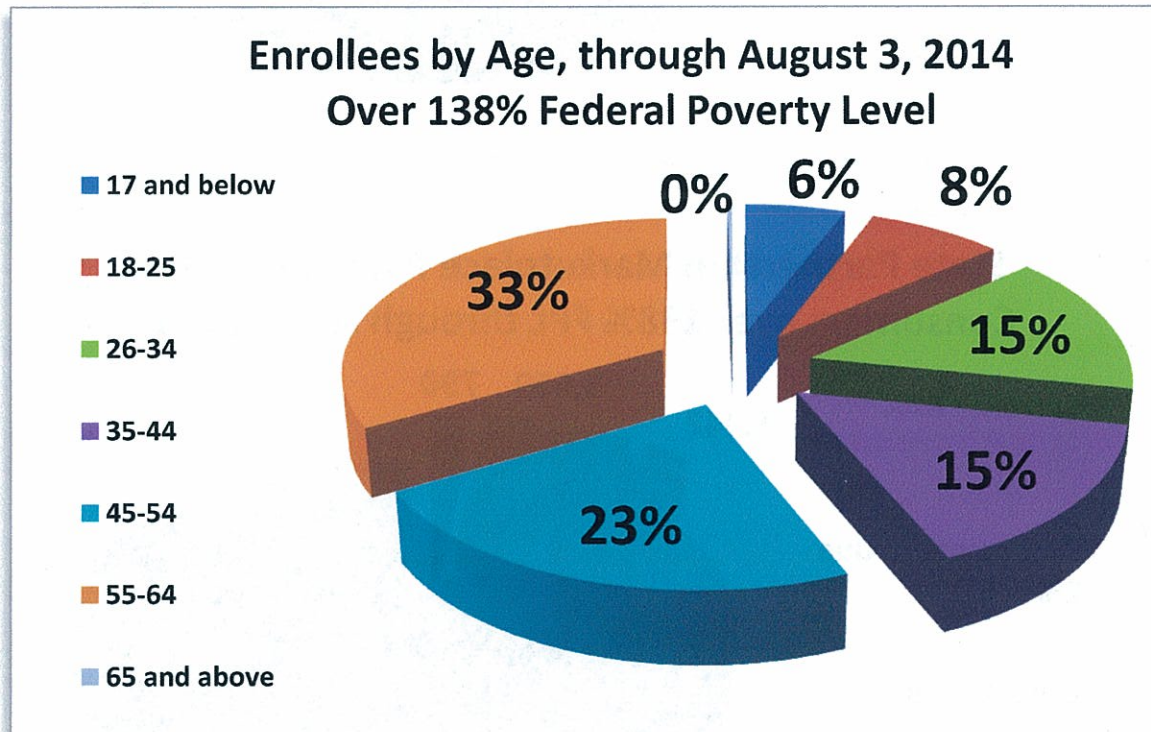
We've received excellent feedback from providers, issuers and consumers, and have made ourselves available to additional feedback from the provider community. The plan is for Arkansas to implement a pilot project to be in effect for 2016 Open Enrollment. This will help prepare Arkansas for the required Quality Rating System, which will start in Plan Year 2017.

