

## House and Senate Public Health, Welfare and Labor Committee meeting

Arkansas Insurance Department (AID)

Arkansas Health Connector Division (AHCD)

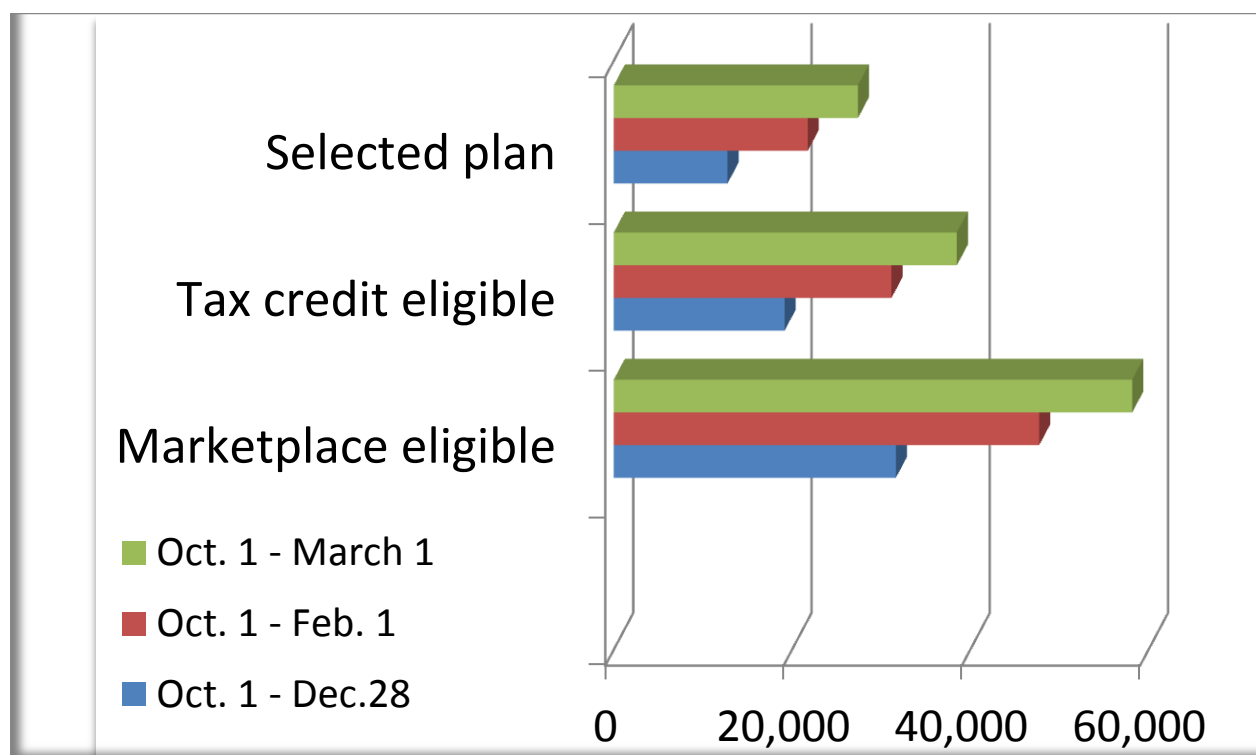
March 27, 2014



## Update on the Health Insurance Marketplace in Arkansas

### Enrollment Continues to Rise

Enrollment in Marketplace plans by consumers with incomes greater than 138% of the federal poverty level (FPL), nationally and in Arkansas, has continued to increase with the improvements to [www.healthcare.gov](http://www.healthcare.gov). The enrollment increases in Arkansas Marketplace plans are demonstrated below by numbers released March 11 by the U.S. Department of Health and Human Services (HHS).



