

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

Comparison of Marketplace Duties and Cost
between Arkansas Insurance Department
and Arkansas Health Insurance Marketplace

Requirements for SBM-FP

State-Based Exchange Using the Federal Platform (SBE-FP)
Read General Information • Guidance and Regulations • Application/Template Updates • Attend the Monthly State Open Q&A Webinar Series Prepare for Reviews • Review state review responsibilities • Review tool summaries and functionality • Watch QHP Application Review Tool instructional videos • Review PY2019 Required Supporting Documents Collect QHP Applications via SERFF and/or State System • Review SERFF Manual • Watch SERFF trainings Confirm Initial List of Plans • Review and confirm plan list Review Plans • Run review tools • Reach out to CMS Help Desk with questions as necessary at: CMS_FEPS@cms.hhs.gov Transfer Plans • Coordinate transfer with CMS and SERFF, if needed Confirm Final List of Plans • Review and confirm plan list

- AID already enforces Federal guidance A.C.A. §23-61-103; §23-61-108
- AID currently is the State Manager for the Arkansas plan review portal (SERFF)
- AID already uses federal tools for reviews and has communication pathways in place with CMS for questions
- AID recommends the plans for certification to AHIM, who in turn certifies to CMS
- AID currently notifies AHIM when a plan is recommended for certification within CMS timelines and troubleshoots any errors that arise between SERFF and CMS. AHIM then transfers these plans
- AID reviews and confirms plan list to AHIM

*CMS QHP Certification Toolkit

CMS Guidance

- AID met with CMS to determine what duties would need to be assumed to be compliant.
- CMS advised that to maintain current SBM-FP status, there are 2 reports in addition to work currently performed by AID.
 - Annual Program Compliance Reports (SMART)
 - Submission of annual budget

Requirements for Governance

45 CFR 155.110

AID

- A governing board is NOT required!
- Follows state governance principles that meet federal requirements (ethics, conflict of interest standards, accountability, transparency, and disclosure of financial interest)
- Must have adequate resources for running a Marketplace

AHIM

- Required to have an 11 member governing board. A.C.A. § 23-61-803
- Exempt from all state laws but FOIA
- Must have bylaws and regular public meetings
- Current bylaws allow payment to board members of up to \$100 per day. Operating Rules
- Reimbursement of expenses is also covered. Operating Rules

Savings: Approximately \$10,000

Stakeholder Consultation

45 CFR 155.130

- An Exchange is required to engage stakeholder consultation. This is typically performed through a “Plan Management Committee.”
- Certain groups are required to be consulted with, including but not limited to, QHP enrollees, agents, navigators, small businesses, state agencies, health experts and providers, large employers, and insurers.

Savings: AID has organized this as a volunteer group in the past. AHIM utilizes board members that are paid for their participation.

Navigators/Agents/Brokers

45 CFR 155.210; 45 CFR 155.220; 45 CFR 155.260

- Federal requirements that state have at least one (1) Navigator program
- Federal government has reduced funding by nearly 80% over the past 2 years*
- Comparable states pay Navigators \$100k-300k per year*
- State has Navigator training requirements in statute A.C.A. § 23-64-601 et seq.

AID

- Would align training and licensing with established state processes
- Required to follow state procurement law

AHIM

- Creates and disseminates training to agents/Navigators
- Exempt from state procurement law

* <https://www.kff.org/health-reform/issue-brief/data-note-further-reductions-in-navigator-funding-for-federal-marketplace-states/>

Consumer Assistance

45 CFR 155.205(a)

- A toll free help line and call center is required.
- AID currently has an toll-free line for Arkansas consumers with over a dozen trained staff.
- AID was able to address all Marketplace calls prior to the AHIM transition.
- AHIM currently outsources this to AFMC
 - Due to low call volume from consumers, the contract amount and hours were reduced.

Savings: \$150,000

State-Based Exchange Using the Federal Platform (SBE-FP)

- Accreditation
- Administrative
- Cost Sharing Reduction Plan Variation
- Data Integrity
- Essential Community Providers
- Good Standing
- Licensure
- Network Adequacy
- Non-Discrimination – Cost Sharing
- Organizational Charts/Compliance Plans
- Plan ID Crosswalk
- Prescription Drug Non-Discrimination – Clinical Appropriateness
- Prescription Drug Non-Discrimination – Formulary Outlier
- Program Attestations
- Quality Improvement Strategy
- Quality Rating System
- SADP – Annual Limitation on Cost Sharing
- SADP – EHB Benchmark
- SADP – EHB Supporting Documentation and Justification
- Service Area
- Silver/Gold Review

