

**REPORT OF THE
ARKANSAS HEALTH INSURANCE MARKETPLACE (AHIM)
OVERSIGHT SUBCOMMITTEE
OF THE
ARKANSAS LEGISLATIVE COUNCIL**

August 18, 2017

Senator Sample and Representative Branscum, Co-Chairs:

The Arkansas Health Insurance Marketplace (AHIM) Oversight Subcommittee met Thursday, August 17, 2017, in Committee Room B, MAC in Little Rock, Arkansas. The subcommittee heard testimony regarding the following items:

1. Angela Lowther, Deputy Director and Acting Director of the AHIM Board of Directors, provided members of the subcommittee with a written summary of the activities of AHIM since it was established in 2013. She reported that the Arkansas Individual Marketplace currently serves 70,641 enrollees, and the Small Business Exchange (SHOP) covers 79 employers and 476 individuals.

Ms. Lowther also discussed a 4-year sustainability plan for AHIM, which is based on AHIM's ability to collect 1.5% of all premiums sold on the exchange for their operations. She compared data from Nevada, New Mexico, and Oregon with Arkansas data, since all four states operate a state-based exchange on the federal technology platform.

Ms. Lowther reminded members that the federal technology fee was increased to 2% for plan year 2018 and as a result the AHIM reduced the amount they will receive to 1% to maintain the 3% total fee on insurance companies.

2. Insurance Commissioner Kerr discussed the possibility of the Arkansas Insurance Department taking over the responsibilities of the Arkansas Health Insurance Marketplace. Their initial determination is that many of the functions performed by AHIM are already performed by the Arkansas Insurance Department (AID). There are a few functions that AHIM performs that AID does not perform. The language in AID's budget does not allow it to market, advertise, or perform outreach related to the Insurance Exchange.

However, it appears that with the addition of a few budget resources related to IT (Information Technology) and accounting that AID could perform most all of the functions of AHIM. In addition, Commissioner Kerr stated it appears that replacing some or all of the functions of AHIM within the AID has the benefit of reducing taxes, government spending, and consolidating functions that are duplicative in nature.

Respectfully Submitted,

Senator Ronald Caldwell, Co-Chair

Representative Deborah Ferguson, Co-Chair