

Budget and Narrative in Response to Arkansas Code Annotated § 23-61-805

A. Exchange Standards and Requirements

The following are certain provisions establishing the minimum functions required of the Arkansas Health Insurance Marketplace.

LEGAL AUTHORITY AND GOVERNANCE		
FUNCTIONAL AREA	AUTHORITY	PERFORMANCE
Governing Board	45 CFR 155.110 Ark. Code Ann. § 23-61-803	AHIM Has a Governing Board composed of 11 members.

CONSUMER AND STAKEHOLDER ENGAGEMENT AND SUPPORT		
FUNCTIONAL AREA	AUTHORITY	PERFORMANCE
Marketing	45 CFR 155.130	Advertising, education, digital and social materials targeted to individuals, businesses, volunteer organizations, and community-based organizations.
Outreach and Education	45 CFR 155.105 45 CFR 155.210 45 CFR 155.220 45 CFR 155.260	Agent, broker, and assister training, registration and licensure, oversight and monitoring, enforcement of conflict of interest standards, and adherence to privacy and security standards.

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Consumer Assistance	45 CFR 155.205(b)	Free Consumer Helpline and Website with information about in-person assistance, local help, information on QHPs available through the Exchange, premium and cost-sharing, transparency of coverage measures, Insurance Affordability Programs, and Customer Relationship Management.
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ELIGIBILITY AND ENROLLMENT		
FUNCTIONAL AREA	AUTHORITY	PERFORMANCE
Individual Market Eligibility	45 CFR 155.405 Ark. Code Ann. § 23-61-804	AHIM is approved to use existing HHS-developed services to satisfy the eligibility requirements of an exchange.
Individual Market Enrollment	45 CFR 155.302 Ark. Code Ann. § 23-61-804	Enrollment obligations of the exchange are met by federal platform services provided to AHIM.
Data Connectivity	45 CFR 155-157 Ark. Code Ann. § 23-61-804	Data is disclosed by CMS to AHIM for purposes of fulfilling responsibilities of the exchange.
SHOP Market Eligibility and Enrollment	45 CFR 155.730 Ark. Code Ann. § 23-61-804	For Plan Years beginning on or after January 1, 2018, AHIM will facilitate SHOP enrollment through a direct pathway to the QHP issuer. Should issuers apply for SHOP QHP Certification, AHIM will administer a uniform enrollment timeline and process for all QHP issuers and qualified employers to follow, including activities that must occur before the effective date of coverage for qualified employees.

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PLAN MANAGEMENT		
FUNCTIONAL AREA	AUTHORITY	PERFORMANCE
QHP Certification	45 CFR 155.1000 45 CFR 155.1010 45 CFR 155.1020 45 CFR 156 Ark. Code Ann. § 23-61-804	AHIM collects QHP issuer and plan data including rates, covered benefits, and cost-sharing requirements, analyzes the QHP data for state and federal regulatory compliance, and submits recommendations for certification to the AHIM Board. Upon final certification by the AHIM Board, QHP data is displayed using Federal platform services.
Issuer Standards	45 CFR 155.200(f) 45 CFR 156.350 Ark. Code Ann. § 23-61-804	AHIM works closely and collaboratively with CMS and the Insurance Department to enforce issuer and plan standards.

FINANCE AND ACCOUNTING		
FUNCTIONAL AREA	AUTHORITY	PERFORMANCE
Operational Costs and Revenue	45 CFR 155.160 45 CFR 156.50 HHS Notice of Benefit and Payment Parameters Ark. Code Ann. § 23-61-805	Under the HHS Notice of Benefit and Payment Parameters for 2017, the user fee rate for the SBE-FP exchange model was calculated at 3.0 percent of premiums sold through the exchange. HHS received a waiver from the Office of Management and Budget (OMB) of the requirement that this user fee cover HHS' full costs for federal platform services for 2017

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	<p>and 2018. The fee amount for federal platform services were therefore set as 1.5 percent for 2017, 2.0 percent for 2018, and 3.0 percent for 2019. HHS maintained a fee amount of 3.5 percent for FFM states through all years.</p>
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PRIVACY AND SECURITY	
FUNCTIONAL AREA	AUTHORITY
Privacy and Security	<p>45 CFR 155.260</p>
	<p>PERFORMANCE AHIM remains in compliance with the Minimum Acceptable Risk Standards for Exchanges (MARS-E) and maintains fully-updated documentation and legal agreements to include the Computer Matching Agreement (CMA), Information Exchange Agreement (IEA), and Interconnection Security Agreement (ISA).</p>

