

House and Senate Public Health, Welfare and Labor Committee meeting
Arkansas Insurance Department (AID)
Arkansas Health Connector Division (AHCD)
October 23, 2014



Update on the Health Insurance Marketplace in Arkansas

Enrollment

Data that AID received from issuers indicate that through **October 5, 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, **44,140** consumers (up from **43,146** last month) have enrolled in Marketplace plans in Arkansas with **36,582** (up slightly from **36,557** last month) being current on their premiums. Some of those not current on premiums have not yet had their first month's premium due. The **top 10 counties**, through October 5, in terms of individual enrollment by consumers with incomes greater than 138 percent FPL are shown below.

Pulaski	5,939
Benton	3,764
Washington	3,688
Garland	1,975
Faulkner	1,813
Saline	1,619
Sebastian	1,530
Craighead	1,373
White	1,080
Lonoke/Pope	892

Plan Management

On October 3, AID issued a news release announcing the projected rates for Plan Year 2015. At the September meeting of the Public Health Committee, AID announced that Governor Beebe directed us to expedite the release of the rates to avoid any appearance of politics. AID's initial plan was to release the rates at the time of the plan certification by the U.S. Department of Health and Human Services, which is scheduled to happen no later than November 3 and possibly sooner. However, November 3 is the day before Election Day, which raised some concerns.

The Governor's Office in August announced that 2015 rates for the Marketplace plans in Arkansas are projected to **drop** from 2014 on average by approximately **2 percent** throughout the Marketplace in Arkansas. This is a weighted average. Some premiums will go up and others will go down, depending mostly on the carrier and the rating area in which a consumer lives. Rates vary by **company, type of plan, consumer's age, geographical rating area**, and in some cases, by **smoking status**. There are more than 19,000 possible rates for plans offered throughout the Marketplace in Arkansas.

AID staff worked diligently to sort the Marketplace data and produce a reader-friendly webpage where a variety of rate options can be found. For projected 2015 rate listings visit:

https://ipa.arhealthconnector.arkansas.gov/Rates2015_Select.aspx

The link provides a search feature for specific rates as well as an option to download the complete list of all rates, which is more than 400 pages long.

The following chart includes the projected 2015 average Silver level non-tobacco monthly rates in the Marketplace for the median age in Arkansas (38). The average rates are listed by each carrier in each rating area and do not include tax credits.

	Ambetter of Arkansas	Arkansas Blue Cross and Blue Shield	Blue Cross Blue Shield, Multi-State Plan	QC Life and Health (new)	QualChoice Health Insurance
1. Central	\$338	\$294	\$309	\$363	\$363
2. Northeast	\$294	\$273	\$287	\$399	\$399
3. Northwest	\$309	\$276	\$291	\$327	\$327
4. South Central	\$283	\$272	\$286	\$363	\$363
5. Southeast	\$277	\$291	\$307	\$399	\$399
6. Southwest	\$296	\$295	\$310	\$399	\$399
7. West Central	\$295	\$263	\$276	\$327	\$327

Preliminary analysis of rates for 2015 as compared to 2014 reveal a marked decrease in rates in some of the geographical ratings areas and a slight increase, for the most part, in the other areas.

Below is a breakdown of the increases in Marketplace plans sought by each carrier and the rates allowed by AID.

Carrier	Proposed Average Increase	Approved Average Increase
Arkansas Blue Cross and Blue Shield (includes multi-state)	8.5%	2.0%
Celtic Insurance Company (Ambetter)	-9.4%	-12.0%
QualChoice Health Insurance	6.5%	5.0%
QC Life and Health	New	New
Marketwide	3.1%	-2.2%

Quality Ratings

AID continues to work 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. The pilot data collection, analyses, and reporting would be implemented in 2015.

