

# My Arkansas Insurance

*More Competitive... More Options...  
More Arkansas*

## Welcome

Arkansas Health Insurance Marketplace  
2016 Board Retreat  
Wednesday September 21<sup>st</sup>, 2016



# Plan Management Committee Recommendations:

- 76 Plans for Certification
  - 38 Small Group
    - 4 Medical
    - 34 Dental
  - 38 Individual
    - 23 Medical
    - 15 Dental



# Consumer Assistance Committee Recommendations:

- PY2017 budget of \$552,000
- AHIM should contract with PCG to manage selection, operations, and funding of Navigator organizations
- AHIM should require Navigator organizations to have prior experience as an outreach organization to special populations and the ability to reach targeted populations as specified by AHIM

# Consumer Assistance Committee

## Recommendations:

- AHIM should request the same hours as used by the DHS call center, 7AM-7PM
- Hotline should transfer consumers to all Healthcare.gov, SHOP, DHS, local Navigators, Agents/Brokers, and to health and dental carriers with plans on Individual and SHOP
- AHIM should contract with the vendor for the duration of one year with an option to extend for an additional year

# IT Committee

## Enhanced Premium Aggregation Solution

- **RFP Scope of Work:**
  - **Products and services:**
    - Contractor is expected to provide services that include software hosting, maintenance and enhancements and
    - Contractor shall integrate the Premium Aggregation solution with AHIM's current SHOP solution.
  - **Functionalities and requirements of solution:**
    - Scalability and flexibility to meet evolving business needs
    - Able to integrate with other systems, and adapted to a number of use cases
    - Automated validation and reconciliation of financial transactions
    - Determination of insurer fees for the SHOP Marketplace
    - Data warehouse, reporting, and business analytics capability
    - Provide audit and program integrity mechanisms
    - Security systems to ensure privacy of data and all PHI/PII
    - Financial management functions related to CMS requirements (see previous slide)

# IT Committee

## Recommendations:

- For the premium aggregator, AHIM should contract for an initial three years with the option of three subsequent one-year extensions
- AHIM should include a request for a structured reply in Excel format and give the opportunity for vendors to provide a narrative
- AHIM should include a request for a firm price on the initial version of the premium aggregator with a specified number of additional development hours and also request an hourly rate for major changes

# Executive Director Update:

## Financial Audit Contract

- Required annually
- BLR Deadline: 10/31/16; CMS Deadline: 3/31/17
- Staff recommends extending existing financial audit contract with BKD

# Executive Director Update:

## Arkansas Work ESI Update

| Private Insurance                                                 |                                                                                                         |                                                                      |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Function                                                          | Goal                                                                                                    | Aim                                                                  |
| Create a link between Medicaid and small group insurance coverage | Promote employer-insured insurance (ESI) as a source of health care coverage for lower income Arkansans | Potentially expand types of employers participating in future years. |

Requires only a Section 1115 Waiver

# Executive Director Update:

## Memorandum of Understanding

### AHIM

- Develop and maintain AW-ESI website and portal
- Employer enrollment & eligibility
- Identify employees who are required to participate
- Assist employees with AW-ESI enrollment
- Administer premium assistance payments to Employers
- Education and outreach
- Customer service

### DHS

- Develop Vendor Business Requirements
- Define cost-effectiveness criteria to determine Employer eligibility
- Define Employee eligibility criteria
- Provide AHIM with access to Medicaid eligibility system
- Provide the funds to make premium assistance payments
- Manage Employee appeals

# Executive Director Update:

## Implementation Timeline

**Sept. 6<sup>th</sup>**  
Software Design and  
Development

**Nov. 1<sup>st</sup>**  
Phase 1 Go-  
Live

**Jan. 1<sup>st</sup>**  
Phase 3 Go-  
Live

**Oct. 1<sup>st</sup>**  
Program  
Support  
Training

**Nov. 15<sup>th</sup>**  
Phase 2 Go-  
Live

# Executive Director Update:

## Sustainability Overview

- Critical Factors for AHIM Revenue
  - Premium Price
  - Volume of Exchange Participants
  - Fee Assessment
- Critical Factor for AHIM Expenditures
  - FFM IT Fee