PROGRAM INTEGRITY AND OVERSIGHT	
FUNCTIONAL AREA	AUTHORITY
Exchange Compliance and Program Integrity	<p>45 CFR 155.1200 45 CFR 155.1210</p>
	<p>PERFORMANCE AHIM submits an annual State Based Marketplace Annual Reporting Tool (SMART) and participates in ongoing oversight activities and readiness review as required by CMS.</p>

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Oversight Activities	45 CFR, Part 155, Subparts C and K	AHIM completes various oversight and program integrity activities for which it does not rely on the federal platform, including: discrimination safeguards, accessibility information, and identification, adjudication and reporting of incidences of fraud and abuse, in addition to compliance with applicable State and Federal privacy requirements
Financial Integrity	45 CFR 155.1200 Ark. Code Ann. § 23-61-805	AHIM's annual financial statements are independently audited by a member of the American Institute of CPAs, and any material weaknesses or significant deficiencies and the corrective actions taken by the exchange to address the auditor's findings are provided in a public report by the auditor.

B. Revenue

FY2017 User fees Collected

\$6,258,745

C. Expenditures and Costs

The administrative costs and expenditure of the Arkansas Health Insurance Marketplace, include salaries of employees, supply costs, building rental costs, and technology costs.

\$6,145,687

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EXPENDITURES	FY2017 ACTUAL
Cost of Technology	\$2,318,236
Salaries & Wages	\$1,220,600
Fringe Benefits	\$221,667
Consultant Costs	\$0
Equipment	\$9,976
Supplies	\$9,509
Travel	\$16,412
Contractual Costs	\$2,135,813
Other	\$67,523
Facility Rent	\$145,951
TOTAL	\$6,145,687

D. Other Funds

Level 2 Federal Grant: Allowable costs incurred during the 2017 Fiscal Year.

\$936,570

The project period for the award issued to the Arkansas Health Insurance Marketplace ended on December 16, 2017. AHIM completed the grant closeout process within 90 days of the project period end date as required. Costs incurred beyond the project period will not be reimbursable. AHIM is required to maintain compliance with the audit requirements outlined in federal grant regulations.

E. Operational Continuations

Plan Year 2018

The difference between the 2018 FFM Fee of 3.5% and the SBE-FP Fee of 3.0% will be approximately \$1.7M (0.5% of Individual Exchange plan premiums in Arkansas for the 2018 Plan Year.) The state's economy receives the benefit of AHIM's local investment in operations that drive and support enrollment in health insurance coverage. For the 2018 Plan Year, the SBE-FP exchanges outperformed FFM enrollment by approximately 5.0% in annual enrollment.

2018 EXCHANGE OPERATIONS – 3 SCENARIOS FOR ARKANSAS		
FFM	SBE-FP	SBE
Fee - 3.5%	Fee 3.0%	Prohibited by State Law
Navigators - Yes	Navigators - Yes	
State Appropriated Funds - NONE	State Appropriated Funds - NONE	
Portion of Fee going to Feds - 3.5%	Portion of Fee going to Feds - 2.0%	
Invested in AR economy - NONE	Invested in AR economy - \$3.6M	
No Local Representation	AHIM Staff - Local Representation	
No Control of Marketing/Advertisement	State-Specific Marketing/Advertisement	
No Control of Outreach	Arkansas-Driven Outreach	
No Local Hotline	Local Hotline	

