

## **Grants to States for Health Insurance Premium Review – Cycle 1 Arkansas Project Abstract**

The United States Patient Protection and Affordable Care Act (PPACA) provides Arkansans with long-overdue opportunities for improved access to health care services. Insurance reform is the dominant theme of the PPACA. The Arkansas Insurance Department (AID) has responsibility to serve and protect the public by equitable enforcement of the state's laws and regulations affecting the insurance industry. During this time of dynamic health care reform, there is an urgency to transform health insurance rate approval and cost monitoring requirements and processes to insure transparency and consumer protection against unreasonable, unjust, or excessive health insurance rate increases.

With strong commitment and capable change leadership by Governor Mike Beebe and Arkansas Insurance Commissioner Jay Bradford, Arkansas stands ready to expand and enhance the health insurance rate approval processes in Arkansas. Jay Bradford will serve as project director for this Premium Review – Cycle 1 grant. Under his leadership, The Arkansas Insurance Department plans to: 1) expand its legal authority for health insurance rate review and approval/disapproval; 2) enhance expertise for health rate reviews; 3) enhance technology and programmatic infrastructure to effectively collect, analyze, track and report health insurance rate filings and outcomes to diverse stakeholders including the general public and enrollees, insurers, health care providers, and policymakers including state legislators and the DHHS Secretary; and 4) create a health insurance rate review education, outreach, and training program dedicated to information dissemination about rate approval processes and rate trends to diverse stakeholders including the general public and special consumer populations, policymakers, health insurers, health care providers, and the business community.

The proposed funding of one million dollars will be used to: 1) upgrade-staff and technical expertise/efficiency for rate reviews through actuarial/information technology consultation and process improvements; 2) increase dedicated AID rate review effort by five full time positions; 3) create and staff an active consumer-driven Advisory Council to assist with implementing meaningful methods to improve consumer knowledge and involvement in rate approval processes; and 4) equip a modern, state-of-the-art Rate Review Center at AID that will serve as the “nerve center” for health insurance rate review information exchange with the general public and professional health industry groups.

The AID plans to obtain broad rule-making authority for all insurance rate matters and to immediately expand prior approval authority to small groups. This will include amending the definition of small group from 2-25 to 2-100. Actuarial and information technology consultation made possible by the Cycle 1 funding will be used to evaluate needed process improvements and implement strategic improvements. These improvements are expected to result in more in-depth and comprehensive rate review requirements with transparent processes, routine trend analyses, and active public, Department of Health and Human Services, and industry reporting. The ultimate goal is consumer protection and improved health care access.