From October 1, the first day of open enrollment, through March 1:

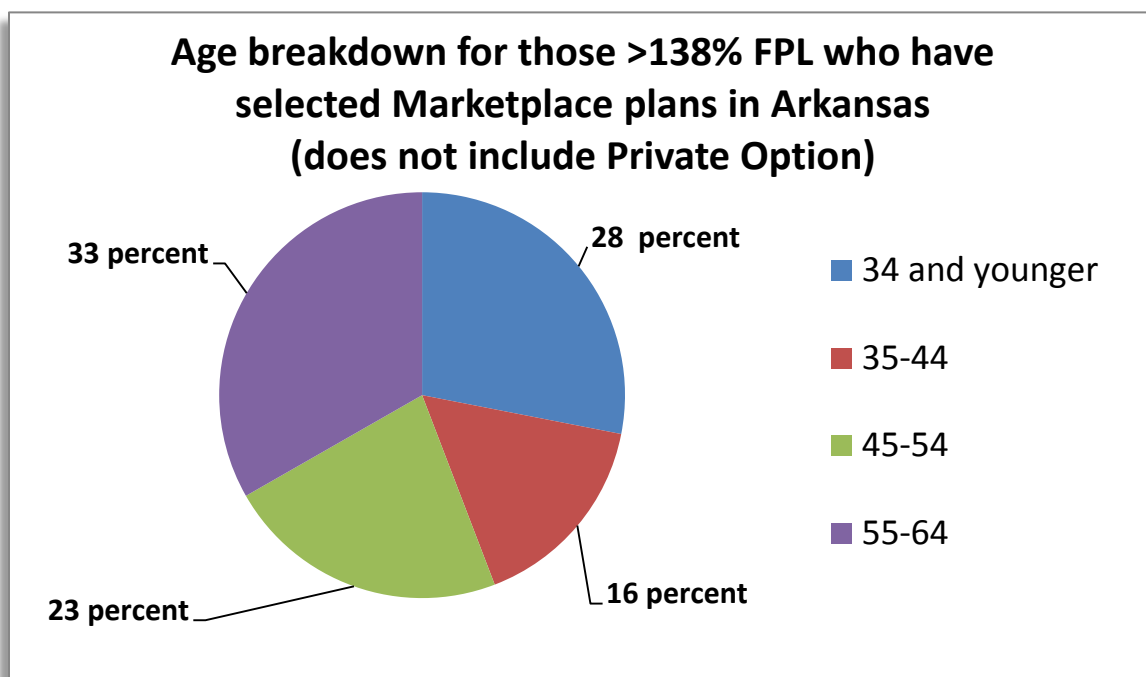
- 27,395 individuals had selected a Marketplace plan, up from 21,763 through February 1
- 38,500 individuals were determined eligible for tax credits, up from 31,164
- 58,173 individuals were determined eligible to enroll, up from 47,742

Nationwide, from October 1 to March 1, more than 4.2 million people selected Marketplace plans offered by the Federally-Facilitated Marketplace (FFM) and State-Based Marketplaces (SBMs).

In addition to the federally-generated numbers, AID is collecting enrollment information from issuers on a regular basis. According to the latest data we have, 33,569 non-Private Option eligible consumers have enrolled in Marketplace plans in Arkansas. ***See attachments for full March 24 report.***

