

ARKANSAS
Health Insurance
MARKETPLACE

October 1, 2015

Legislative Oversight Committee

State Capitol
500 Woodlane Street
Suite 320
Little Rock, AR 72201-1090

Dear AHIM Legislative Oversight Committee members,

This letter is in response to the requested report outlined in Act 1500 regarding an initial assessment or user fee for the purpose of the Arkansas Health Insurance Marketplace ("AHIM"). Please consider the contents of the letter to be the AHIM Board of Directors' ("The Board") decision for plan year 2017.

The AHIM Board respectfully recommends an initial assessment or user fee of 3% over and above the state premium tax, to be applied against all Qualified Health Plans (QHPs) sold in the Marketplace in Plan Year 2017. This recommendation is subject to Centers for Medicare and Medicaid Services ("CMS") approval that this fee would replace the current 3.5% assessment being charged by the federal government on all Arkansas QHP premiums, except Private Option premiums.

We look forward to working with you on an ongoing basis and, as required by Act 1500, will provide a report no later than October 1, 2016 regarding initial assessment or user fees for plan year 2018. If you have further questions regarding The Board's decision please contact me or any member of the AHIM executive staff.

Regards,



Chris Parker, Chair
AHIM Board of Directors