

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

May 10, 2012

Mr. David Ferguson
Room 315, State Capitol Building
Little Rock, AR 72201

Dear Mr. Ferguson,

I am writing in response to your letter of April 24, 2012 requesting:

- 1) A list of all vendors that the Arkansas Insurance Department is working with to implement the Arkansas Qualified Health Plan Program with the federal Health Benefits Exchange;
- 2) The duties the vendors are performing and a listing of the tasks completed; and
- 3) A running total of the vendors' expenditures to date.

Each vendor contract is identified below, followed by scope of contract work, tasks completed, and expenditures to date. All contract funds are federal funds awarded to Arkansas through an Initial Planning Grant (9/30/10 – 9/29/12) and a Level One Cooperative Agreement (2/22/12 – 2/21/13 with option for no cost extension).

First Data Government Solutions, LP Contract-4600021816
11311 Cornell Park Dr., STE 300, Cincinnati OH 45242

Contracted to conduct background research, analyze data, identify options, and recommend a viable plan for developing and sustaining the complete Arkansas Health Benefits Exchange. Scope of work included describing needs, refining goals, and outlining activities, products, costs, timelines, and benchmarks for developing and sustaining a consumer-centered and stakeholder-supported Arkansas Health Benefits Exchange.

Total Contract: \$381,900.00
Expended to date: \$381,900.00

Tasks Completed: Planning documents delivered. Arkansas did not elect a State Exchange. Planning documents posted on Health Benefits Exchange Website. <http://hbe.arkansas.gov/StateRun.htm>

First Data Government Solutions, LP Contract-4600022688
11311 Cornell Park Dr., STE 300, Cincinnati OH 45242

Develop and manage a work plan that will serve as the foundation and guide for the entire scope of services to be performed for the AID FFE-Partnership Requirements Development effort. The work plan will contain all tasks and subtasks inclusive of start and end dates, task dependencies, deliverables,

milestones, and overall schedule. First Data will provide consultation with AID staff and other vendor as needed.

Total Contract: \$563,550.00

Expended to date: \$99,175.00

Amendment 1: Contract amount increased to from \$24,500.00 to \$99,950.00

Amendment 2: Contract extended through December 31, 2012. Deliverable dated November 2, 2011 posted on <http://hbe.arkansas.gov/StateRun.html>

Amendment 3: Contract amount increased to \$563,500.00 from \$99,950.00 for overall project management. During early 2012, First Data performed development for Level One Cooperative Agreement and procurements of Navigator Services, Navigator IT and QHP RFP's.

Tasks Completed: Developed and managed a foundational work-plan and requirements for Navigator Program, Navigator IT, and QHP Certification RFPs. Documents posted on Health Benefits Exchange Website. <http://hbe.arkansas.gov/StateRun.html>

Arkansas Center For Health Improvement (ACHI)

1401 West Capitol, Suite 300, Victory Building, Little Rock AR 72201

ACHI will work with AID Exchange Planning Staff and any AID contractors to conduct and shape background research components; attend AID Exchange Planning staff meetings and other meetings; assist with developing strategic plans for development and implementation of the FFE partnership.

Total Contract: \$12,008.00

Expended to date: \$9,845.66

Tasks Completed: Policy consultants have assisted and continue to assist with strategic planning and policy research development and implementation of the FFE partnership.

Arkansas Center For Health Improvement (ACHI)

1401 West Capitol, Suite 300, Victory Building, Little Rock AR 72201

ACHI will oversee the development and implementation of a public educational campaign to describe the benefits of the FFE partnership. ACHI will manage the planning, creation and implementation of the Campaign targeting small businesses in Arkansas to provide accurate information regarding the Exchange and identify benefits the Exchange will provide. ACHI will utilize its existing relationship with Creative Services at UAMS to develop and implement the ACHI branded educational Campaign using a combination of paid and non-paid media, social media, web marketing, and targeted direct mail. ACHI will be responsible for monitoring planning, creative process and media placement, obtaining Arkansas Insurance Department (AID) approval of messaging and plan prior to external launch, and reporting Campaign plans and progress to the Exchange Planning Steering Committee and other key stakeholders as requested by AID.

Total Contract: \$100,000.00

Expended to date: \$3,030.46

Tasks Completed: Creative work produced print and radio advertisement for small business outreach education. Media buys were postponed due to legislative concerns.