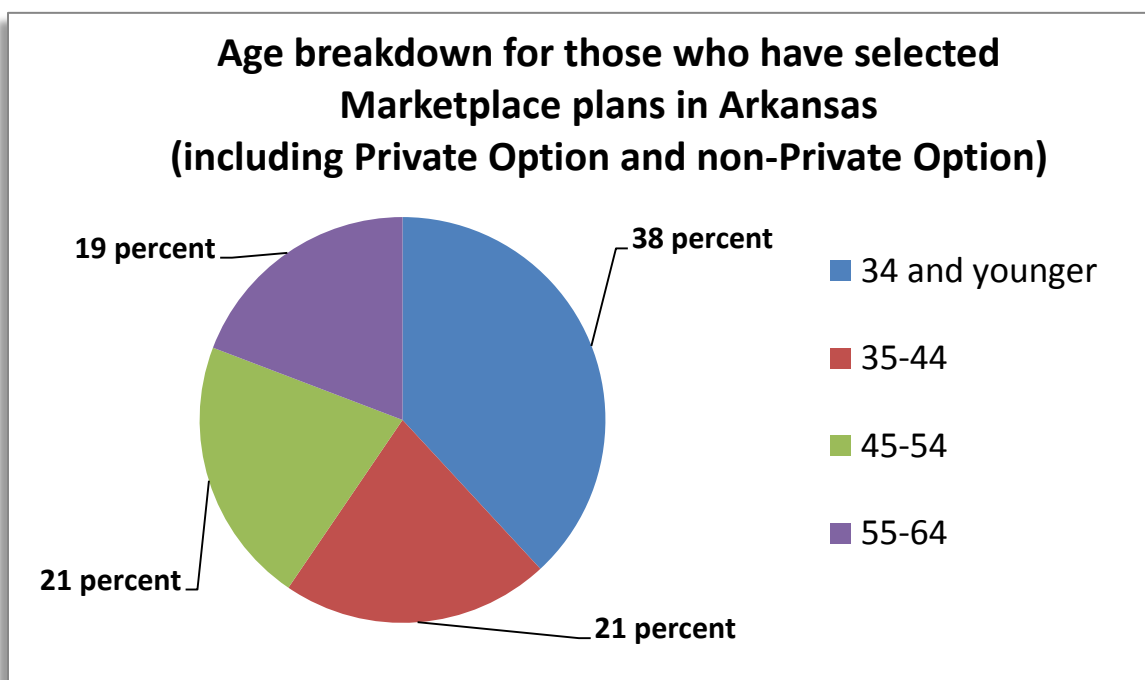
The deadline for signing up for a plan in the Marketplace is March 31. However, there will be exceptions for applications that are in process in [www.healthcare.gov](http://www.healthcare.gov) but aren't finalized by March 31. Afterward, to qualify for coverage in 2014, a consumer must have undergone a qualifying life event such as marriage, divorce, birth or adoption of a child, or loss of a job. Such a significant life change could result in the consumer having a Special Enrollment Period. Otherwise, the next Open Enrollment Period is for Plan Year 2015 and is scheduled to run from November 15, 2014 through February 15, 2015.

## Enrollment Demographics



We're seeing a steady increase in the enrollment numbers for younger consumers. Younger people are typically healthier than older people that sign up for Marketplace coverage, and, as such, improve the financial standing of plans by expanding the risk pool. Enrollment in the 18-34 age group and among those in the less-than-18 age group each increased by one percentage point in the March 1 from the February 1 report. It rose two percentage points from the February 1 report to the March 24 report (represented in above graphic).

With the March 31 deadline for signing up for Marketplace, we expect more and more younger consumers to sign up, once they learn more about what's available to them and the individual responsibility requirements under the Affordable Care Act. The delay in younger consumers signing up most likely is attributed to the relative health of that population. The healthier consumer generally views signing up for insurance with less of an urgency than the populations with health issues.



The above chart, based on the March 24 report, demonstrates the importance of Private Option enrollees in improving the age demographics of the Arkansas Marketplace risk pool, thereby lowering premium costs for everyone — inside and outside the Marketplace.

