

House and Senate Public Health, Welfare and Labor Committee meeting  
Arkansas Insurance Department (AID)  
Arkansas Health Connector Division (AHCD)  
July 24, 2014



---

## Update on the Health Insurance Marketplace in Arkansas

---

### Enrollment

Data AID received from issuers indicate that through July 6, 2014 a high percentage of consumers with incomes greater than 138 percent of the Federal Poverty Level (FPL) enrolled in Marketplace plans are paying their premiums and keeping their plans active.

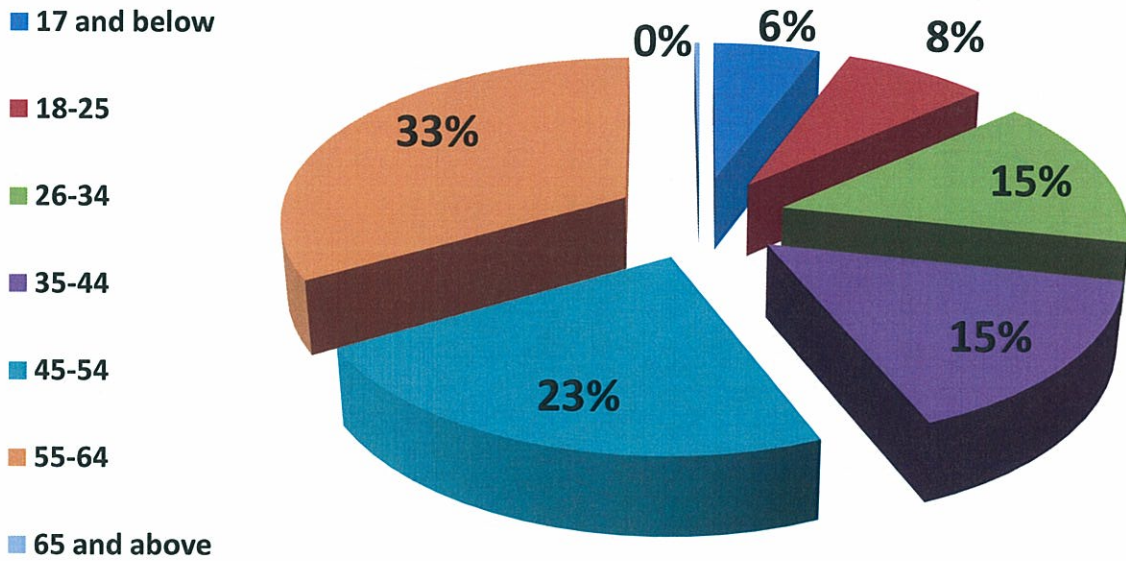
According to this most recent data, 41,393 consumers with incomes greater than 138 percent of the FPL have enrolled in Marketplace plans in Arkansas with 36,737 being current on their premiums.

Of the 41,393, the top ten counties in terms of enrollment by consumers with greater than 138 percent FPL are: Pulaski at 5,438; Benton at 3,546; Washington at 3,424; Garland at 1,878; Faulkner at 1,667; Saline at 1,492; Sebastian at 1,451; Craighead at 1,288; White at 981; and Pope at 852.

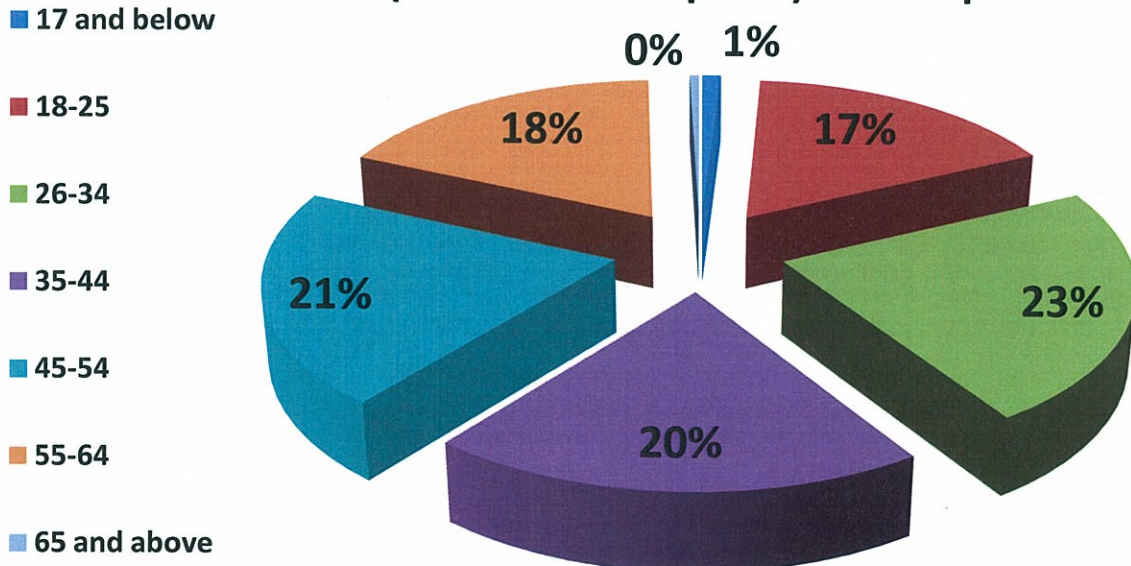
Charts that follow demonstrate the age distribution among the total Marketplace (including Private Option) as compared to the non-Private Option consumers. The numbers continue to provide proof of the value of the Private Option in creating a more stable and healthy risk pool that contributes to better rates throughout the entire Marketplace.