University of Arkansas for Medical Services – Partners for Inclusive Communities (Partners)

2001 Pershing Circle, Suite 300, North Little Rock AR 72114

UAMS Partners for Inclusive Communities will be assisting the Arkansas Insurance Department in planning for a successful Health Insurance Exchange by facilitating meaningful stakeholder involvement in the planning process. Partners will provide key informant interviews; plan and facilitate community meetings in 15 communities; provide initial stakeholder report to AID, other research vendors, and workgroups; participate in Stakeholder Summit, including presenting stakeholder report; participate in Public Hearings in each Congressional District.

Total Contract: \$100,000.00

Expended to date: \$52,471.00

Tasks Completed: 66 community meetings were held across 24 Arkansas cities and towns with diverse stakeholders attending. Key informant interviews were performed in preparation for these meetings. Findings from these activities were presented in written and oral formats and assisted with planning the Stakeholder Summit. Public hearings are postponed due to uncertainty of associated policy issues.

Available at <http://hbe.arkansas.gov/StateRun.html>.

Arkansas Department of Information Systems (DIS)- Contract 2012065

1 Capitol Mall, POB 3155, Little Rock AR 72203

The goal of this agreement is for DIS to provide the Arkansas Insurance Department (AID) with project management support for IT components of the Arkansas operated functions of the FFE-Partnership Model. DIS will provide one full-time, dedicated Project Manager to support AID in interagency planning. AID will be responsible for the daily functions of this position.

Total Contract: \$ 106,704.00

No funds expended to date.

Tasks Completed: Pre-planning to support development of the required AR/FFE information technology systems.

Public Consulting Group- Contract ID-12-0001 - Qualified Health Plan Consultant

148 State Street, Tenth Floor, Boston MA 02109

Development of the Arkansas Qualified Health Plan (QHP) Program at Arkansas Insurance Department in collaboration with the Federally-facilitated Health Benefits Exchange (FFE). The scope of work includes development of business processes for insurance plan certification, recertification, and monitoring to include developing processes and supporting technologies needed to capture information used by stakeholders and provided to users of the FFE.

Total Contract: \$298,000.00

No funds expended to date. Vendor confirmed there will be no charge for work prior to MFG appropriation.

Public Consulting Group- Contract ID-12-0002- Navigator Services - Navigator Program Development
148 State Street, Tenth Floor, Boston MA 02109

The scope of work is to design, develop and implement the Navigator Program according to FFE and Arkansas guidelines and requirements. The Navigator Program will consist of three primary functions: Grant Applications, Grantee Operations, and Navigator Training/Certification/ Operations. PCG will work closely with the Arkansas Insurance Department as well as key stakeholder groups and other contractors to design, develop and implement the Navigator Program.

Total Contract: \$278,850.00

No funds expended to date. Vendor confirmed there will be no charge for work prior to MFG appropriation.

University of Central Arkansas

201 Donaghey Avenue, Conway AR 72035

Provide market competition research for health insurance exchange planning. The objective of this project is to examine the competitive environment in the individual and small group (less than fifty employees) health insurance market among health insurers currently operating and potential new entries in the State of Arkansas and their willingness and interest in participating in the FFE Partnership. This research will also identify FFE Partnership characteristics that are likely to increase marketplace competition.

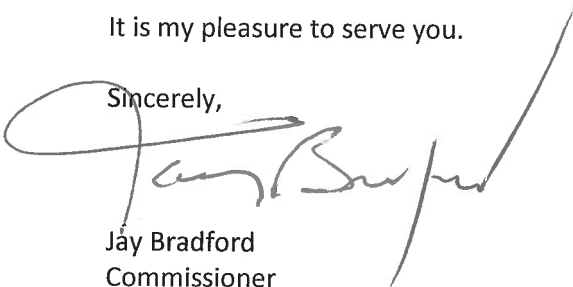
Total Contract: \$97,036.00

No funds expended to date.

If you have questions or concerns regarding this response, please don't hesitate to contact me at (501) 371-2622, or feel free to contact Cindy Crone at (501) 683-3634 or Cynthia.Crone@arkansas.gov.

It is my pleasure to serve you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Bradford", is written over the typed name and title.

Jay Bradford
Commissioner