# Financial Outlook

## SHOP/SBE-FP

| AHIM SHOP & SBE-FP Baseline Five Year Budget |              |              |              |              |              |
|----------------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                              | 2016         | 2017         | 2018         | 2019         | 2020         |
| <u>Operating Expenses</u>                    |              |              |              |              |              |
| Salary and Fringe                            | \$2,428,400  | \$2,525,536  | \$2,626,560  | \$2,877,851  | \$2,992,968  |
| FFM IT Fee                                   | \$0          | \$4,902,253  | \$5,610,629  | \$6,421,365  | \$7,349,252  |
| AHIM SHOP Marketing                          | \$2,431,986  | \$345,588    | \$320,000    | \$320,000    | \$320,000    |
| AHIM SHOP M&O                                | \$1,981,682  | \$1,885,458  | \$1,000,000  | \$1,000,000  | \$1,000,000  |
| AR Works ESI Build                           |              |              |              |              |              |
| AR Works ESI Technical Support               |              |              |              |              |              |
| AR Works ESI Program Support                 |              |              |              |              |              |
| AR Works ESI M&O                             |              |              |              |              |              |
| AR Works ESI IV&V                            |              |              |              |              |              |
| AR Works ESI Marketing                       |              |              |              |              |              |
| Premium Aggregator Build                     |              |              |              |              |              |
| Premium Aggregator M&O                       |              |              |              |              |              |
| SBE-FP Call Center                           | \$0          | \$623,868    | \$350,000    | \$350,000    | \$350,000    |
| SBE-FP Marketing                             | \$50,000     | \$1,000,000  | \$250,000    | \$250,000    | \$250,000    |
| Navigator / Assister                         | \$150,000    | \$600,000    | \$500,000    | \$500,000    | \$500,000    |
| Training for Assistants                      | \$100,000    | \$100,000    | \$100,000    | \$100,000    | \$100,000    |
| Plan Management                              | \$50,000     | \$400,000    | \$500,000    | \$500,000    | \$500,000    |
| Professional Services                        | \$2,000,000  | \$2,000,000  | \$1,000,000  | \$1,000,000  | \$1,000,000  |
| Equipment                                    | \$77,850     | \$97,530     | \$34,500     | \$35,363     | \$36,247     |
| Supplies                                     | \$76,650     | \$168,650    | \$168,650    | \$172,866    | \$177,188    |
| Travel                                       | \$85,400     | \$180,200    | \$151,000    | \$154,775    | \$158,644    |
| Other                                        | \$221,500    | \$291,100    | \$306,100    | \$313,753    | \$321,596    |
| Total Projected Expenses                     | \$9,653,468  | \$22,120,184 | \$13,917,439 | \$14,995,972 | \$16,055,895 |
| <u>Operating Revenue</u>                     |              |              |              |              |              |
| Grant Funding                                | \$9,403,468  | \$12,581,678 | \$0          | \$0          | \$0          |
| SHOP Assessment Revenue                      | \$0          | \$41,391     | \$55,521     | \$63,835     | \$73,394     |
| AHIM Individual Market Assessment Revenue    | \$744,000    | \$4,902,253  | \$7,480,838  | \$8,561,820  | \$9,799,002  |
| FFM IT Fee Collections                       | \$0          | \$4,902,253  | \$5,610,629  | \$6,421,365  | \$7,349,252  |
| AW-ESI DHS Funding                           |              |              |              |              |              |
| Total Projected Revenue                      | \$10,147,468 | \$22,427,575 | \$13,146,988 | \$15,047,019 | \$17,221,649 |
| Projected Operating Gain / (Loss)            | \$ 494,000   | \$ 307,391   | \$ (770,451) | \$ 51,047    | \$ 1,165,754 |
| Cumulative                                   | \$ 494,000   | \$ 801,391   | \$ 30,941    | \$ 81,988    | \$ 1,247,742 |

