

EXHIBIT C

MINUTES

ALC-ARKANSAS HEALTH INSURANCE MARKETPLACE LEGISLATIVE OVERSIGHT SUBCOMMITTEE

August 17, 2017

The ALC-Arkansas Health Insurance Marketplace Legislative Oversight Subcommittee met Thursday, August 17, 2017 at 1:30 p.m. in Committee Room B of the Big MAC Building, Little Rock, Arkansas.

Senate Marketplace Legislative Oversight Subcommittee Members Attending: Senators Larry Teague, Vice-Chair; and Jim Hendren.

House Marketplace Legislative Oversight Subcommittee Members Attending: Representatives Deborah Ferguson, Co-Chair; Ken Bragg, Frances Cavenaugh (Alternate), Jim Dotson (Alternate), Kim Hammer, John Maddox (Alternate), Chris Richey, Brandt Smith (Alternate), and Carlton Wing (Alternate).

Other Legislators Attending: Senators Lance Eads, Scott Flippo, Trent Garner, Missy Irvin, Uvalde Lindsey, and David Wallace. Representatives Fred Allen, LeAnne Burch, David Fielding, Lanny Fite, Justin Gonzales, Lane Jean, Johnny Rye, Matthew Shepherd, Danny Watson, and Jeff Williams.

Call to Order & Comments by the Chairs

Representative Deborah Ferguson called the meeting to order.

Consideration to Adopt the July 20, 2017 Meeting Minutes (EXHIBIT C)

Representative Ferguson stated that without objection, the July 20, 2017 meeting minutes are approved.

Update on the Budget and Recent Activities of the Health Insurance Marketplace (AHIM) Board of Directors (EXHIBIT D)

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

Ms. Lowther gave an overview of the history of the Arkansas Health Insurance Marketplace from its inception down to the present time, with a recap of the timeline in establishing this entity. Ms. Lowther also explained:

- ❖ The financial and budget breakdown as shown on page 5 of Exhibit D
- ❖ The breakdown of AHIM's 2017 transactions by category and month as shown on page 13 of Exhibit D
- ❖ The functions of SHOP and how AHIM supports the SHOP.

Ms. Lowther detailed the remainder of the report for the members, and stated that AHIM has to be, and will be, prepared for open enrollment by November 1, 2017.

Tony Beeler, Finance Director, AHIM, recapped the March, 2017 decision to cancel AHIM's portion of the ESI (Employer-Sponsored Insurance) in the Arkansas Works program. The legislature may designate the use of the AHIM cumulative balance--which includes the trust fund (The current trust fund balance is \$359 million as of July, 2017.).

Mike Castleberry assured Senator Larry Teague that AHIM business funds are now collateralized. Senator Teague and Mr. Castleberry see the following *potential* problems:

- ❖ If the federal government makes last minute changes that affect state insurance guidelines and regulations, it is possible that AHIM may not be ready for open enrollment by November 1, 2017.
- ❖ If the federal government makes last-minute changes, the navigators will be very challenged to reach all eligible enrollees during the open enrollment period.

Mr. Linck stated that the newly eligible enrollees will be phased in at approximately 5,000 clients per month during their re-enrollment anniversary period.

Mr. Beeler will check and verify the numbers for ‘total program expenditures’ that are listed in the Marketplace Contracts Comparison Table on page 20 of Exhibit D; and will present the correct figures at the next meeting.

Discussion of the Possibility of the Arkansas Insurance Department (AID) Taking Over the Responsibilities of the Health Insurance Marketplace Board of Directors—Financial Responsibilities and Legislation Needed (*Handout*)

Allen Kerr, Insurance Commissioner, Arkansas Insurance Department, presented this discussion. Zane Chrisman, Deputy Commissioner, Regulatory Health Link Division, Arkansas Insurance Department, and Suzanne Tipton, Chief Counsel, Arkansas Insurance Department, assisted Mr. Kerr with the presentation.

The handout from the AID included a diagram of the 2017 Arkansas Health Insurance Ecosystem. It showed how AID, AHIM, FFM (Federally Facilitated Marketplace) and DHS work seamlessly together to provide health insurance for the residents of Arkansas. Mr. Kerr also:

- ❖ Explained the duties and responsibilities of AID and of AHIM
- ❖ Compared the functions of and the budgets of the two agencies.
- ❖ Detailed the possible options for transitioning AHIM’s responsibilities over to the Arkansas Insurance Department; and what, if any, changes would need to be made for a smooth, efficient, and effective transition.

The transition could take place near the end of 2018 and the start of 2019.

Delores Chitwood, Legislative Advocacy Chair for NAIFA (National Association of Insurance and Financial Advisors of Arkansas), described NAIFA’s role in enrolling clients into health insurance; and stated that NAIFA is trying to insure the re-enrollment notices are getting to everyone in a clear and understandable format.

Rep. Hammer, suggested having a 3rd party assessment of AID and AHIM to verify:

- ❖ That neither agency will have a potential conflict of interest
- ❖ There will be an independent and impartial assessment of comparisons, including cost comparisons, between both agencies
- ❖ Inform us of what other states have done and their results

Rep. Ferguson asked Commissioner Kerr to present the following information at the next meeting:

- ❖ How the AID will reduce the current AHIM budget to one million dollars if current AHIM responsibilities are transferred to the Arkansas Insurance Department
- ❖ A breakdown of how many people are in each type of insurance plan

Representative Ferguson stated the insurance carriers will be invited to the next meeting; and she reminded the members this subcommittee will meet every Thursday before Legislative Council.

The meeting adjourned at 3:05 p.m.