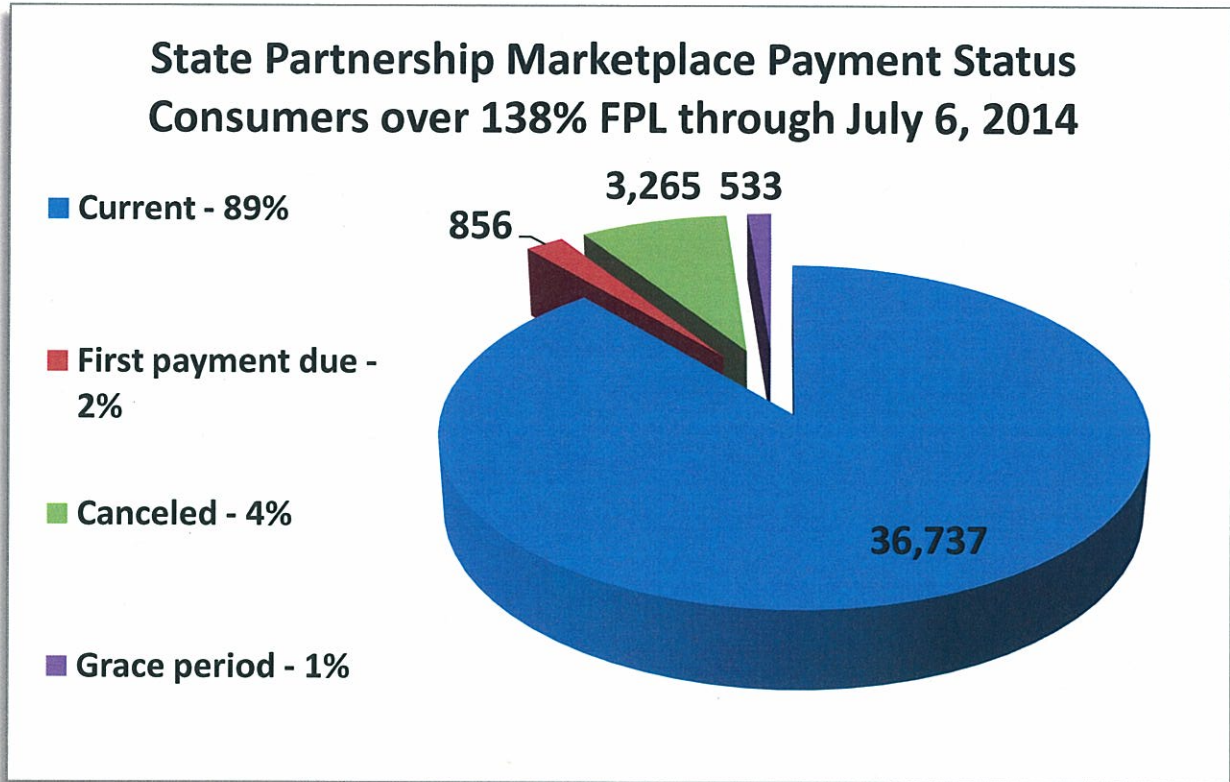
The charts also show that data is clear that Marketplace consumers are paying their premiums and many more are not delinquent; they simply have yet to pay their first month's premium after signing up.

### Enrollees by Age, through July 6, 2014 Over 138% Federal Poverty Level



### Enrollees by Age, through July 6, 2014 Combined (with Private Option) Marketplace





### Consumer Assistance

The AHCD Resource Center continues to handle a high volume of calls. In total, from October 1 to July 16, there were 18,790 calls to the Arkansas Health Connector Resource Center. We also continue working to get answers to special inquiries from legislators or other public officials for their constituents.

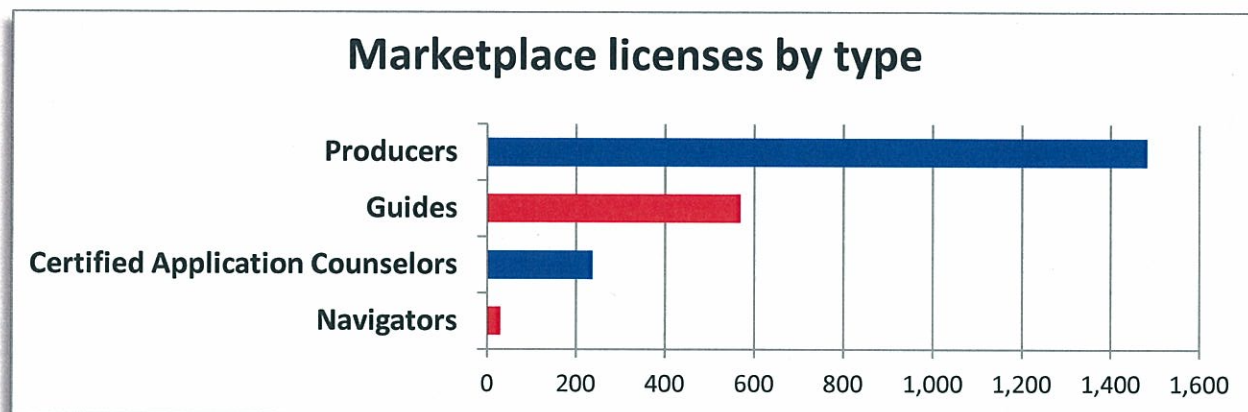
In compliance with Act 276 of 2014, all contracts with guide organizations providing In-Person Assister activities ended by June 30, 2014, and AID will no longer expend federal grant money for guides.