Plan Management

45 CFR 155.1000-1020; 45 CFR 156; 45 CFR 155.200

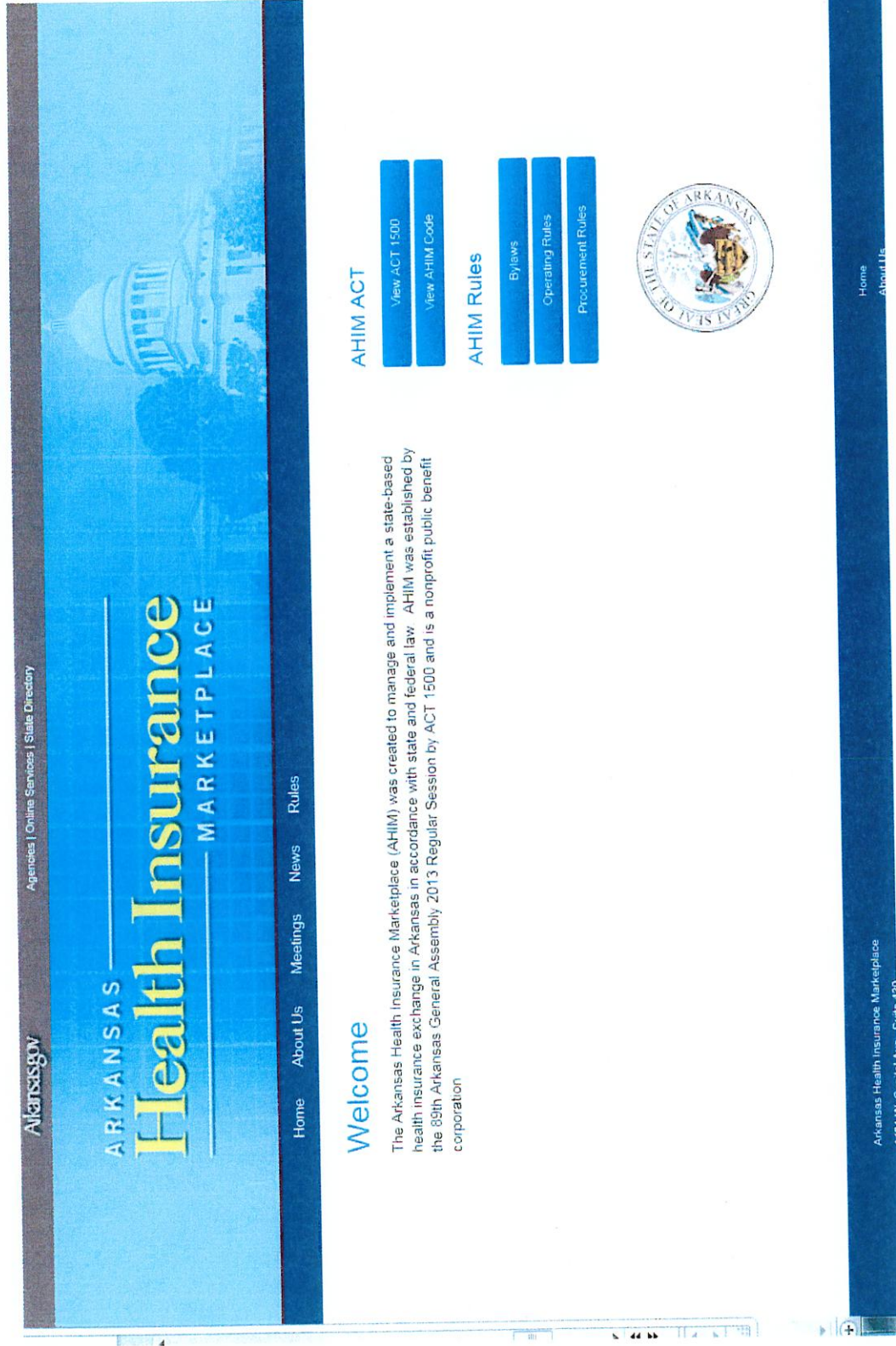
- All of these items are currently reviewed by AID

A.C.A. § 23-61-103; 23-61-108; Arkansas Insurance Code Chapter 79

Technology

- CMS charges a technology fee. This is currently collected by AHIM and paid to CMS.
 - AID would have the carriers pay the technology fee directly to CMS.
- As an SBM-FP, Arkansas does not have to maintain an enrollment portal.
- AID meets current federal requirements by maintaining an information website.
 - Savings will result from terminating AHIM's two (2) websites.

