

My Arkansas Insurance

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

Welcome

Arkansas Health Insurance Marketplace

2016 Board Retreat

Wednesday September 21st, 2016



Plan Management Committee

- Plan Management Plan Year 2016
 - AHIM had no responsibility in Individual QHP Certification Criteria
 - Federal Government was responsible for performing entire Individual QHP certification review
 - Federal Government Issues Notice of Final Certification to Individual QHP Carriers
- Plan Management Plan Year 2017
 - AHIM is responsible for establishing QHP Certification Criteria and notifying AID of established criteria
 - AHIM is responsible for conducting the entire certification review
 - AHIM issues notice of final certification

Plan Management Committee Recommendations:

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

Consumer Assistance Committee

The 2017 Benefit and Payment Parameters requires SBE-FPs to operate their own Navigator Program and Toll-Free Hotline:

- **Navigator Program:**
 - AHIM must contract with two Navigator Organizations that will assist consumers applying for healthcare through the marketplace
 - AHIM is responsible for funding and budgets. Establishment funds may not be used to fund the program
 - AHIM is responsible for administering program, including selection process, oversight, licensing, and certification, consistent with statutory and regulatory authority
- **Toll-Free Hotline:**
 - AHIM must at a minimum provide a toll-free telephone hotline to respond to consumer requests for assistance and appropriately directs consumers to the Federal platform services
 - AHIM is able to use federal funds to establish the hotline
 - AHIM is responsible for administering program, including scope of hotline, selection process, and oversight, consistent with statutory and regulatory authority

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 allocate a percentage of the budget according to the percentage of the population served by each organization
- Initial contract should be two years with an option to extend, pending annual re-evaluation

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

Premium Aggregation RFP

- RFP development for an enhanced Premium Aggregator that will add value for employers, carriers, and AHIM.
- Premium Aggregation was included in AHIM's Blueprint to CMS

Current AHIM Environment:

- Premium Aggregation components are CMS requirements for SHOP:
 1. Allows qualified employers to receive a single monthly bill for all QHPs in which their employees are enrolled and to remit a single monthly amount to the SHOP.
 2. Aggregates premium payments from qualified employers and distribute the payments to appropriate QHP issuer(s).

- For AHIM's SHOP, the core functionality was delivered on time for Plan Year 2016

Enhancing Premium Aggregation:

- More robust and seamless monitoring of infrastructure and solution
- Automated validation and reconciliation of financial transactions
 - Decreases manual processes to better ensure accuracy for employers, carriers, and AHIM
- Capability to expand and be leverage in other ways in the future