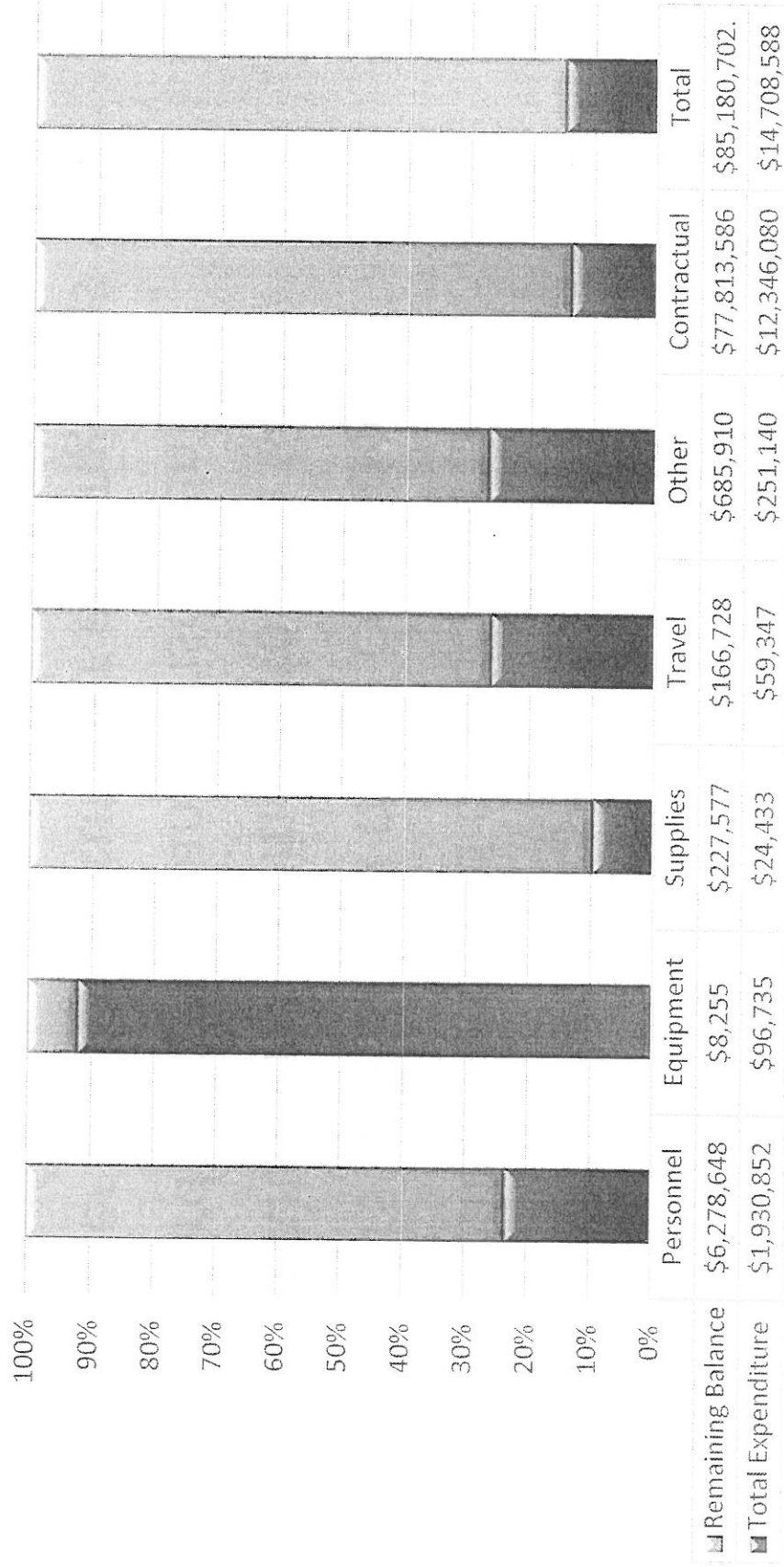
# Financial Outlook

## SBE-FP/SHOP/AW-ESI

| Operating Expenses                        | AHIM SHOP, SBE-FP & AR Works Baseline Five Year Budget |              |              |              |              |
|-------------------------------------------|--------------------------------------------------------|--------------|--------------|--------------|--------------|
|                                           | 2016                                                   | 2017         | 2018         | 2019         | 2020         |
| Salary and Fringe                         | \$2,428,400                                            | \$2,525,536  | \$2,626,560  | \$2,877,851  | \$2,992,968  |
| FFM IT Fee                                | \$0                                                    | \$4,902,253  | \$5,610,629  | \$6,421,365  | \$7,349,252  |
| AHIM SHOP Marketing                       | \$2,431,986                                            | \$345,588    | \$320,000    | \$320,000    | \$320,000    |
| AHIM SHOP M&O                             | \$1,981,682                                            | \$1,885,458  | \$1,000,000  | \$1,000,000  | \$1,000,000  |
| AR Works ESI Build                        | \$400,000                                              | \$175,000    | \$0          | \$0          | \$0          |
| AR Works ESI Technical Support            | \$250,000                                              | \$100,000    | \$100,000    | \$100,000    | \$100,000    |
| AR Works ESI Program Support              | \$212,500                                              | \$637,500    | \$450,000    | \$450,000    | \$450,000    |
| AR Works ESI M&O                          | \$75,000                                               | \$225,000    | \$300,000    | \$300,000    | \$300,000    |
| AR Works ESI IV&V                         | \$0                                                    | \$0          | \$0          | \$0          | \$0          |
| AR Works ESI Marketing                    | \$250,000                                              | \$150,000    | \$150,000    | \$150,000    | \$150,000    |
| Premium Aggregator Build                  | \$0                                                    | \$7,000,000  | \$0          | \$0          | \$0          |
| Premium Aggregator M&O                    | \$0                                                    | \$0          | \$1,000,000  | \$1,000,000  | \$1,000,000  |
| SBE-FP Call Center                        | \$0                                                    | \$623,868    | \$350,000    | \$350,000    | \$350,000    |
| SBE-FP Marketing                          | \$50,000                                               | \$1,000,000  | \$250,000    | \$250,000    | \$250,000    |
| Navigator / Assister                      | \$150,000                                              | \$600,000    | \$500,000    | \$500,000    | \$500,000    |