AHIM Website #1



*<https://armarketplace.com/arhim-home/>

AHIM Website #2

CONTACT

Twitter

Facebook

Instagram

LinkedIn

YouTube

Countdown to Open Enrollment

65

DAYS

7

HOURS

5

MINUTES

Open Enrollment Begins November 1, 2018

Español

Q

my Arkansas Insurance
Official Marketplace for Health Insurance

Arkansas SHOP Individuals Find Help Resources Request a Speaker
Home Training About News Events Contact Glossary

LOOKING FOR HEALTH INSURANCE?

2018 Open Enrollment is over, but you may still have coverage options. Click below for information.

LEARN MORE →

Want to change your 2018 plan?

You may be able to change your plan if you've had a life event like losing health coverage, getting married or having a baby. Click here to see if you qualify.

[LEARN MORE →](#)

Find Local Help

Click here to use our search tool and connect with someone in your area to help with enrollment.

[LEARN MORE →](#)

*<https://myarinsurance.com/>

Link to Federal Portal

- Scroll down the bottom on the Individual tab

Note: Moving only for medical treatment or staying somewhere for vacation doesn't qualify you for an SEP.

Important: You must prove you had qualifying health coverage for one or more days during the 60 days before your move. You don't need to provide proof if you're moving from a foreign country or United States territory.

More qualifying changes

Other life circumstances that may qualify you for a Special Enrollment Period:

- Changes that make you no longer eligible for Medicaid or the Children's Health Insurance Program (CHIP)
- Gaining membership in a federally recognized tribe or status as an Alaska Native Claims Settlement Act (ANCSA) Corporation shareholder
- Becoming newly eligible for Marketplace coverage because you became a U.S. citizen
- Leaving incarceration
- AmeriCorps VISTA members starting or ending their service

For more information, visit [HealthCare.gov](https://www.healthcare.gov)

For more information, call 1-844-355-3262, Monday - Friday, 8:00 a.m. - 4:30 p.m.



* <https://myairinsurance.com/pages/individuals/>

AID Website: Regulatory Health Link Division



HEALTH INSURANCE

Regulatory Health Link

About Us

The Regulatory Health Link Division (RHLD) was established to ensure regulation with federal health programs including the Patient Protection and Affordable Care Act of 2010. RHLD is additionally responsible for recommending for certification and monitoring health insurance plans sold through the Health Insurance Marketplace.

Agents, Brokers & Assistors

Please visit **resources and information** for specific information on health insurance Agents, Brokers & Assistors. For information on insurance licensing please visit the **License Division**.

Consumers

We want you to be fully informed as a health insurance consumer. For answers to your questions here on health insurance **visit**. For further help please visit the **Consumer Services Division**.

Individual Plans

Looking to Enroll?

- Visit **HealthCare.gov** to enroll in an individual plan today. Or call 1-800-318-2596 (TTY: 1-855-889-4325)
- Visit **MyArkInsurance** to enroll in a SHOP (Small business health option program) plan today.
- Are you eligible for the **Special Enrollment Period**?

Contact Us

* <https://insurance.arkansas.gov/pages/industry-regulation/regulatory-health-link/>

Information Portal

Benefit & Rate Comparisons, Provider Lists and Reports

[READ MORE](#)

Insurer Resources

Benchmark Plans, Purchasing Guidelines & Composite Ratings

[READ MORE](#)

Network Adequacy Regulation Program

Documents defining the process and requirements for network adequacy, and minutes and materials from meetings.

[READ MORE](#)

Privacy & Security

45 CFR 155.260

- This is not a requirement unless the state becomes a full SBM.
- Arkansas is currently an SBM-FP.

SMART Report

- Mandatory report used to inform CMS of compliance with Marketplace Activities.
- Completed by external auditor to generate a report.
- AHIM submits to its auditors to show federal compliance. Some of these documents are solely created by AID, including:
 - The Health Insurance Rate Review and AID website for publication of certified QHP information.
 - The AID Individual Form Review QHP Checklist.
 - The AID QHP SADP SERFF Binder Submission General Instructions
- Review confirms AHIM's redundancies with AID processes

Program Integrity

45 CFR 155.1200; 45 CFR 155.1210; 45 CFR Part 155 subparts C and K; and
A.C.A. § 23-61-805

The following reports are required to be filed with CMS:

- Financial Integrity:
 - AID is audited by the Legislature on a yearly basis with any exceptions noted in a report to AID.
 - AHIM contracts with an independent auditor.
- Oversight:
 - AID is required to maintain oversight by statute (A.C.A. § 23-61-103), which includes plan compliance with state and federal laws.
 - As part of national accreditation standards, AID maintains a log of all violations, complaints, and findings of fraud and abuse.
- Ongoing Oversight & Readiness Reviews:
 - AID has fulfilled these positions in the past without issue.
 - SMART Reporting

Contracts

- Should the Marketplace be put under AID, the following contracts could terminate:
 - Call Center
 - Would be absorbed by AID Consumer Service Division
 - Audit
 - Would be assumed by Legislative Audit*
 - Legal
 - Would be absorbed by AID Legal Division
 - Accounting
 - Would be absorbed by AID Accounting Division
 - Portal
 - AID maintains its own website
- Contracts for advertising and navigators could be renegotiated and executed with legislative action.