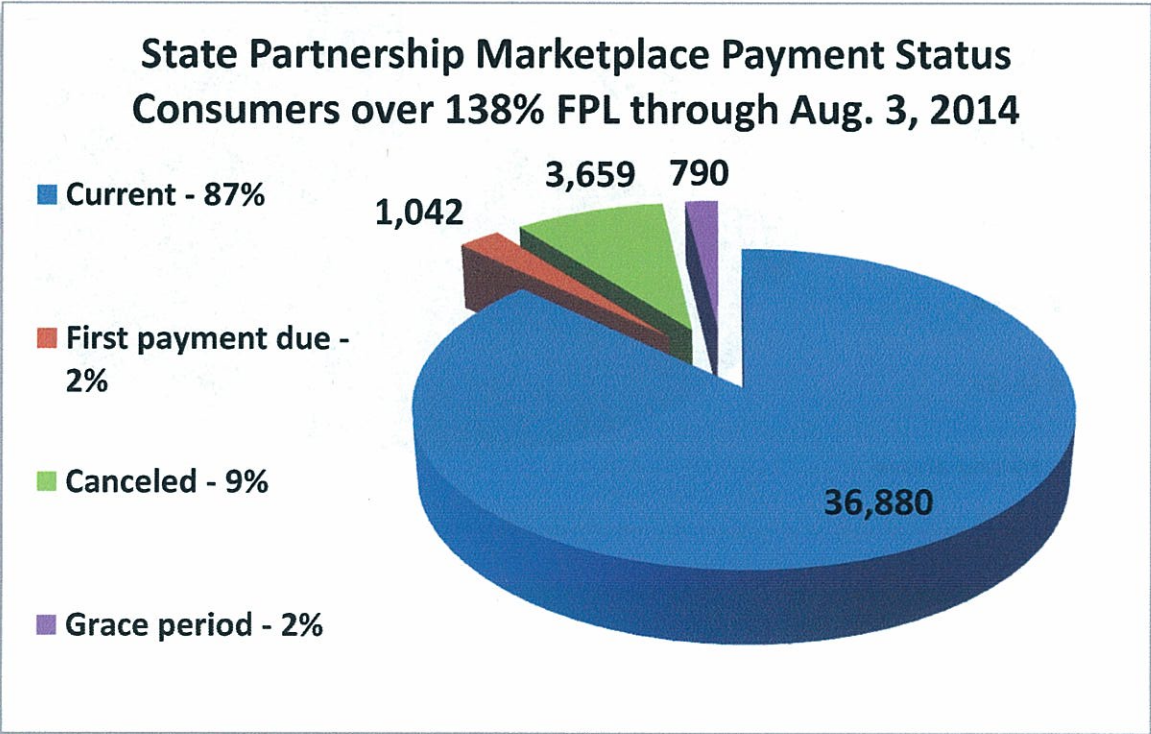
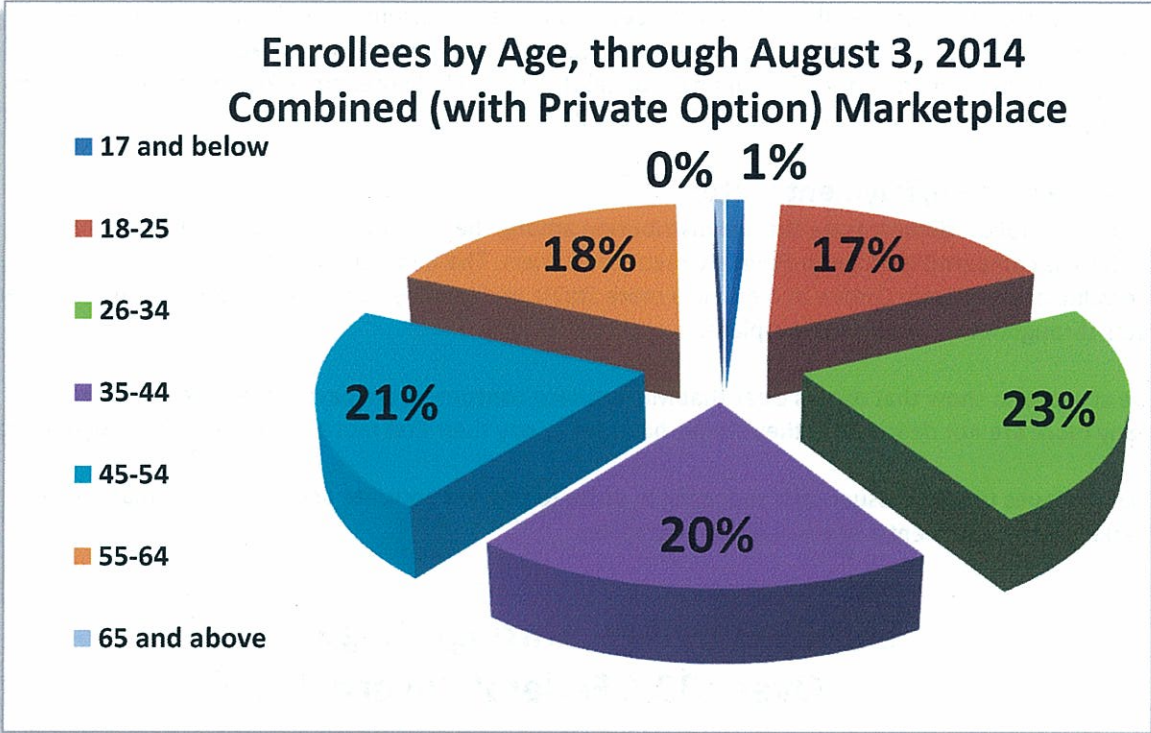
### Age Breakdown/Payment Status

Charts that follow demonstrate the age distribution among the total Marketplace (including Private Option) as compared to the non-Private Option consumers. The numbers continue to provide proof of the value of the Private Option in creating a more stable and healthy risk pool that contributes to better rates throughout the entire Marketplace.