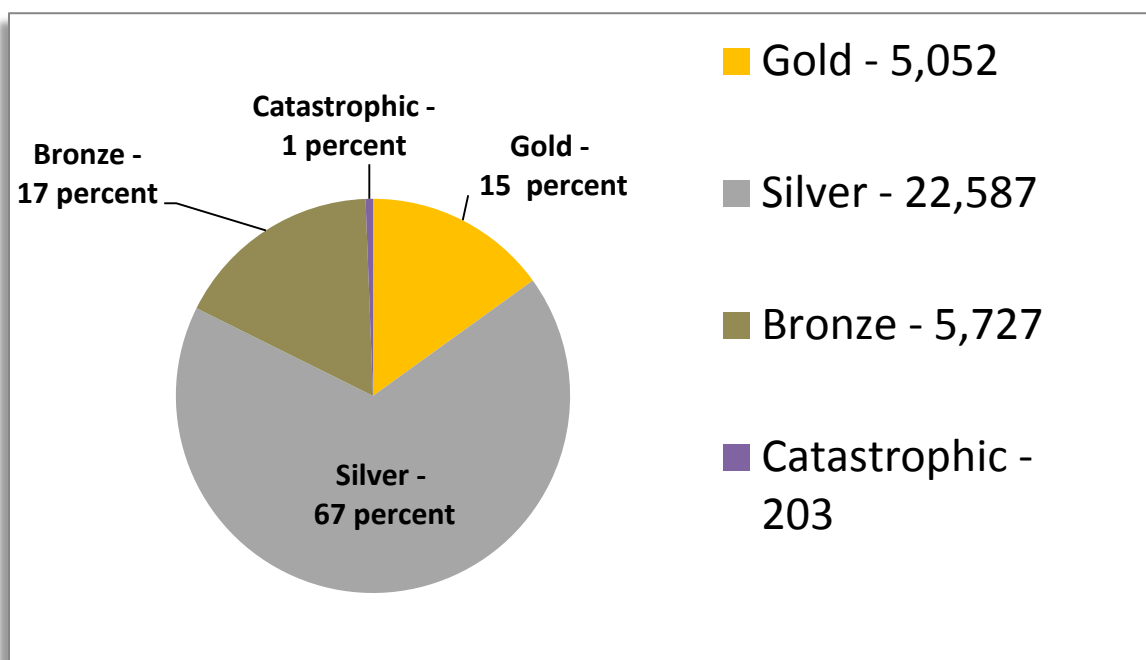
### Metal Level Distribution and Average Premiums

There are four levels of plans sold in the Marketplace: Gold (80 percent actuarial value), Silver (70 percent), Bronze (60 percent) and Catastrophic (generally available to consumers younger than 30 or with a demonstrated hardship). In general, the higher the actuarial value, the higher the premium but the lower the consumer out-of-pocket costs.

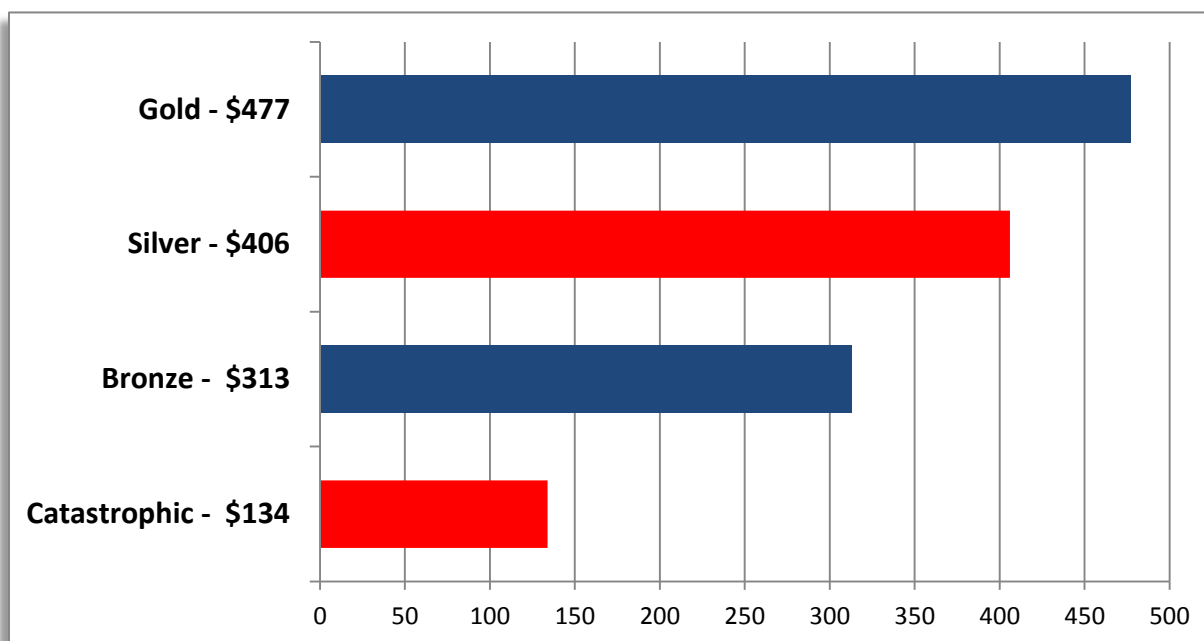
All Private Option eligible Arkansans enroll in high value (94-plus% actuarial value) Silver plans. The average monthly premium cost for these plans is \$351 per member per month, according to data supplied to AID by carriers on March 24. This average premium cost changes in response to the age, residence, and tobacco-use status of enrollees. It is important to note that deductibles are paid at 100% for Private Option consumers, and individual responsibility for co-payments occurs between 100%-138% of FPL, at a minimal level — approximately 5% of benefits.

