



Arkansas Health Care Independence Program

State Legislative Quarterly Report

July 1, 2015 –September 30, 2015



I. Program Enrollment

Enrollment in the **Arkansas Health Care Independence Program** continued to be strong statewide during third quarter of 2015. As of September 30, more than 234,168 individuals were determined eligible with 21,634 determined to be medically frail. The corresponding monthly premium information 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
July	263,387	223,067	25,838	\$ 29,532,988.36	\$79,374,085.18	\$953,686.25	\$132.4	\$355.83	\$4.28	\$492.50
August	237,921	199,327	22,992	\$ 26,309,933.26	\$70,668,816.97	\$945,106.27	\$131.99	\$354.54	\$4.74	\$491.27
September	234,168	187,246	21,634	\$24,747,988.4	\$66,496,542.46	\$848,573.94	\$132.17	\$355.13	\$4.53	\$491.83

*Includes medically frail

**At the beginning of each month premiums are paid for people who have completed enrollment by the 15th of the prior month. In August, for example, 199,327 individuals had completed enrollment (or were already enrolled) by July 15. Premiums for August coverage were paid in August.

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

In August, The Kaiser Family Foundation released a report on the Private Option program. The report focused on the implementation of the program and included information regarding the patient experience. It was reported that Health Care Independence Program enrollees were generally able to access a broad set of services, including specialty care and providers in rural areas.

The entire report can be accessed here: <http://kff.org/medicaid/issue-brief/a-look-at-the-private-option-in-arkansas/>

III. Economic impact including enrollment distribution

Comprehensive 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 August, the Arkansas Hospital Association released a report that focused on the economic impact of the Health Care Independence Program. The report accounted for the flow of federal funds directly to private health practitioners, hospitals, ambulatory services, and other health care providers and concluded that the state will see positive economic growth due to the Private Option, even after the state begins to contribute matching funds in 2017.

The report can be accessed here: <http://www.arkhospitals.org/Misc.%20Files/August2015APOEconomicImpacts.pdf>

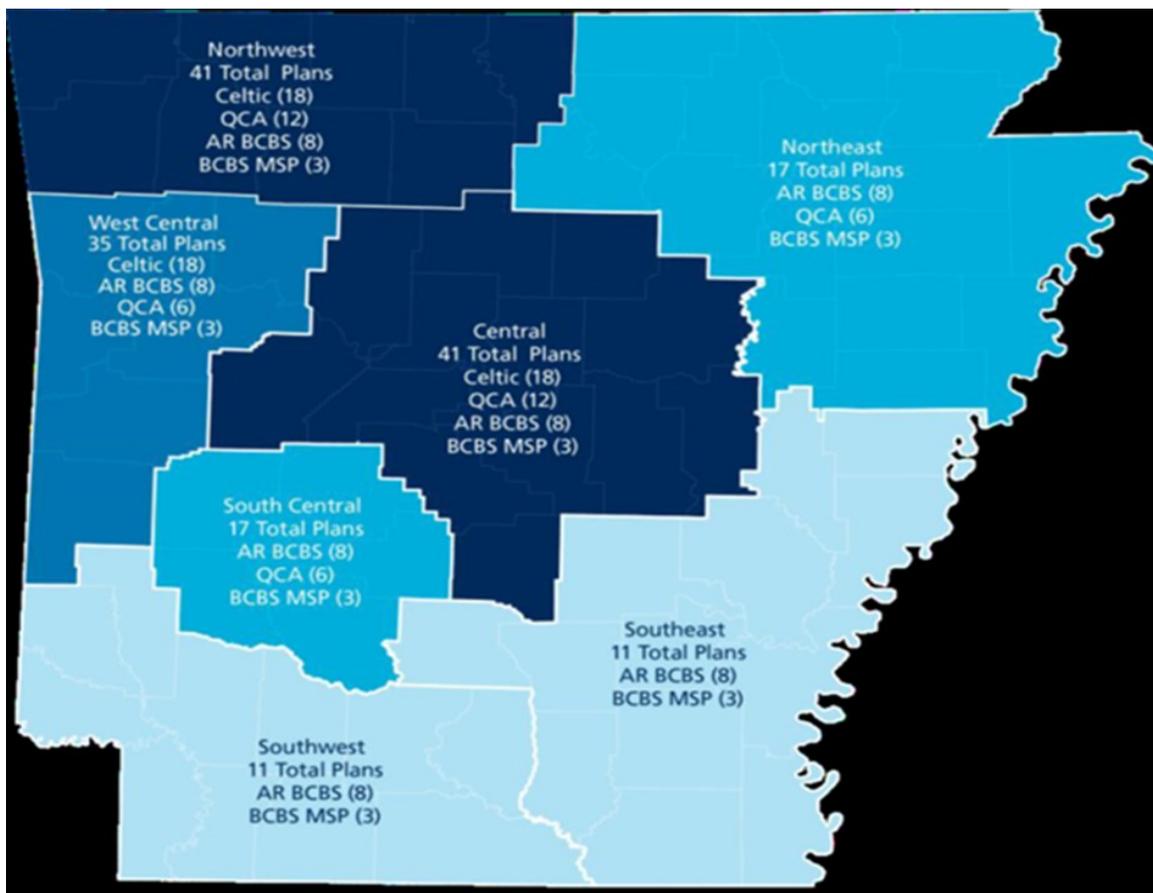
IV. Carrier competition

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.

.On August 25, 2015, carriers submitted their rates for the 2016 plan year to Arkansas Insurance Department (AID). At that time, it was announced that a new insurance carrier, United Healthcare, would enter the marketplace for plan year 2016. The press release can be found here: http://www.insurance.arkansas.gov/index_htm_files/pr2015-8-25.pdf



V. Uncompensated Care

One goal of the Health Care Independence Program is to reduce uncompensated care provided by Arkansas's hospitals.

In August, The Kaiser Family Foundation released an issue brief which found that the Health Care Independence Program reduced the state's uninsured rate; specifically, the report found that hospitals experienced a 55 percent drop in uncompensated care costs and that the uninsured rate for non-elderly adults was reduced by nearly half between 2013 and 2014.

The full issue brief can be found here: <http://kff.org/medicaid/issue-brief/a-look-at-the-private-option-in-arkansas/>

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.