| Training for Assistants                   | \$100,000                                              | \$100,000    | \$100,000    | \$100,000    | \$100,000    |
| Plan Management                           | \$50,000                                               | \$400,000    | \$500,000    | \$500,000    | \$500,000    |
| Professional Services                     | \$2,000,000                                            | \$2,000,000  | \$1,000,000  | \$1,000,000  | \$1,000,000  |
| Equipment                                 | \$77,850                                               | \$97,530     | \$34,500     | \$35,363     | \$36,247     |
| Supplies                                  | \$76,650                                               | \$168,650    | \$168,650    | \$172,866    | \$177,188    |
| Travel                                    | \$85,400                                               | \$180,200    | \$151,000    | \$154,775    | \$158,644    |
| Other                                     | \$221,500                                              | \$291,100    | \$306,100    | \$313,753    | \$321,596    |
| Total Projected Expenses                  | \$10,840,968                                           | \$23,407,684 | \$14,917,439 | \$15,995,972 | \$17,055,895 |
| Operating Revenue                         |                                                        |              |              |              |              |
| Grant Funding                             | \$9,403,468                                            | \$12,581,678 | \$0          | \$0          | \$0          |
| SHOP Assessment Revenue                   | \$0                                                    | \$41,391     | \$55,521     | \$63,835     | \$73,394     |
| AHIM Individual Market Assessment Revenue | \$744,000                                              | \$4,902,253  | \$7,480,838  | \$8,561,820  | \$9,799,002  |
| FFM IT Fee Collections                    | \$0                                                    | \$4,902,253  | \$5,610,629  | \$6,421,365  | \$7,349,252  |
| AW-ESI DHS Funding                        | \$1,632,900                                            | \$1,728,229  | \$1,493,022  | \$1,533,191  | \$1,552,996  |
| Total Projected Revenue                   | \$11,780,368                                           | \$24,155,804 | \$14,640,010 | \$16,580,210 | \$18,774,645 |
| Projected Operating Gain / (Loss)         | \$ 939,400                                             | \$ 748,121   | \$ (277,429) | \$ 584,238   | \$ 1,718,750 |
| Assessment Fee Rate                       |                                                        | 3.00%        | 3.50%        | 3.50%        | 3.50%        |
| Cumulative                                | \$ 939,400                                             | \$ 1,687,521 | \$ 1,410,091 | \$ 1,994,330 | \$ 3,713,080 |