The below chart reflects the metal level breakdown by the number and percentage of plans purchased in the *Marketplace by consumers with incomes greater than 138% FPL*. The average non-tobacco monthly premium cost for this group is \$400, which indicates that Marketplace consumers above 138 %

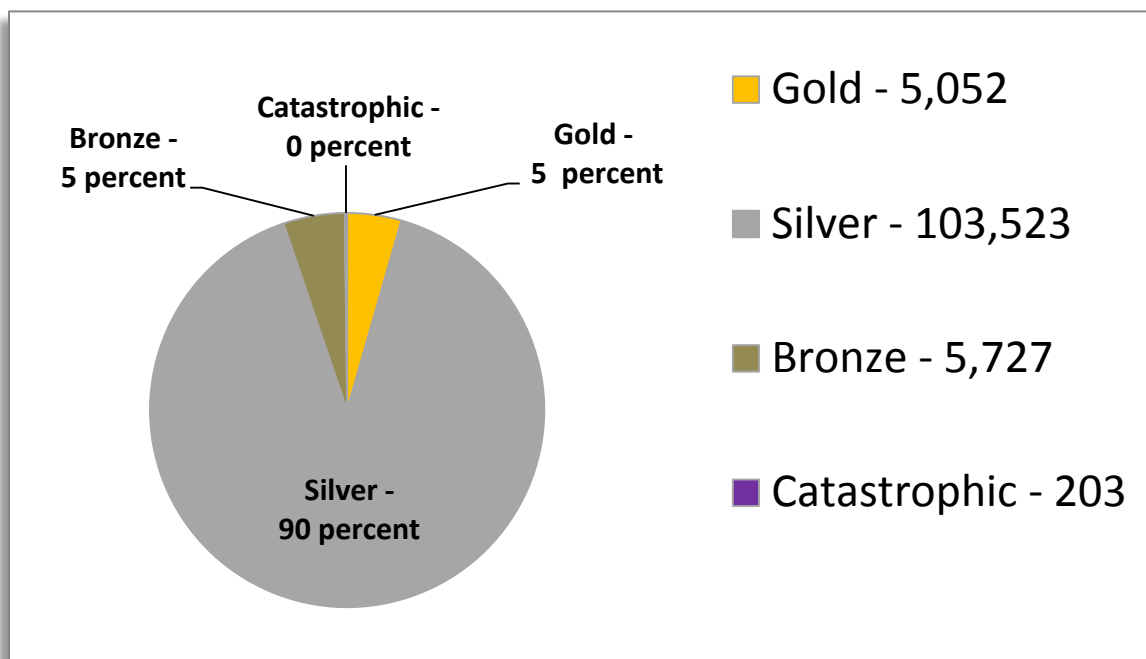
of the FPL are purchasing more expensive plans due to their age, residence, and plan preferences. Those with incomes between 138% and 250% of the FPL *who purchase a Silver Level Plan* will also receive some cost-sharing reductions related to deductibles, co-pay, and co-insurance.



The following chart illustrates the average non-tobacco monthly premium cost for consumers >138% FPL selecting Marketplace plans in Arkansas.



The below chart illustrates the combined metal level distribution among consumers in the Marketplace in Arkansas, including enrollments in the Private Option.



