

DRAFT MINUTES**ARKANSAS HEALTH INSURANCE MARKETPLACE BOARD OF DIRECTORS
ONE CAPITOL MALL, COMMITTEE ROOM B
LITTLE ROCK, ARKANSAS**

The Arkansas Health Insurance Marketplace (AHIM) Board of Directors met Thursday, December 5, 2013, at 8:30 a.m., in One Capitol Mall, Committee Room B, Little Rock, Arkansas.

Board members present: Ms. Sherrill Wise, Chairman; Mr. Steve Faris, Vice Chairman; Mr. Fred Bean, Mr. Mike Castleberry, Mr. John Denery, Mr. Greg Hatcher, Ms. Annabelle Imber Tuck, Mr. Jerry Jones, Mr. Chris Parker, Mr. Jay Bradford, and Mr. John Selig.

Legislators attending: Representative Butch Wilkins.

Ms. Wise called the meeting to order.

CONSIDERATION TO ADOPT NOVEMBER 14, 2013, MEETING MINUTES [EXHIBIT C]
Ms. Imber Tuck made a motion to approve the November 14, 2013, meeting minutes. Mr. Faris made a second to the motion, and the motion carried.

GRANT COMMITTEE UPDATE

Mr. Chris Parker, Secretary/Treasurer, Grant Committee Chair, noted the grant request was submitted in a timely manner.

Ms. Cynthia Crone, Deputy Commissioner, Arkansas Health Connector Division, Arkansas Insurance Department (AID), said Vivian Smith from the Center for Consumer Information and Insurance Oversight (CCIO) has requested a routine budget negotiation meeting, by phone, for December 12 at 1:30 p.m. Mr. Parker will be present from the Board.

Ms. Crone noted the process before being able to spend the grant award: they must get on the agenda for the Legislative Council Review process. Once AID receives a grant appropriation, they can enter into a sole source contract with the Board. That would take review by the committee. The Legislative Council Review meetings may not happen during February and March due to the Fiscal Session, therefore, she is not sure when this will occur. She understands this grant money cannot be spent until it is approved through the state process.

SEARCH COMMITTEE UPDATE and EXECUTIVE DIRECTOR ROLE—CONSULTANT VS. INDIVIDUAL [HANDOUTS 1 & 1A]

Ms. Wise said it might be appropriate to have an interim director role filled by a consultant (not a permanent hire) type, possibly a six to nine-month assignment; and a different consultant (or consultant firm) hired to do the Board's work. The Board discussed various options.

Mr. Faris made a motion to begin advertising for the executive director position, the salary to be commensurate with experience, and the closing date is January 10, 2014. Mr. Castleberry made a second to the motion, and the motion carried.

Answering a question on how the Board could pay for the advertising, Ms. Crone noted there is currently \$336,000 the Board can spend as it wishes. Mr. Hatcher suggested a press release by the Board. He will work on this and determine the advertising locations. Mr. Bradford and Mr. Bean will also assist.

TRANSITION DISCUSSION**[HANDOUTS 2, 3, & 4]**

Ms. Jessica Middleton-Kurylo, Attorney, Bureau of Legislative Research (BLR), presented handouts regarding how to call a meeting, #2; an example of a fiscal impact statement for rule making, #4; and questions to consider when promulgating a rule, #3. She noted other documents had been emailed to the Board.

Mr. Bradford suggested FirstData could assist with meeting duties, etc., and Mr. David Sodergren, FirstData, responded that they could work something up regarding a clerical/administrative person. Mr. Bean will work with Mr. Sodergren on this. Mr. Selig suggested the Center for Health Improvement might also be an assistance resource. This will be further discussed at the next meeting.

Mr. Castleberry said there is a conference room in the Prospect Building, [1501 North University] corner of University and Cantrell, which can be used for Board meetings. There is no charge for its use, and there is ample parking. He will talk with personnel again when meeting dates are set to see if the room is available on the respective dates. Mr. Bean explained the room would need to be set up for the meeting, and he noted Mr. Castleberry would do that, while he, Mr. Bean, will furnish the coffee.

Future meeting dates, after December 11 and beginning in January, will be every other Wednesday at 8:30 a.m.: January 15, January 29, February 12, and February 26, 2014.

WORK PLAN AND GOVERNANCE DISCUSSION**[HANDOUTS 5 & 6]**

Mr. David Sodergren, FirstData, was recognized and noted Mr. Bob Casto and Mr. Gary Lieberman will be making presentations today.

Mr. Bob Casto, FirstData, reviewed Handout #5, "AHIM SBM Analysis Tasks", showing the task schedule as it fits into the Arkansas State-Based Marketplace timeline.

Mr. Gary Lieberman, FirstData, reviewed Handout #6, "Arkansas Health Insurance Marketplace: Governance and Related Activities", and noted the legal authority and governance task areas on which they will focus between December 2013 and March 2014. He will be speaking with each Board member individually to get their thoughts on short and long-term objectives, key priorities, operation and project management issues, communication processes, etc. A compilation of this information will be used to establish plans for the Board's governance and communication. Mr. Castleberry will be the "point person" on governance.

PROCUREMENT RULES**[HANDOUTS 7 & 8]**

Ms. Middleton-Kurylo presented the BLR-prepared draft procurement rules, Handout #7, and a shortened version of draft procurement rules, Handout#8, prepared by Ms. Wise. Mr. Matthew Miller, Assistant Director for Legal Services, BLR, reminded the Board it is not bound by state procurement rules. The Board asked if there was a comparison "red-line" document showing the differences between the two versions. There is not one available for today's meeting. Ms. Kurylo noted there are four issues that must be addressed regardless of which version the Board adopts.

- 1) Define small, intermediate and major procurement dollar amounts

The Board decided the dollar amounts to be \$10,000 for small procurements; \$10,000-\$75,000 for intermediate procurements; and \$75,000 and above for major procurements.

- 2) Contract review by Legislative Oversight Committee (LOC) decision (as shown in Handout 7, but not addressed in Handout 8); does the Board want its contracts reviewed, and if so, does it want the review before or after the contract is executed; and does it want to set a threshold contract amount for review.

The Board decided to have review by the LOC of major procurement contracts, but the Board will decide which major procurement contracts to have reviewed.

- 3) Bond requirement for protest in contract disputes (Handout 7, pg.24, but not in Handout 8); the Board may want to consider a threshold contract amount for a bond in these disputes, or the Board may want to require a bond for every contract dispute.

The Board put this issue on hold for now.

- 4) Dispute resolution—the position in the organization which will handle this process.

The Board will discuss this more at its next meeting.

OPERATING RULES

[HANDOUT 9]

Ms. Middleton-Kurylo reminded the Board its Emergency and Proposed Permanent Operating Rules were filed October 30 with the LOC which, at that time, only reviewed the Emergency Operating Rules. The emergency version rules, expiring January 26, 2014, are identical in substance to the permanent version. A proposed permanent rule is effective thirty days after filing, therefore, the proposed Permanent Operating Rules need to be filed by December 26, 2013. The BLR could file them today with the Board's approval.

Ms. Imber Tuck made a motion to file the Proposed Permanent Operating Rules with the LOC. Mr. Faris made a second to the motion, and the motion carried.

NEXT MEETING

The next meeting will be Wednesday, December 11, 2013, at 8:30 a.m., at One Capitol Mall, Committee Room B.

With no further business, the meeting adjourned at 10:55 a.m.