Savings: Approximately \$2.15 million

*State auditors have confirmed they can take over this process.

Outreach

- The Affordable Care Act requires SBM-FPs to provide outreach or advertising in the state.
- CMS has no minimum requirement for the amount of advertising.
- CMS has further confirmed that they do not regulate the content of advertising.
 - CMS requires a state outreach strategy that does not duplicate or add confusion to the outreach being performed by CMS.

AID Staff Requirements

- AID can absorb the added responsibilities of the Marketplace without transferring AHIM staff or creating new positions.
- Through efficiencies, AID has extra available positions in its annual appropriation.
- Increases in consumer call volume could be addressed through currently unfilled positions, if needed.

Savings: \$1,177,826 - \$1,244,326

Estimated Expenses

	AHIM (as of 8/27/18)	AID Estimate
Cost of Technology*	\$2,318,236	\$2,318,236
Salaries & Wages	\$1,022,659	\$0 - \$50,000
Fringe Benefits	\$221,667	\$0 - \$16,500
Equipment	\$9,976	\$0
Supplies	\$9,509	\$0
Travel	\$16,412	\$5,000
Contractual Costs	\$2,645,968	\$500,000
Other	\$55,309	\$0
Facility Rent	\$145,951	\$0
Total	\$6,073,341	\$2,823,236 - \$2,889,736
Total w/o Tech Fee	\$3,755,105	\$505,000 - \$571,500

*Technology Fee could be collected by CMS directly. CMS must be notified by 10/1/18 to choose this option.

AID Finances

- AID is funded by the fees it collects from the insurance industry and not by tax dollars.
- AID is appropriated \$13.8 million for its operations, including salaries and equipment.
- In FY2018, AID only spent \$10.8 million of its appropriation.
- Any additional costs incurred would be absorbed by AID's current appropriation levels.
- Overages are returned to General Revenue.

Therefore...

**TRANSITION OF AHIM RESULTS IN NO IMPACT
TO THE AID APPROPRIATION.**

- Arkansas tax payers save more than \$3million.
- Arkansas will fulfill its mission of eradicating redundancies and streamlining government.

EXPENDITURES 7-1-17 – 6-30-18	UNAUDITED AT TIME OF REPORT ON 8-16-18	UNAUDITED AT TIME OF REPORT ON 8-27-18	AID
Cost of Technology	\$2,318,236	\$2,318,236	\$2,318,236
Salaries & Wages	\$1,220,600	\$1,022,659	\$0 - \$50,000
Payroll Taxes		\$72,346	
Fringe Benefits	\$221,667	\$149,321	\$0 - \$16,500
Consultant Costs	\$0	\$0	
Equipment	\$9,976	\$9,976	\$0
Supplies	\$9,509	\$9,509	\$0
Travel	\$16,412	\$16,412	\$5,000
Contractual Costs	\$2,135,813	\$2,345,968	\$500,000
	☐ CJRW	\$1,439,868	
	☐ AFMC	\$137,494	
	☐ hCentive	\$375,006	
	☐ Accounting	\$21,688	\$0
	☐ Audit	\$34,900	\$0
	☐ Navigator	\$292,331	
	☐ Legal	\$7,186	\$0
Other	\$67,523	\$55,309	\$0
	☐ Governance	\$9,200	\$0
	☐ Staff Training	\$3,318	\$0
	☐ Bank Charges	\$1,736	\$0
	☐ Copier	\$5,049	\$0
	☐ Association & Member Dues	\$6,993	\$0
	☐ Financial Fee	\$838	\$0
	☐ Network Cellular	\$9,796	\$0
	☐ Network Internet	\$13,016	\$0
	☐ Trash & Shred	\$935	\$0
	☐ Water	\$877	\$0
	☐ Miscellaneous	\$3,511	\$0
	☐ Employee Screening	\$40	\$0
Facility Rent	\$145,951	\$145,951	\$0
TOTAL	\$6,145,687	\$6,108,192	\$2,823,236 - \$2,889,736
TOTAL W/O Tech	\$3,827,451	\$3,789,956	\$505,000 - \$571,500