### Licensing

AID licensing of guides, producers, and other Marketplace assisters as required by Act 1439 of 2013 continues. Re-licensure of all Marketplace assisters is to be completed by September 30, 2014, according to Act 1439. All assisters must complete the federal training as well as state training. Federal training is currently available for producers; federal training for other Marketplace assisters is expected to be available by the end of August. The re-licensure fee is \$35.

We are working to expand the number of licensed insurance agents and brokers who also are licensed as Exchange Producers. AID has informed producers that state-based on-line training should be ready by the end of July.

Through July 15, 2,335 Marketplace licenses included 1,491 licenses to producers, 577 to guides, 236 to certified application counselors, and 31 to navigators.



### Plan Management

AID announced July 2 in a news release that five issuers had filed to offer plans in the Marketplace for Plan Year 2015. The issuers filing for Qualified Health Plan certification are Arkansas Blue Cross Blue Shield, Celtic Insurance Company, National Blue Cross Blue Shield Multi-State, QCA Health Plan Inc., and QualChoice Life and Health Insurance Company, Inc.

The companies submitted plans and named their proposed service areas for 2015, which will be carefully reviewed for adequacy. Initial reviews are complete and early objections have been reported to the companies. A more detailed substantive review of benefits and networks is now underway. Approved plans and rates will not be released until final CCIIO approval, no later than November 3, 2014.

### Quality Ratings

AID is working in conjunction with vendor PCG and stakeholders, especially those participating on the Consumer Assistance Advisory Committee and the Plan Management Advisory Committee, to help create a quality rating system for health insurance plans to assist consumers as they seek to navigate a system which all agree can be quite imposing, even for consumers well-versed in insurance terminology. Timelines and metrics are being developed and stakeholder meetings will continue at AID.

### New Rules

The proposed Network Adequacy Rule will be released for public comment soon. AID Legal Division staff is finalizing the proposal which will be published for public comment.

A public hearing on the proposed rule on the Primary Care Medical Home (PCMH) will be held on August 5, 2014, at 10:00 A.M., in the First Floor Hearing Room at AID. The draft has been released by AID Legal Division for public comment. This Rule requires health insurance issuers to participate in PCMH program as envisioned by the Arkansas Health Care Independence Act and the Section 1115 Medicaid waiver.

### Dental/Vision Plans

The Ambetter Marketplace Silver Level plans offering adult dental and/or adult vision benefits will no longer be available to Private Option consumers effective January 1, 2015, when all carriers will offer an Essential Health Benefit-only plan to be selected by Medicaid-eligible consumers under the Private Option program. Because adult dental restorative benefits require a six-month waiting period prior to

being effective, consumers who sign up for the plans offering adult dental benefits after July 1, 2014 will not be able to receive the restorative dental benefit. Consumers already on this plan will not lose their full dental benefits until January 1, 2015. A note about the changes for the remainder of the 2014 plan year has been placed on the InsureArk.org homepage.

### **Cost of Mandating Dental and Vision Benefit**

In response to a Public Health Committee inquiry, the AID requested an actuarial analysis by Lewis & Ellis Inc. to determine the potential cost the state of Arkansas would incur if adult dental and vision benefits were mandated by the state to be included in the QHP benefit package. The full report by the firm is attached. The projected annual premium cost increase to add adult Dental and Vision benefits on a per member per month basis is \$19.65 (range is \$17.40 to \$21.82 pmpm). That amount divides into \$14.46 for dental and \$5.19 vision. Variances in overall State costs would depend on the number of enrollees over 138% FPL receiving premium subsidies and the overall Private Option costs relative to the State's Medicaid 1115 waiver-established payment amount.

### **Federal Appeals Court Decisions**

The U.S. Court of Appeals for the D.C. Circuit on July 22 ruled that the IRS has incorrectly allowed tax credits to people purchasing health insurance through the federal exchange. Later in the day, the 4<sup>th</sup> Circuit Court of Appeals in Richmond, VA ruled that the IRS correctly allowed the tax credits in federal exchanges. These conflicting rulings are not expected to have any immediate effect on subsidies received by 37,000 Arkansans in 2014 as further appeals are likely. Arkansas, through Act 1500 of 2013, is exploring a transition to a state-based exchange as soon as 2016.