

## MINUTES

### SENATE & HOUSE HEALTH INSURANCE MARKETPLACE LEGISLATIVE OVERSIGHT COMMITTEE

October 30, 2013  
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The Senate and House Health Insurance Marketplace Legislative Oversight Committee met Wednesday, October 30, 2013 at 1:00 p.m. in Committee Room A of the Multi-Agency Complex (MAC) Building.

**Health Insurance Marketplace Senate members attending were:** Senators David Sanders, Chair; Linda Chesterfield, and Jonathan Dismang.

**Health Insurance Marketplace House members attending were:** Representatives Jeremy Gillam, Chair; Eddie Armstrong, John Burris, Deborah Ferguson, and Sue Scott.

**Other legislators attending were:** Senators Jane English, Stephanie Flowers, Jeremy Hutchinson, Johnny Key, and Bruce Maloch. Representatives Mark Biviano, Jim Dotson, David Fielding, Kim Hammer, Douglas House, Joe Jett, Sheilla Lampkin, Walls McCrary, Betty Overbey, James Ratliff, Chris Richey, Frederick Smith, Nate Steel, Wes Wagner, and Tommy Wren.

#### **Comments by the Chair**

Senator David Sanders and Representative Jeremy Gillam welcomed everyone and gave a brief summary of the agenda.

#### **Update on the Status & Enrollment in the Health Insurance Exchanges**

Cindy Crone, Deputy Commissioner, Arkansas Health Connector Division, and Jay Bradford, Commissioner, Arkansas Insurance Department, gave a brief update on the status & the enrollment numbers of the Health Insurance Exchanges (*Handout #1*). There is no available statistical data on enrollment numbers at this time, but this information should be available around mid to late November.

Ms. Crone stated that \$399,000 is sufficient to establish, maintain, and staff the Health Insurance Marketplace website for the period of one year. Mr. Bradford noted there is no state revenue appropriated for this website.

Representative Deborah Ferguson stated that Blue Cross/Blue Shield initiated a 15% reduction in reimbursement funding to physician specialists, and wanted to know the reason for the reduction. Mr. Bradford stated that rates are set by the provider and the insurance company. Representative Tommy Wren commented on the reimbursement reduction to physician specialists, and Representative Hammer pointed out that Blue Cross/Blue Shield is the only carrier that has reduced the physician specialist reimbursement rate.

John Ryan, Chief Executive Officer, Arkansas Health & Wellness Solutions, stated that enrollment in Arkansas is slow on the federal level, but Arkansas Health & Wellness Solutions has been in regular communication with Centers for Medicare and Medicaid Services (CMS), who oversees the federal enrollment process. To prepare for the open enrollment date of the Arkansas Private Option on October 1, 2013, we have been collaborating with and in communication with the Department of Human Services (DHS), and the Arkansas Insurance Department (AID).

Michael Stock, President & Chief Executive Officer, QualChoice of Arkansas, and Cal Kellogg, PhD, Executive Vice President/Chief Strategy Officer, Arkansas Blue Cross/Blue Shield stated the same information. In addition, Mr. Stock stated that the enrollment process is lengthy and time consuming.

**Review of the Health Insurance Marketplace Board (Act 1500 of 2013) Activities to Date (EXHIBIT E-1)**

**- Review of Operating Rules of the Marketplace Board, By-laws, & Articles of Incorporation (EXHIBIT E-2)**

Sherrill E. Wise, Chair of Arkansas Health Insurance Marketplace Board of Directors, and Vice President & Treasurer, Dillard's Inc. and Chris Parker, Health Insurance Marketplace Board Member, and a Partner with Eichenbaum, & Liles, P.A.; presented an update on the board's activities and a review of the operating rules of the Marketplace Board.

Ms. Wise stated that her goals for the Health Insurance Marketplace is to introduce innovative options and to develop a robust consumer-driven health marketplace that changes the way healthcare is delivered in Arkansas. Ms. Wise also gave a progress report on the organizational activities of the Board to date, and a sketch of the next phase of activities. Mr. Parker detailed account of the grant application process.

The Marketplace Board emergency rules were approved by the Health Insurance Marketplace Legislative Oversight Committee members.

Ms. Wise stated that the board hopes to hire an executive director by mid to late February. Because of limited funds, the board is dual tracking the RFP for an Executive Director and a consulting firm. As soon as the executive director is selected, a consulting firm can then be selected. The RFP will stipulate a limited term (3-6 months) with limited scop.

The meeting adjourned at 3:55 p.m.