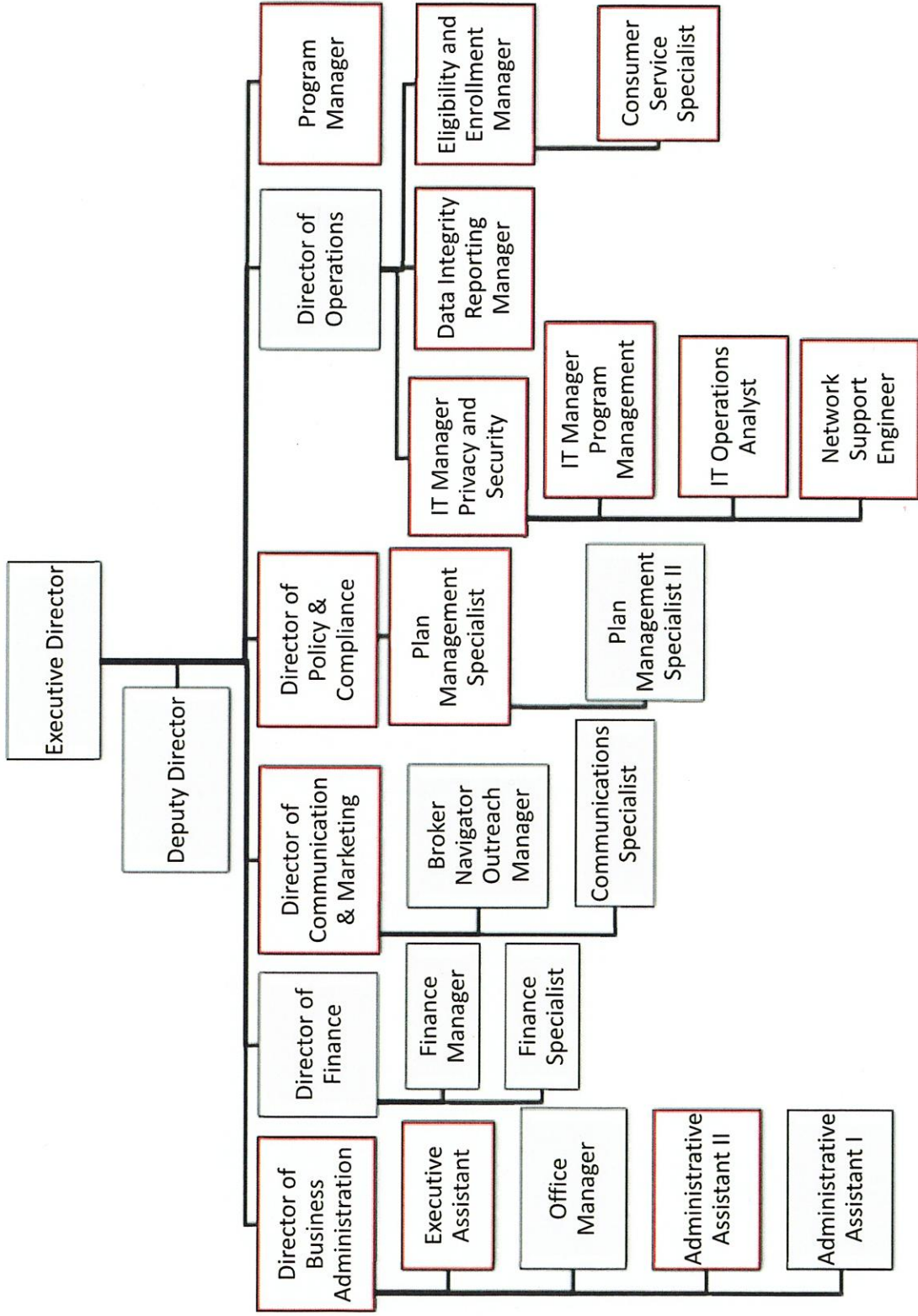
Plan Year 2019

The difference between the 2019 SBE-FP Fee of 4.25% minus the FFM Fee of 3.5% is a 0.75% difference. In exchange for this difference, the state's economy is expected to receive the benefit of approximately \$4.25M invested locally to help drive and support enrollment in health insurance coverage.

2019 EXCHANGE OPERATIONS – 3 SCENARIOS FOR ARKANSAS		
FFM	SBE-FP	SBE
Fee - 3.5%	Fee 4.25%	Prohibited by State Law
Navigators - Yes	Navigators - Yes	
State Appropriated Funds - NONE	State Appropriated Funds - NONE	
Portion of Fee going to Feds - 3.5%	Portion of Fee going to Feds - 3.0%	
Invested in AR economy - NONE	Invested in AR economy - \$4.25M	
No Local Representation	AHIM Staff - Local Representation	
No Control of Marketing/Advertisement	State-Specific Marketing/Advertisement	
No Control of Outreach	Arkansas-Driven Outreach	
No Local Hotline	Local Hotline	

F. Personnel

The Exchange's functions are built into federal and state law and intended to be a major contributor to the individual and small group health insurance markets. AHIM's organizational chart on the following page, displays the positions that are included in the staffing plan.*



*Positions outlined in red are either vacant or the functions are being performed by one of the ten currently filled roles.