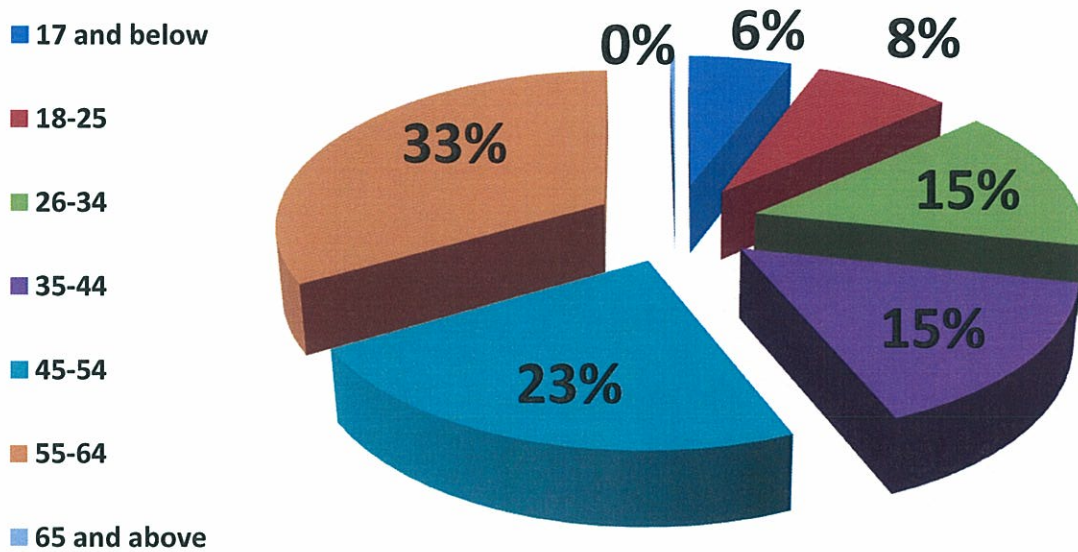
The Steering Committee on September 24 approved a recommendation of **19 metrics for this pilot**, decreased from 21 initially recommended by the advisory committees. Two clinical measures that would have required record review were removed. This recommendation is pending before Commissioner Bradford.

Age Breakdown/Payment Status

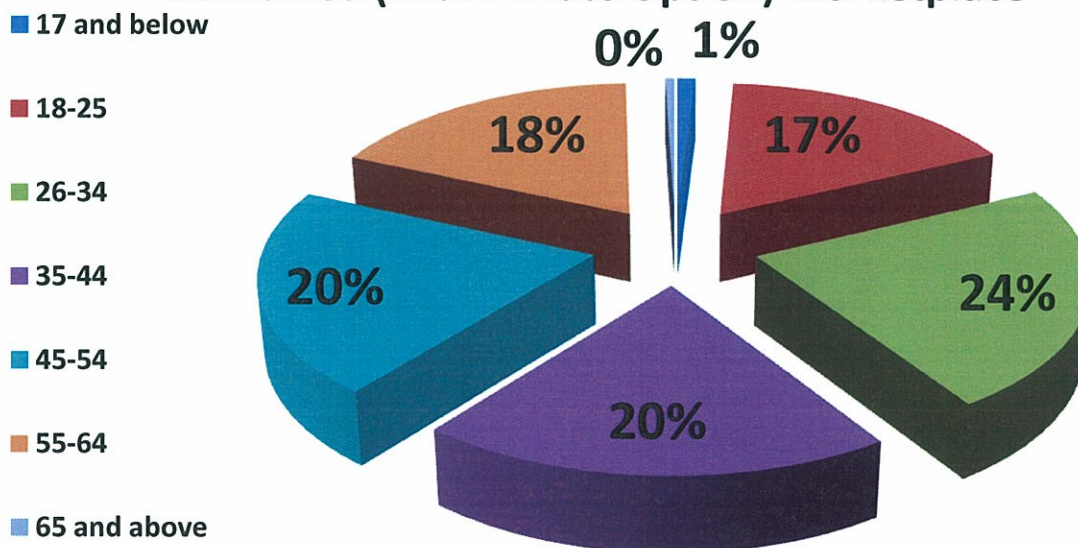
Charts that follow demonstrate the age distribution among the total Marketplace (including Private Option) as compared to consumers with greater than 138 percent FPL. The numbers continue to provide proof of the value of the Private Option in creating a more stable and healthy risk pool that contributes to better rates throughout the entire Marketplace.

