

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

Report Date	October 30, 2014
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Organization Information	
State	Arkansas
Project Title	Arkansas Health Insurance Rate Review Program Cycle II
Grant Project Director (Name and Title)	Lowell Nicholas Deputy Commissioner – Rate Review Director
Phone/Email	501-683-3836 / lowell.nicholas@arkansas.gov
Grant Authorizing Representative	(Same)
Phone/Email	(Same)

Grant Information	
Date Grant Awarded	September 23, 2013
Amount Granted	\$3,134,794.00
Project Year	2013 - 2015
Phase (Phase I or Phase II)	Phase II
Project Reporting Period (Example: Annual Report 10/1/2011-9/30/2012)	Annual Report (10/1/13 – 09/30/14)

The purpose of the Annual Grant Reports is to:

- Summarize the rate review initiatives funded through the grant program over the prior year
- Describe the establishment and enhancement of an Effective Rate Review Program over the prior year
- Provide the States participating in the Rate Review Grant Program with the opportunity to share information, highlight successes and reflect upon the progress of their programs

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Grant Performance Period-Cycle II: Date of award through September 30, 2014

Section 1003 of the Affordable Care Act requires the Secretary of the Department of Health and Human Services (HHS), in conjunction with the States, to establish a process for the annual review of health insurance premiums to protect consumers from unreasonable, unjustified and/or excessive rate increases. Section 2974 of the Public Health Service Act (PPACA Section 1003) provides for a program of grants that enable states to improve the health insurance rate review and reporting processes.

The goals of the Cycle II Rate Review Grant Program include:

- Establishing or enhancing a meaningful and comprehensive effective rate review program that is transparent to the public, enrollees, policyholders and to the Secretary, and under which rate filings are thoroughly evaluated and, to the extent permitted by applicable State law, approved or disapproved; as well as
- Developing an infrastructure to collect, analyze, and report to the Secretary critical information about rate review decisions and trends, including, to the extent permitted by applicable State law, the approval and disapproval of proposed rate increases.

States are required to submit annual progress reports to CCIIO's Rate Review Grant Program. The annual progress report describes significant advancements towards the State's goal of improving its current health insurance rate review and reporting process, including progress toward an effective rate review program, over the prior twelve month period.

Each annual report is due thirty days following the end of the Federal fiscal year. For example, for Phase I awardees the first Cycle II annual report are due by October 30, 2012. All annual reports must be submitted electronically through the Health Insurance Oversight System (HIOS). For the final grant year, the Cycle II Final Report will replace the Cycle II Annual Report.

The following reporting guidelines are intended as a framework and can be modified when agreed upon by the CCIIO Rate Review Grant Program and the State. A complete annual progress report must detail how grant funds were utilized, describe program progress, barriers and provide an update on the measurable objectives of the grant program.

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PART I: NARRATIVE REPORT FORMAT

Overlap of Cycle II & III

This Cycle II Annual report will contain activities and budget information from both Cycle II and Cycle III because of the one year grant overlap in FY14. The Arkansas HIRRD Cycle II award was scheduled to end on September 30, 2014. However, with the utilization of a Cycle II “No Cost Extension” (NCE) awarded to HIRRD on March 26, 2014, unexpended Cycle II funds will be available for FY15 (October 1, 2014 – October 30, 2015).

The Cycle III award period began on October 1, 2013 and will end on September 30, 2015. The Arkansas HIRRD received the Cycle III award on September 23, 2013 in the amount of \$3,134,794. This created a one year overlap of Cycle II and Cycle III during fiscal year 2014. As of September 30, 2014, there was a total Cycle II expenditure of \$2,097,657 (54.2%). The initial Cycle II award was in the amount of \$3,874,098. The remainder of Cycle II funds is \$1,776,441.

Introduction:

Section 2794 of the Affordable Care Act (ACA) “Ensures That Consumers Get Value for Their Dollars.” Specifically, Section 2794 establishes a process for the annual review of health insurance rates to protect consumers from unreasonable rate increases.

On July 1, 2011, Steve Larsen, CCIIO Director, officially notified Commissioner Jay Bradford that the Arkansas Department of Insurance (AID) had met the applicable criteria and had been designated an ‘Effective Rate Review Program’ in all markets. By constant review and compliance, AID has been able to maintain that designation.

CCIO’s mandate for this Cycle II Annual Report is to summarize the rate review initiatives funded through the grant program over the prior year. The Health Insurance Rate Review Division (HIRRD) of the Arkansas Insurance Department (AID) has completed its Third year of the Cycle II grant.

The Arkansas HIRRD has been aggressive, innovative, and successful in conceiving and implementing its “rate review” strategic plans in Cycles I, II and III, as well as the proposed strategic plan in its recently submitted and approved Cycle IV grant application. To date, the Arkansas HIRRD has applied for and received more than \$9 million in rate review federal grants (\$1,000,000 in Cycle I, \$3,874,098 in Cycle II, \$3,134,798 in Cycle III and \$1,179,000 in Cycle IV funds).

Annual Program Implementation Status:

1. Annual Accomplishments to Date:

- A. HIRRD conceived, designed, implemented, and hosted the very first National Rate Review Meeting held in Little Rock, Arkansas, which exceeded all expectations.
- B. HIRRD continues to maintain an excellent staff in a very functional and well equipped office space.
- C. HIRRD has retained its HHS designation as having an ‘Effective Rate Review Program’ by constant vigilance to the applicable ACA rules and regulations.
- D. HIRRD completed multiple innovative and successful Requests for Proposals (RFPs) and is preparing to issue additional contracts and RFPs.
- E. Additional Accomplishments:
 - Completed a professional and comprehensive assessment of the entire AID rate review program followed by a very thorough across-the board set of recommendations.

