



# Arkansas Health Care Independence Program

State Legislative Quarterly Report

April 1, 2015 to June 30, 2015



## I. Program Enrollment

Enrollment in the **Arkansas Health Care Independence Program** continued to be strong state-wide during the second quarter of 2015. As of June 30, 2015 more than 259,335 individuals were determined eligible with 25,851 determined to be medically frail. Beginning this quarter, DHS began to release monthly premium information, which is below.

### Private Option Enrollment and Premium Information

Budget Cap approved by CMS for CY2015= \$500.08

	Number Determined Eligible as of last day of Month*	Number of Premiums Paid**	Medically Frail	Cost-sharing reduction payments (CSR)	Premium	Wraparound Costs	Average CSR Per Person	Average Premium Per Person	Average Wraparound Cost Per Person	Total Average Cost Per Person
January	233,518	195,783	23,516	\$25,508,151.10	\$68,503,807.95	\$973,426.24	\$130.29	\$349.90	\$4.97	\$485.16
February	239,350	200,884	23,857	\$26,248,599.58	\$70,489,194.23	\$988,378.53	\$130.67	\$350.90	\$4.92	\$486.49
March	242,103	205,882	24,347	\$26,896,652.57	\$72,250,018.41	\$1,037,256.55	\$130.64	\$350.93	\$4.94	\$486.51
April	250,799	209,896	24,793	\$27,418,676.74	\$73,651,889.01	\$910,738.93	\$130.63	\$350.90	\$4.25	\$485.78
May	254,749	214,461	25,196	\$28,017,823.73	\$75,268,019.34	\$922,949.26	\$130.64	\$350.96	\$4.23	\$485.83
June	259,335	218,376	25,815	\$28,474,137.68	\$76,492,301.12	\$931,810.99	\$130.39	\$350.28	\$4.27	\$484.94

\*Includes medically frail

\*\*At the beginning of each month premiums are paid for people who have completed enrollment by the 15<sup>th</sup> of the prior month. In June, for example, 218,376 individuals had completed enrollment (or were already enrolled) by May 15. Premiums for June coverage were paid in June.

## **II. Patient Experience**

Patient experience will be analyzed as part of the evaluation of the program's Demonstration Waiver. Specifically, the evaluation will determine whether, compared to care patients would have gotten in the traditional Medicaid program over time, the Health Care Independence program provides patients:

- Equal or better access to health care
- Equal or better health care and outcomes
- Better continuity of care

An evaluation of the state based partnership marketplace was conducted this quarter. It compared enrollees in the Health Care Independence Program (HCIP) ability to access services using the National CAPS Benchmark Database (NCBD). Approximately 82% of HCIP enrollees reported getting needed care compared to 81% in the NCBD. However, HCIP enrollees also reported a lower satisfaction rate of accessing services quickly. Additionally, enrollees in Arkansas were less satisfied overall with their health plan compared to respondents in the NCBD with 62% of state based marketplace enrollees. The report can be accessed here: <http://rhld.insurance.arkansas.gov/Info/Public/MiscellaneousReports#>

## **III. Economic impact including enrollment distribution**

Data on the economic impact of the Health Care Independence Program is not yet available. As information on the economic impact of the program (including the impact of premium tax revenue, increased income and sales tax revenue, and data on offset savings) becomes available, it will be included in this report.

In April, Robert Wood Johnson Foundation released a report entitled, "States Expanding Medicaid See Significant Budget Savings and Revenue Gains." This report found that Arkansas experienced savings due to expansion that will offset the cost of coverage for this population until at least 2021. Additionally, the report stated that expansion has reduced state spending on community health centers and local health units by \$6.4M for state fiscal year 2015 without reducing services because the facilities now receive Medicaid payments for services provided to previously uninsured patients who are eligible as new adults.

The report can be accessed here: <http://statenetwork.org/wp-content/uploads/2015/04/State-Network-Manatt-States-Expanding-Medicaid-See-Significant-Budget-Savings-and-Revenue-Gains-April-20152.pdf>