## Consumer Assistance

The AHCD Resource Center continues to handle a high volume of calls. In total, between October 1 and March 19, there were 15,183 calls to the Arkansas Health Connector Resource Center. We also work to get answers to special inquiries from legislators or other public officials for their constituents. Increased communication with DHS has improved appropriate routing and resolution of consumer calls. We appreciate DHS's responsiveness.

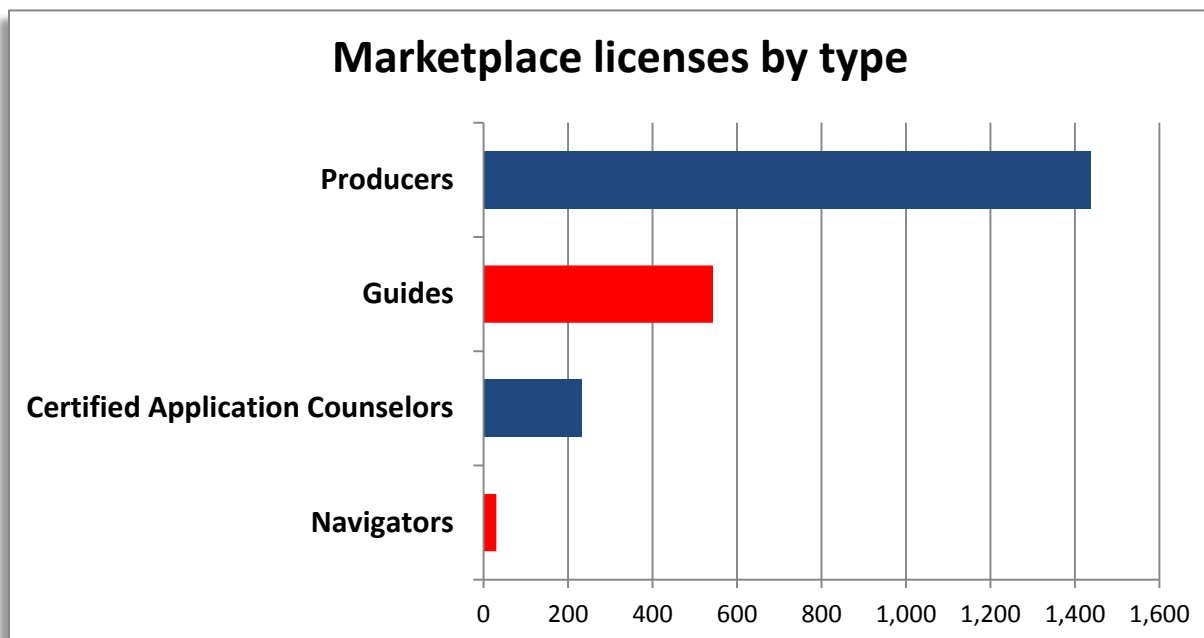
## Issuer Outreach

Insurance Commissioner Jay Bradford is planning outreach meetings with potential new issuers to encourage their participation, and thereby increased competition, in the Arkansas Marketplace for Plan Year 2015. AID is also holding a series of workshops for issuers to help them plan and prepare for submission of Qualified Health Plans (QHPs) for approval for Plan Year 2015. An initial issuer application workshop was held during the February Plan Management Advisory Committee meeting and a second is being planned for the near future.

## Licensing

More than 2,200 people are working across Arkansas to help people who need health insurance get the necessary information to enroll in a plan best suited for them and their families. AID licensing of guides, producers, and other Marketplace assisters as required by Act 1439 continues.

Through March 20, 2,243 Marketplace assister licenses issued by AID include 1,437 licenses to producers, 543 to guides, 233 to certified application counselors, and 30 to navigators. About 25 license applications are pending.



Continuing education will be required for annual renewal of a Marketplace assister license. This continuing education is scheduled to be available June 30, 2014. License renewals will begin August 1, 2014 and is to be complete by September 30, 2014.