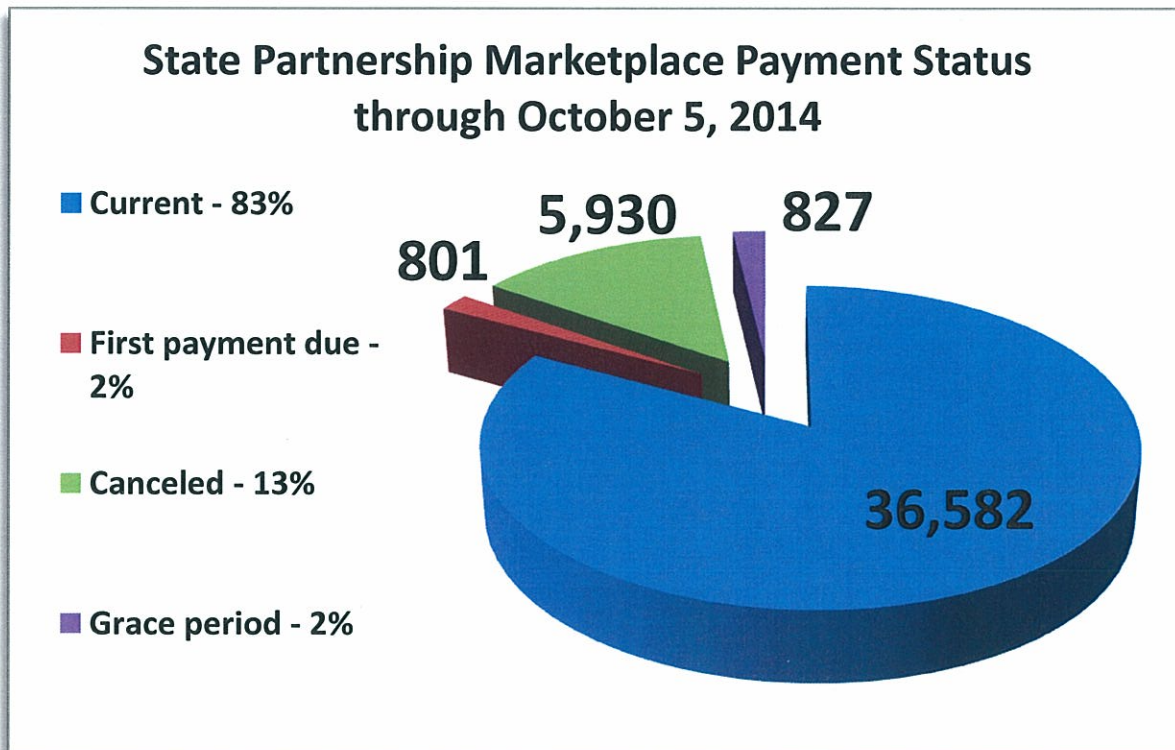
The charts also show that Marketplace consumers are paying their premiums and many more are not delinquent; they simply have yet to pay their first month's premium after signing up.

Enrollees by Age, through October 5, 2014 Greater than 138% Federal Poverty Level



Enrollees by Age, through October 5, 2014 Combined (with Private Option) Marketplace





Consumer Assistance

Commissioner Bradford on September 30 issued Bulletin No. 13-2014 regarding the issuance of notices by carriers to Marketplace consumers about re-enrollment for 2015.

<http://www.insurance.arkansas.gov/Legal/Bulletins/13-2014.pdf>

The notices include, among other things, a description of the annual redetermination and renewal process, the timeframe to report income changes, the timeframes for enrolling for 2015, and the process for providing income information for purposes of determining the Advanced Premium Tax Credit.

The U.S. Department of Health and Human Services announced October 15 that the federal government is encouraging consumers to return to healthcare.gov at the start of Open Enrollment on November 15, update their 2015 application, and compare their options to make sure they enroll in the plan that best meets their budget and health needs for next year. HHS said it is working to make sure consumers have the assistance and information they need.

To help simplify the re-enrollment process, **90 percent** of a consumer's online application will already be filled out or pre-populated. In-person assistance will be available to help review an applicant's options and find a plan that best suits their needs. Also, CMS is staffing an additional **1,000 call center representatives** this year over last year that will be available to answer questions and walk consumers through the coverage process.

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; re-licensure fee is \$35. IPA Guides have not yet had access to federal or state training for Plan Year 2015 while AID awaited information from HHS. In response, Commissioner Bradford is extending the grace period for re-licensure until November 14, 2014, the day before open enrollment begins.

The contract has been finalized with the **Independent Insurance Agents of Arkansas** to provide the state-specific education required for licensure/re-licensure in a classroom setting. The courses offered are “Arkansas 2015 State Based Training” and “ACA Health Insurance Marketplace 101.” Each course may provide producers with two continuing education credits. Thirteen classes are currently scheduled from October 16 through November 19. Locations are Forrest City, North Little Rock, Jonesboro, Monticello, Van Buren, Harrison, Texarkana and Fayetteville.

Nearly **2,400 people** are licensed by AID to help residents in need of health insurance get the necessary information to enroll in a plan best suited for them and their families. Through October 10, 2,370 Marketplace licenses included 1,534 licenses to producers, 568 to guides, 237 to certified application counselors, and 31 to navigators. Nearly 800 exchange producers have completed the re-licensure process to date. Another hundred are in process, and 55 new exchange producers have become licensed.

New Rules

The proposed Network Adequacy rule (Rule 106) will be the subject of a departmental public hearing scheduled for October 29 at 10 a.m. The pending rule regarding the Patient Centered Medical Home (PCMH) rule (Rule 108) will be addressed during the same public hearing.

AHIM

The AHCD has committed to work with the Arkansas Health Insurance Marketplace Board, Executive Director and staff to effect a seamless transition from a State Partnership Marketplace to a State-Based Marketplace. The AHIM has voted to plan to institute a **State-Based Marketplace for Plan Year 2016 for Small Business Health Option Program (SHOP) and for Plan Year 2017 for the individual market**. A formal Memorandum of Understanding has been signed between AID and AHIM regarding functions, timeframes, authority, responsibilities, and oversight for time periods before CMS approval of Arkansas’s SBM, during transition to the SBM, and following official transition.