The charts also show that data is clear that Marketplace consumers are paying their premiums and many more are not delinquent; they simply have yet to pay their first month's premium after signing up.

AID continues to refine issuer data reporting in order to provide accurate and timely information about Marketplace enrollment and enrollee demographics.





## Consumer Assistance

The AHCD Resource Center continues to handle calls from the public. We have worked diligently to provide answers to all members of the public—consumers, legislators, and others. We also work to get answers to special inquiries from legislators or other public officials for their constituents. We anticipate increased call volume during open enrollment due to having no statewide guide program, and are making plans to be ready through temporary workers as needed.

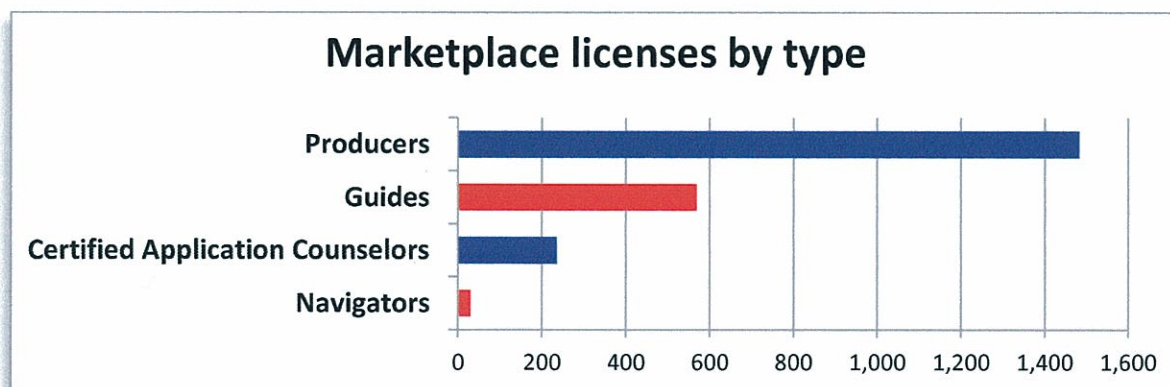
## Licensing

Re-licensure of all Marketplace assisters should be completed by September 30, 2014 according to Act 1439 of 2013. All assisters must complete the federal training as well as state training. The re-licensure fee is \$35. Because required federal training became available only in July for producers but is not expected to be available until September for other assisters, Commissioner Bradford has indicated he will offer a grace period for obtaining the license, or renewal of a license. This step will give assisters extra time to be trained and licensed before Open Enrollment begins November 15. To date, 105 producers have obtained re-licensure.

We are working to expand the number of licensed insurance agents and brokers who also are licensed as Exchange Producers. AID has informed producers of requirements for Marketplace licensure. State-based on-line training is available. Classroom training is also planned. This training will count toward required producer continuing education requirements.

The initial Request for Qualifications (RFQ) to identify insurance training contractors interested in providing the state-specific education in a classroom setting was posted July 25. Initial responses were due on August 22, 2014. One potential vendor, Independent Insurance Agents of Arkansas, applied.

Through August 26, 2,335 Marketplace licenses included 1,493 licenses to producers, 573 to guides, 238 to certified application counselors, and 31 to navigators.



## **New Rules**

The proposed Network Adequacy rule is ready to be filed with the Legislative Council by the AID Legal Division. This step will initiate our public comment period. We expect a departmental public hearing on the rule, perhaps in mid-October.

A public hearing on the proposed rule on the Patient Centered Medical Home (PCMH) was held on August 5, 2014. The public comment period goes through September 4. This rule details the requirement that health insurance carriers participating in the Marketplace must participate in the PCMH program as stated in the Health Care Independence Act and the Medicaid 1115 waiver.

## **AHIM**

The AHCD and the Arkansas Health Insurance Marketplace Board are working on a detailed Memorandum of Understanding to set in place responsibilities going forward as the AHIM, according to Act 1500 of 2013, transitions into being the governance authority over the Marketplace in Arkansas. The timing of this transition remains to be developed and finalized. The federal Center for Consumer Information and Insurance Oversight requested the MOU in conjunction with the AHIM's upcoming Exchange Establishment grant request.