## Guide Activity

Through March 7, 2014, guide organizations reported assisting 80,914 individuals with eligibility and/or enrollment activities and conducting 33,961 outreach activities attended by 459,427 individuals.

Per special language added to the AID's appropriation bill, now Act 276, starting July 1, 2014 the AID - AHCD will no longer expend federal grant money for In-Person Assister guides employed by organizations and agencies contracting with the AID-AHCD for outreach and Marketplace enrollment assistance. Act 276 contains the same amendment placed on the DHS Medical Services appropriation bill: a ban on the agencies using state, federal, or other funding toward outreach and education or other activities to promote enrollment in the Marketplace during SFY 2014-2015.

## Plan Management

We continue to work with Medicaid, CMS, issuers, and others in defining QHP certification criteria for Plan Year 2015 that will best meet needs for Arkansans, encourage increased competition in the Marketplace, and comply with Marketplace and Medicaid regulations. One example of a plan management issue near resolution is how the Marketplace will offer Essential Health Benefits (EHBs) *and* state-mandated insurance offerings of Hearing Aids and temporomandibular joint (TMJ) disease coverage without additional cost to the state. CMS through Medicaid and the US Treasury will only pay premium costs for EHBs. The Center for Consumer Information and Insurance Oversight (CCIO) is working with Arkansas to find a satisfactory solution that will benefit the state and consumers.

*AHCD and carriers are working under the following deadlines:*

<b>QHP Application Submission and Review Process (Integrated Plan Preview)</b>	Issuers submit plan data to AID for review	5/1/2014 - 5/31/2014
	AID reviews plan data and coordinates corrections/additions/deletions with carriers	5/1/2014 - 7/31/2014
	First data transfer deadline for the System for Electronic Rate and Form Filing (SERFF)	8/8/2014
	Plan preview available	8/12/2014
	FFM reviews plan data	8/11/2014 - 8/25/2014
	FFM notifies states of any needed corrections to QHP data	8/26/2014
	Last date for issuers to resubmit plan data into SERFF	9/4/2014
	Second SERFF data transfer	9/5/2014 - 9/10/2014
	FFM completes second review of plan data and state recommendations	9/22/14
<b>QHP Agreement/Final Certification</b>	Certification notices and QHP agreements sent to issuers	10/14/2014
	Issuers return signed QHP agreements	11/3/2014
<b>Training</b>	2015 assister training deployed for new assisters and continuing education for existing assisters	6/30/2014
<b>Licensing Renewal</b>	2015 assister license renewal	8/1/2014 – 9/30/14
<b>Open Enrollment</b>	2015 open enrollment for Marketplace	11/15/2014 - 2/15/2015
<b>Plans</b>	2015 plans effective	1/1/2015 - 12/31/2015

## **Marketplace Evaluation**

AHCD continues to work with UAMS College of Public Health, the vendor selected to perform the evaluation of the State Partnership Marketplace in Arkansas. This project will evaluate all aspects of the State Partnership Marketplace and offer AHCD and the new State-Based Marketplace board suggestions on ways to improve Arkansas's Marketplace. AHCD staff has participated in meetings with the College of Public Health, and we continue to work to get the evaluators access to available data they request.

## **Arkansas Health Insurance Marketplace (AHIM) Board**

The Arkansas Health Insurance Marketplace Board created by Act 1500 of 2013 continues to meet regularly. The Board held a retreat March 8-9, which was attended by AID Commissioner Jay Bradford and Deputy Commissioner Cynthia Crone. The Board is in the process of hiring an executive director and has selected Public Consulting Group to serve as the planning vendor.

## **Latest federal grant request**

AHCD on February 14 submitted our Level One F application to CCIIO. This is our sixth Level One Establishment grant, which we label alpha-numerically to aid in identification for the purpose of agency operations. We are seeking \$1.45 million to continue funding AHCD operations through March 31, 2015. This is down from our plan to seek \$10.8 million. This was reduced following the passage of special language regarding outreach and education in Act 276 previously referenced. We continue to communicate with CCIIO regarding this request and expect to be approved as early as the end of this month.