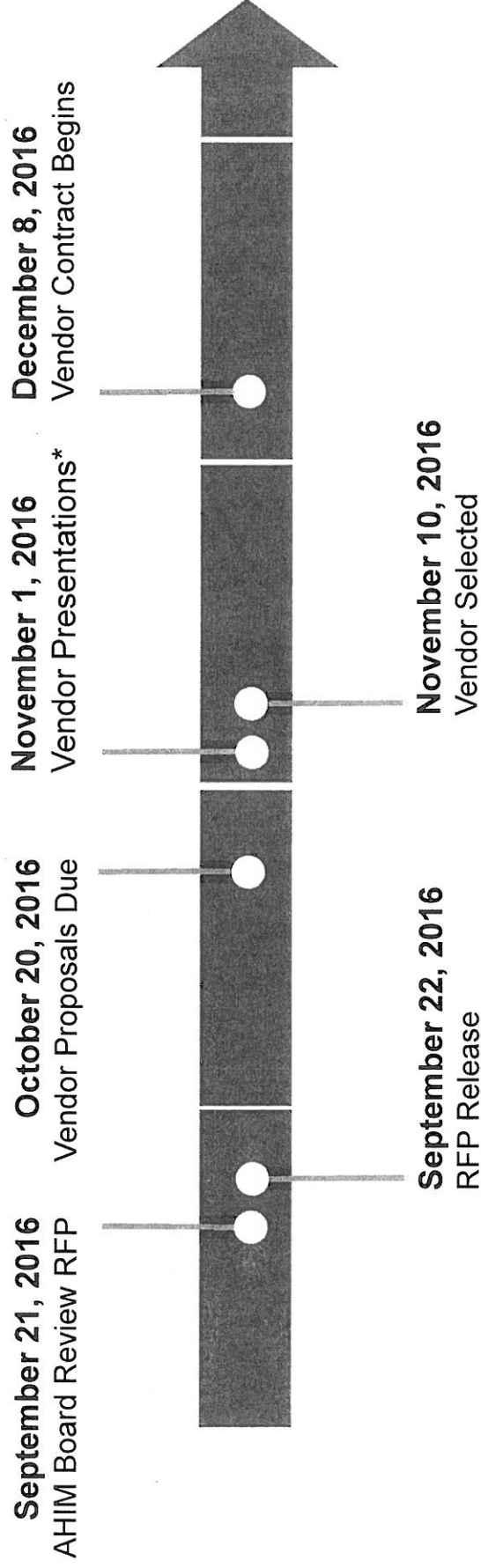
IT Committee

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

Procurement Timeline



*Presentations will be held if needed

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:

Personnel

- Nichole Weldon, Finance Manager
- Tony Beeler, Director of Finance
- Natalie Franklin, Senior Administrative Assistant
- Chris Hopper, Director of Operations
- Keebie Monk, Financial Specialist
- Nicole Edwards, Administrative Assistant

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:

Security Audit Contract

- Required annually
- Deadline: 12/31/16
- Required to have 3rd party Security Assessment Report (SAR)
- Staff recommends adding this scope to existing PMO contract with PCG

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:

Expanding Employer Based Coverage

Key provisions to link low income individuals to employer coverage instead of traditional Medicaid:

Medicaid Premium Assistance
for Adults with Access to
Employer-Sponsored Insurance
(ESI)

Medicaid would require those with access to cost effective plans to enroll in them. Medicaid would subsidize premiums and cost sharing of the enrolled individual.

Premium Affordability for
Employers

Reduce employer cost for coverage of qualifying low income individuals to no more than 25% of total premium cost

Reversing the Decline of
Employer Sponsored
Insurance

Waiver "demonstration" includes testing if these changes can help strengthen employer sponsored insurance as a source of coverage for more low-income Arkansans.

Non-grandfathered small
group plans are the focus.

Allows family members to stay together in one family plan and maximize contributions. The state-based SHOP will collect premium contributions from various sources (employee and employer contributions, Medicaid, premium tax credits) and pay them out to the carriers.

Executive Director Update:

Memorandum of Understanding

AHIM

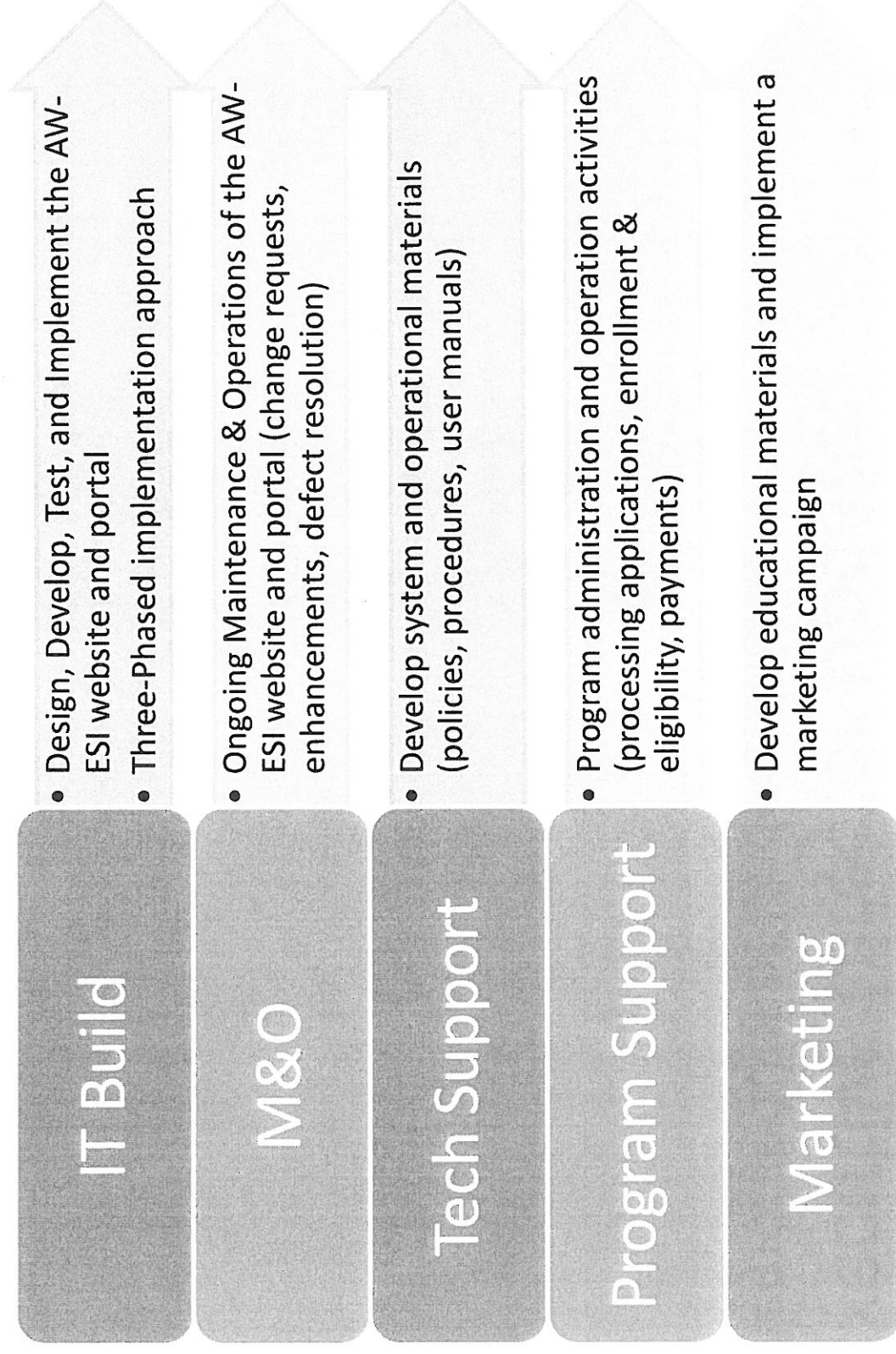
- Develop and maintain AW-ESI website and portal
- Employer enrollment & eligibility
- Identify employees who are required to participate
- Assist employees with AW-ESI enrollment
- Administer premium assistance payments to Employers
- Education and outreach
- Customer service

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:

AHIM Project Activities



Executive Director Update:

Implementation Timeline

Sept. 6th
Software Design and
Development

Nov. 1st
Phase 1 Go-
Live

Jan. 1st
Phase 3 Go-
Live

Oct. 1st
Program
Support
Training

Nov. 15th
Phase 2 Go-
Live

Executive Director Update:

Phase 1 – 3 Key Functionality

Phase 1

- Website and Portal Live
- Employer Application Submission
- Employer eligibility reviews
- Agents & Brokers Registration

Phase 2

- Employee Medicaid Eligibility Checks
- Data Transfer with DHS
- Employer Roster Changes

Phase 3

- Employee Subsidy Calculations
- Employer Invoicing Submittal
- Premium Assistance Remittance

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

Executive Director Update:

Sustainability Overview

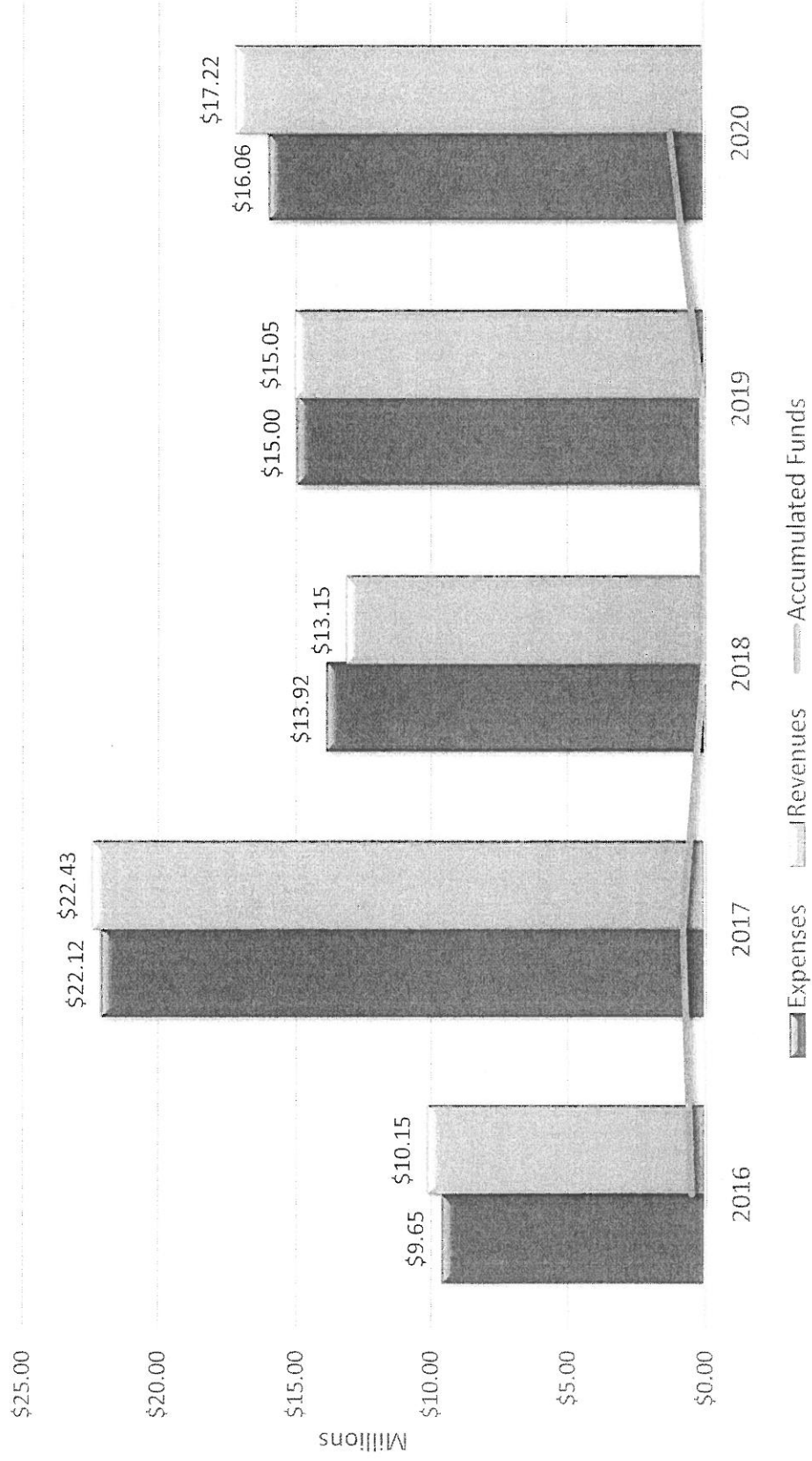
- Five Year Financial Outlook
 - MODEL ASSUMPTIONS:
 - Annual Premium Increase of 9%
 - Annual Population Increase of 5%
 - Baseline assessment of 3.5% beginning in PY2018
 - FFM IT Fee remains constant at 1.5%

