

MINUTES

ALC-ARKANSAS HEALTH INSURANCE MARKETPLACE LEGISLATIVE OVERSIGHT SUBCOMMITTEE

July 20, 2017

The ALC-Arkansas Health Insurance Marketplace Legislative Oversight Subcommittee met Thursday, July 20, 2017 at 10:00 a.m. in Committee Room B of the Big MAC Building, Little Rock, Arkansas.

Senate Marketplace Legislative Oversight Subcommittee members attending: Senators Ronal Caldwell, Co-Chair; Larry Teague, Vice-Chair; Cecile Bledsoe, Linda Chesterfield, Jim Hendren, Terry Rice, and Bill Sample.

House Marketplace Legislative Oversight Subcommittee members attending: Representatives Deborah Ferguson, Co-Chair; David Meeks, Vice-Chair; Mary Bentley (Alternate), Ken Bragg, David Branscum, Kim Hammer, Jack Ladyman (Alternate), Ron McNair (Alternate), Laurie Rushing (Alternate), and Jeff Wardlaw.

Other Legislators Attending: Senators Lance Eads, Scott Flippo, Trent Garner, and Missy Irvin. Representatives Fred Allen, Charlotte V. Douglas, Jon Eubanks, Kenneth Ferguson, Jeremy Gillam, Fredrick Love, Matthew Shepherd, DeAnn Vaught, Les Warren, and Danny Watson.

Call to Order & Comments by the Chairs

Representative Deborah Ferguson called the meeting to order. For clarification purposes, Representative Ferguson stated as a result of Act 4 of the First Extraordinary Session of 2017, the Arkansas Health Insurance Marketplace Legislative Oversight is now a subcommittee of the ALC (Arkansas Legislative Council).

Consideration to Adopt the October 28, 2016 Meeting Minutes (EXHIBIT C)

Representative Ferguson stated that without objection, the October 28, 2016 meeting minutes are approved.

Discussion of the Creation of this Subcommittee, Act 4 of the First Extraordinary Session of 2017 (Exhibit D)

Alix Stephens, and Jessica Beel, both Legislative Attorneys with the Bureau of Legislative Research, explained Act 4 of 2017, the process by which this subcommittee was formed. They also outlined the tasks and requirements of the subcommittee members going forward.

Update on the Budget, Personnel, and Recent Activities of the Health Insurance Marketplace Board of Directors (Exhibits E-1, E-2, and E-3)

Mike Castleberry, Chair, and Angela Lowther, Deputy Director, & Acting Director, both with the Arkansas Health Insurance Marketplace Board; presented the update.

Mr. Castleberry and Ms. Lowther gave a brief history and explanation of the Health Insurance Marketplace from inception to the present, which included detailed information of financial transactions, usages, and procedures (The Marketplace was organized in 2014 through Act 1500 of 2013). Ms. Lowther stated this is a state-based exchange, operated on a federal technology platform, and it was launched in late 2015. The Marketplace does not use state funds and will not request any funding from the state. In addition, this is the first year the Marketplace has operated on a self-sustaining budget. Marketplace funds are from a federal grant and user fees that are assessed on both individual and SHOP exchange plans *only*.

Tony Beeler, Chief Financial Officer, AHIM, explained expenditures, cash flow, and the operating budget for AHIM. In calendar year 2017, AHIM expects to collect approximately \$10 million in user fees; and these user fees are split 50/50 between state and federal governments.

Kelley Linck, Chief Governmental and Legislative Affairs, Department of Human Services, explained the process of and the reasoning for transitioning from Medicaid, the people who have become ineligible because their income is between 100% and 138% of the poverty level, to the exchange. He also explained the general enrollment process into the exchange, and how these people will be notified. DHS will work with the insurance carriers and the enrollees to help make these transitions seamless.

Ms. Lowther explained the working relationship between AHIM and the insurance companies, why the exchange hired navigators, and what purpose they serve. Navigators are required by federal legislation establishing the marketplace.

AHIM will research and study the following information requests to present to the members at the next meeting:

- ❖ An updated budget model for 2016:
- ❖ What are the collateralized requirements for business funds
- ❖ What is the total dollar amount of unpaid fees (\$13 per month per member) for the 100%-138% population
 - Who is responsible to make up this shortage
- ❖ The subcommittee requested a more complete breakdown of AHIM's budget

Representative Ferguson stated that the challenge of this subcommittee is to introduce legislation on how to move forward with the Health Insurance Marketplace. The task force will also look at comparison studies that were researched by the NCLS (National Conference of State Legislators) and the SLC (Southern Legislative Conference) of how other states are managing their exchanges.

The meeting adjourned at 11:20 a.m.