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Current Annual Salary Schedule

\$880,132

FUNCTIONAL AREA	JOB TITLE	PLANNED SALARY	CHANGE FROM 2017 PLAN	CURRENT
Administrative	Executive Director	\$214,245	(\$71,245)	\$143,000
Administrative	Deputy Director	\$182,000	(\$80,520)	\$101,480
Administrative	Office Manager	\$48,205	(\$4,374)	\$43,831
Finance	Director of Finance	\$117,834	(\$3,227)	\$114,607
Finance	Finance Manager	\$55,120	\$1,654	\$56,774
Finance	Finance Specialist	\$36,400	\$1,092	\$37,492
Marketing, Outreach, and Communication	Broker Navigator Outreach Manager	\$71,775	\$4,307	\$76,082
Marketing, Outreach, and Communication	Communications Specialist	\$70,304	\$4,696	\$75,000
Operations	Director of Operations	\$160,683	\$16,846	\$177,529
Policy and Compliance	Plan Management Specialist	\$48,205	\$6,132	\$54,337
TOTAL		\$1,004,771.00	(\$124,639)	\$880,132.00

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EXECUTIVE DIRECTOR
The Executive Director oversees all activities of AHIM and works closely with the Board of Directors to define and execute its mission in light of its statutory responsibilities and the health insurance needs of the state. The Executive Director represents the organization and drives the performance of AHIM through evolving health insurance market changes in both the private and public sector, health care delivery system trends, and state and national legislative and political dynamics.

DEPUTY DIRECTOR
The Deputy Director is responsible for managing all hands-on administrative aspects of AHIM including staff relations, human resources, and payroll management. The Deputy Director assists the Executive Director in the aggressive and successful performance of the organization. The Deputy Director provides the leadership, management, and vision necessary to ensure that AHIM has the proper controls, administrative and reporting procedures, and personnel systems in place to effectively operate the organization and ensure financial strength and administrative efficiency.

OFFICE MANAGER
The Office Manager supports all AHIM staff. Key duties of the Office Manager are maintaining AHIM files, supplies, managing supplies and equipment, planning and logistics of external meetings and AHIM Board meetings, answering phones and email, corresponding with AHIM stakeholders, and supporting all administrative functions of the organization. The Office Manager reports to the Deputy Director.

DIRECTOR OF FINANCE
The Director of Finance is responsible for all monetary and federal reporting needs of AHIM. This includes management of finances in accordance with federal and state standards, overseeing payroll, accounts receivable and accounts collectable, and vendor invoices and payment. The Finance Director plays a significant role in organizational decisions that affect the sustainability and financial performance of AHIM. The Director of Finance reports to the Executive Director.

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FINANCE MANAGER

The Finance Manager performs payroll and accounts payable operations for AHIM. The Finance Manager is responsible for tracking and categorizing incoming invoices, ensuring that invoices are approved and paid, updating ledgers, documenting and maintaining payment justifications, reconciling bank accounts, and categorizing all payroll related transactions. The Finance Manager reports to the Director of Finance.

FINANCE SPECIALIST

The Finance Specialist provides support to the Director of Finance and the Finance Manager and is responsible for duties as assigned.

BROKER/NAVIGATOR OUTREACH MANAGER

The Broker/Navigator Outreach Manager works to fulfill AHIM's commitment to outreach and public education of all assister types about AHIM's health insurance programs. The Outreach Manager engages statewide professional organizations and groups affiliated with health insurance and maintains relationships that are necessary for AHIM to ensure successful participation of licensed Exchange Producers and to ensure that AHIM's consumer assistance activities meet the needs of Arkansans in the exchange's service area. This position reports to the AHIM Executive Director.

COMMUNICATIONS SPECIALIST

The Communications Specialist is responsible for creating and maintaining content for AHIM's outreach, marketing, and communication activities. The Specialist is responsible for ensuring that AHIM's marketing materials, internal communications, and external communications are developed within the framework of the organization's strategic goals and are documented and maintained in compliance with public information standards.

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DIRECTOR OF OPERATIONS

The Director of Operations is responsible for AHIM's strategic goals and programmatic responsibilities. The Director of Operations develops Exchange functions in line with mandatory and strategic performance standards, oversees and enforces the day-to-day operational functions and processes, and leads programmatic projects across all functional areas to support the goals of AHIM.

PLAN MANAGEMENT SPECIALIST

The Plan Management Specialist is tasked with researching and staying abreast of current standards against which QHPs are measured and certified. The Specialist ensures that all required documentation is submitted by QHP issuers in accordance with state and federal standards. The Specialist reviews annual issuer requirements and plan and benefit standards promulgated by state and federal regulatory agencies and performs an analysis of materials submitted by QHP issuers. The Specialist interfaces with external regulatory bodies throughout the plan certification process and is responsible for communication with exchange issuers and verifying the final plan certification recommendations that are submitted to the AHIM Board.