Financial Outlook

SHOP/SBE-FP

AHIM SHOP & SBE-FP Baseline Five Year Budget					
	Operating Expenses				
	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					
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					
SBE-FP Marketing					
Navigator / Assister					
Training for Assistants					
Plan Management					
Professional Services					
Equipment					
Supplies					
Travel					
Other					
Total Projected Expenses	\$9,653,468	\$22,120,184	\$13,917,439	\$14,995,972	\$16,055,895
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					
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

SHOP/SBE-FP

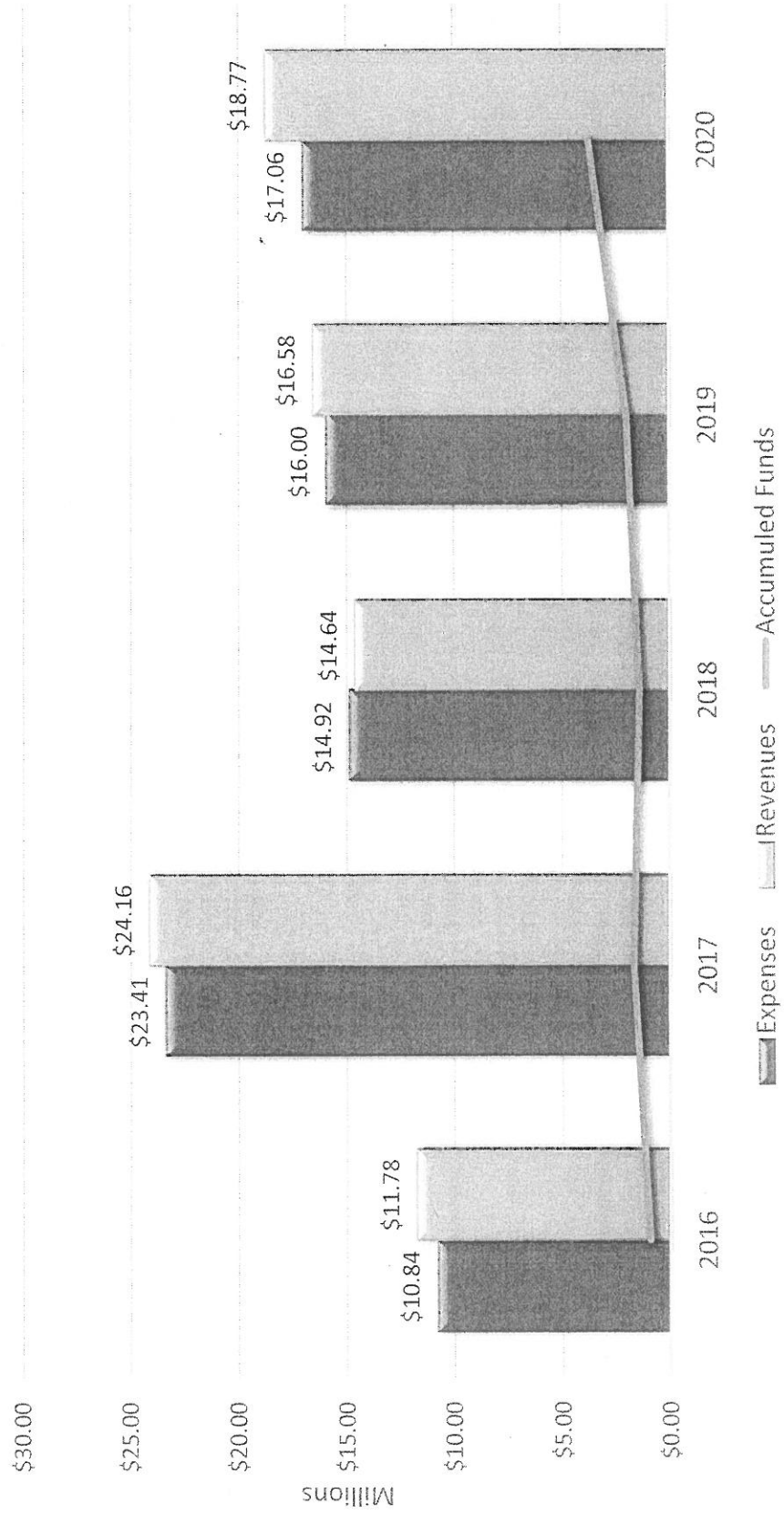


Financial Outlook

SBE-FP/SHOP/AW-ESI

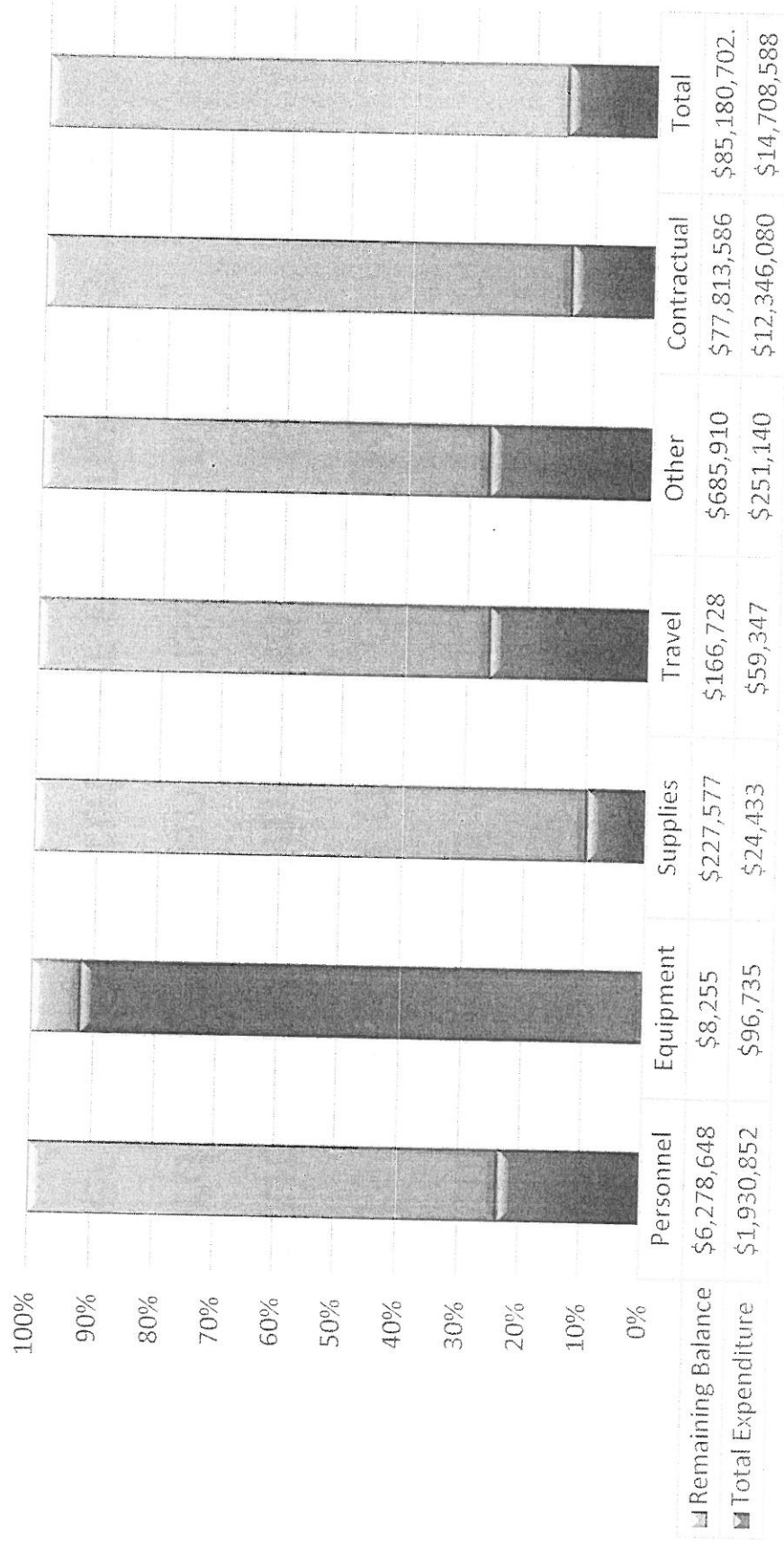
AHIM SHOP, SBE-FP & AR Works Baseline Five Year Budget					
Operating Expenses					
	2016	2017	2018	2019	2020
Salary and Fringe	\$2,428,400	\$2,525,536	\$2,626,560	\$2,877,851	\$2,992,968
FFM IT Fee	\$0	\$4,902,253	\$5,610,629	\$6,421,365	\$7,349,252
AHIM SHOP Marketing	\$2,431,986	\$345,588	\$320,000	\$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
Navigators / Assistants	\$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