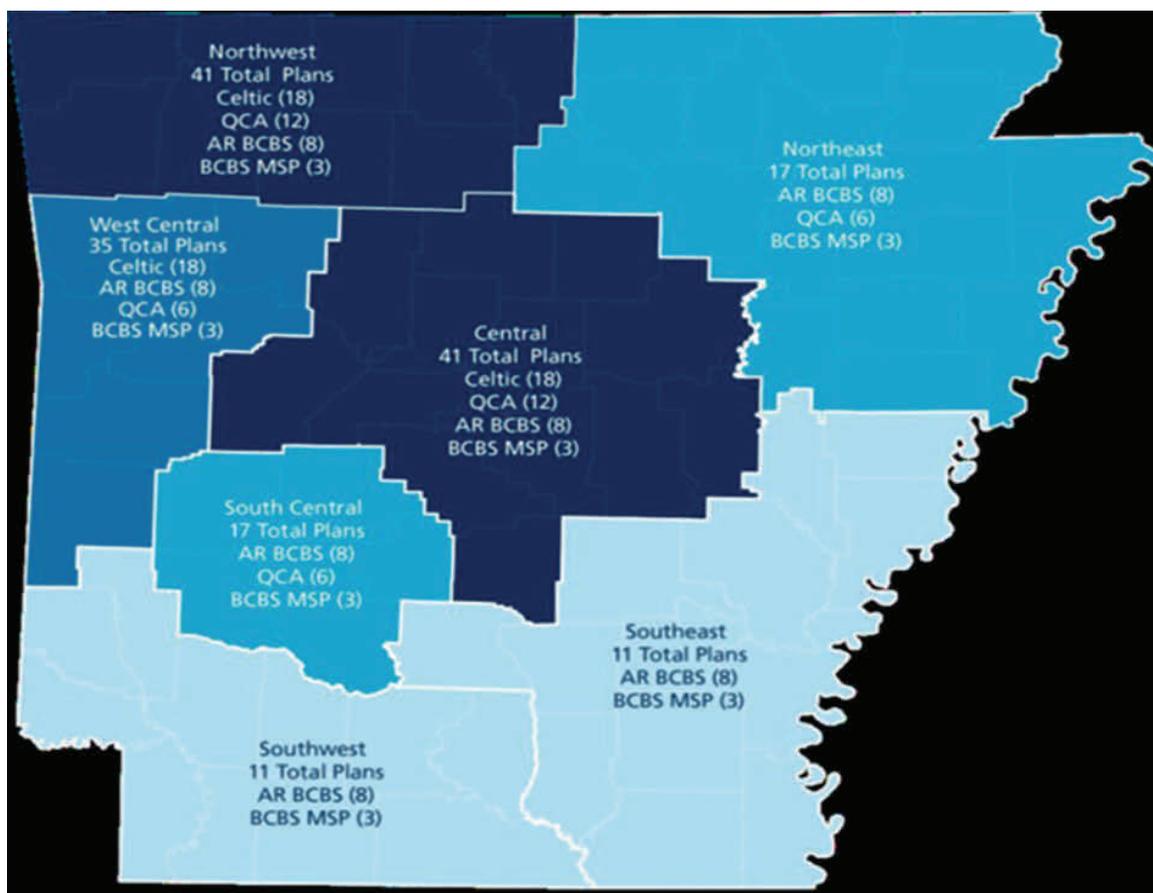
## IV. Carrier competition

For Plan Year 2015, the Arkansas Marketplace has five issuers offering 72 Qualified Health Plans (QHPs) and five issuers offering 12 Stand Alone Dental Plans. These plans are offered through seven rating areas.

The five issuers are:

- Arkansas Blue Cross Blue Shield
- Celtic doing business as Arkansas Health and Wellness Solution (Ambetter)
- QualChoice and Health Insurance Co.
- QC Health Plan, Inc.
- Blue Cross Blue Shield Multi-State Plan.

Carrier competition has increased with the Private Option. QC Health Plan, Inc. was a new issuer for plan year 2015. June 15, 2014 was the deadline for carriers to submit plans for approval as QHPs to be offered on the Marketplace in Plan Year 2015. All carriers were required to submit at least one EHB-only Silver Level plan to be offered on the Marketplace; these would be the plans available for consumers under the Private Option Program. All QHP applicants for 2015 have applied to provide statewide coverage.



## **V. Uncompensated Care**

One goal of the Health Care Independence Program is to reduce uncompensated care provided by Arkansas's hospitals and to reduce the amount of uninsured care provided in emergency departments.

In mid-April the Legislative Healthcare Task Force convened to assess uncompensated care. During that meeting, hospital executives testified regarding the impact of Private Option on their hospitals. Several hospital executives testified that Private Option had dramatically decreased the amount of uncompensated care the hospitals experienced.

The evaluation of the Health Care Independence Program will provide more information in this area once completed. The first evaluation report should be completed by the spring of 2017.