# Grant Summary

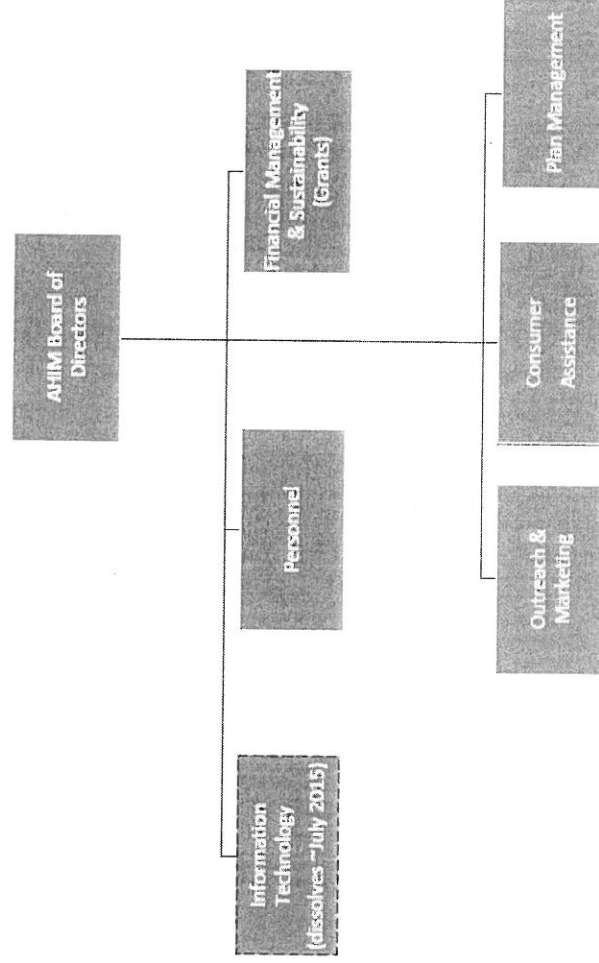
## Level 2 Grant



# Annual Board Business: Operating Rules & Bylaws

AHIM Board of Directors Stakeholder Engagement Structure

Approved 4/08/2015



■ Board Members  
■ Board & Public

# Annual Board Business:

## Duties

- Promulgate rules, policies, and procedures for the Marketplace
- Administer and operate the Marketplace
- Perform any duties identified under state or federal law

# Annual Board Business:

## Assessment Fee Recommendations for PY2018

- Per Act 1500, on an annual basis (by Oct. 1) the AHIM Board must present the AHIM Legislative Oversight Committee with recommendations for the “assessment or user fee and increases or decreases in the amount of future assessments or user fees and penalties and interest charges for non payment of an assessment or user fee charged to participating health insurers.”

# Annual Board Business:

New Officer Selection/Committee Appointments PY2018

- Per Article 6 of the AHIM Bylaws, “The Board shall select a Chair, Vice-Chair, Secretary/Treasurer, and such other officers as a majority of the Board Choose. The Board shall elect at its last meeting in September of each year a Chair, Vice-Chair and Secretary/Treasurer. An officer of the Board may not succeed himself or herself.”