SHOP/SBE-FP/AW ESI



Grant Summary

Level 2 Grant



Annual Board Business:

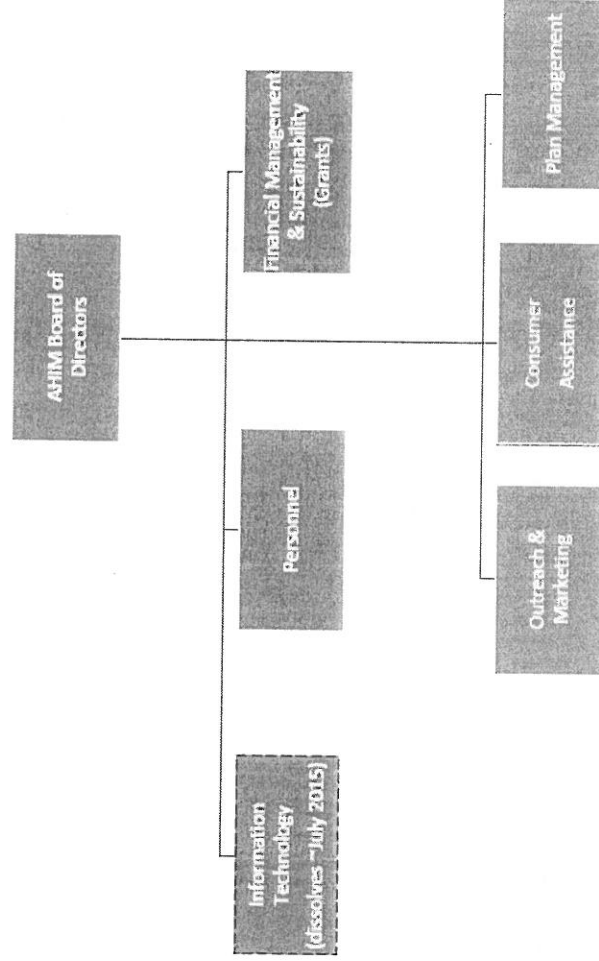
Operating Rules & Bylaws

- Rule-making and amendment process
 - Initiated by Board or Executive Director
- Factors the Board must consider
 - Statutory requirements for the Board
 - Board discretion and jurisdiction
 - Other related statutes or existing rules
 - Problem addressed
 - Reasonable alternatives
 - Financial impact

Annual Board Business: Operating Rules & Bylaws

AHIM Board of Directors Stakeholder Engagement Structure

Approved 4/08/2015



■ Board Members
■ Board & Public

Annual Board Business:

Governance

- Granted by the General Assembly
- Laws applicable to a Domestic Nonprofit Corporation
- Articles of Incorporation and Operating Rules

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:

Standard of Care

- Exercise duties in good faith
- Use reliable and competent sources of information
- Maintain vigilance against conflict of interest in transactions

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:

Upcoming Legislative/Regulatory Changes

- Act 1439
- User fees

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."