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- Completed a “State of the art” Media Center which is fully operational.
 - Renovated and upgraded the AID HIRRD website.
 - Produced a comprehensive “state of the art” rate review training manual and module for accurate and efficient processing of all rate requests.
 - Contracted with the Arkansas Foundation for Medical Care to develop and deliver an innovative “turnkey” program that will produce effective data acquisition and subsequent healthcare insurance data analytics.
 - Contracted and partnered with SERFF to improve rate review reporting.
 - Contracted with SERFF to teach an onsite two day “data utilization” class for the HIRRD staff.
 - Contracted with Lewis & Ellis to conduct “mini” actuarial studies of two small group rate requests, from which one-page “short form” actuarial checklists were created for all future rate requests.
- F. AID Bulletins were modified in order to implement rate review enhancements.
- G. HIRRD planned, designed, and developed improved rate review filing applications for the AID RR database.
- H. HIRRD spent months researching and analyzing the Medical Loss Ratio (MLR) and intends to issue a RFP to enable the Arkansas Insurance Department to fully comply with all ACA requirements and regulations.

2. Annual Progress as, or toward, an Effective Rate Review Program

HIRRD was officially designated as having an ‘Effective Rate Review Program. Steve Larsen, CCIIO Director, officially notified Commissioner Jay Bradford on July 1, 2011, that the Arkansas Department of Insurance had met the applicable criteria and had been designated an ‘Effective Rate Review Program’ in all markets. In maintaining that designation, the AID RR has extensively utilized, revised and upgraded Bulletins to accommodate all continuing HHS requirements including those for “Associations.”

3. Challenges and Responses faced this year

Between September 30 and December 31, 2011, the AID RR Division operated exclusively from funding made possible by a “No Cost Extension” (NCE) of Cycle I funding. Even though CMS/CCIIO was very timely in its September 20, 2011, Cycle II grant award, the State of Arkansas rules and regulations did not allow the AID RR division to access any Cycle II funds until the Cycle II grant funding had been approved by the Arkansas Legislative Council (ALC) after which the Arkansas Department of Finance and Administration (DFA) had to authorize and establish the applicable bank accounts. This complicated process was finally completed on December 27, 2011. As a result, HIRRD operated during the entire first quarter of Cycle II without the use of any Cycle II funding.

HIRRD started the process as soon as notice of the Cycle II grant award was made, it was not possible to be scheduled with the legislative PEER Review Committee (precursor to ALC) until December 1st for the Cycle II grant budget hearing. HIRRD formally presented the Cycle II RR grant budget to the Arkansas Legislative PEER Review Committee on December 1, 2011 and the full ALC on December.16, 2011, after which Cycle II funding was finally approved along with several other Miscellaneous Federal Grants (MFGs).

4. Describe any required variations from the original Rate Review Work Plan and companion timeline.

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HIRRD is not only on schedule for the original Rate Review Work Plan and companion timeline, but in many instances is significantly ahead of schedule.

Significant Activities: Undertaken and Planned

- The most significant activity undertaken during Cycle II was the National Rate Review Meeting held June 13- 14, 2012, in Little Rock. This event exceeded all expectations. The event was the very first ‘National Healthcare Rate Review Meeting’ to ever be held. The AID Rate Review Media Center was at its capacity for the two day program with attendees and presenters from HHS, NAIC, twenty two states, Puerto Rico, Guam, Virgin Islands and the Marianna Islands.
The entire two day program was transmitted ‘real time’ (audio and video) and in a webinar format to more than one hundred remote participants in twenty one states.
These remote participants were able to view the meeting and presentation materials, make real time comments, and present questions. Additionally the entire two day program was recorded (A/V) for post meeting viewing.
A team of HHS/CCIIO officials presented the initial program segment which included an overview of ‘PPACA Rate Review Regulations’, highlights of the rate review grant program, and relevant compliance issues. NAIC officials presented maximum utilization of SERFF by Rate Review state staff members, and discussed recent modifications, and understanding SERFF data functionality.
A day and a half of presentations by outside experts and state rate review presenters followed the SERFF presentation.
This is the first time an Arkansas State Agency has conceived, organized, and hosted a national federal grantee meeting with real time A/V participation by a large audience of remote national participants.
- Another significant activity undertaken by the HIRRD of AID was the preparation of the official Request for Proposal (RFP) for the ‘optional data center’ in the amount not to exceed \$500,000.
- HIRRD created an active consumer-driven Advisory Council to assist with developing meaningful methods to improve consumer knowledge and involvement in the rate approval processes.
- HIRRD worked with the SERFF team to enhance the AID website to make rate review filings current, accessible, and understandable to the public.
- Identified the appropriate target market for our outreach efforts.
- Developed outreach strategies to reach applicable stakeholder groups.
- Established partnerships with various stakeholder groups to gain public input into the premium rate review education planning process.
- Developed a Rate Review ‘Primer’ which explains the rate review process to consumers in “plain language.”
- Developed tailored presentations and materials
- Utilized social media as a method to reach consumers with information; Twitter and Facebook.
- Designed a process for MLR audit and compliance.

Operational/Policy Developments/Issues

There have been significant barriers, issues, and problems that occurred throughout the past grant quarter. The recent Supreme Court decision on ACA is expected to somewhat lessen these problems.

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HIRRD has taken care to insure that potential barriers were eliminated before they could become major problems. This was not always possible. For example, the exchange planning grant also resides within the AID. The “exchange planning” quickly became “problematic” to a considerable segment of the Arkansas State Legislature.

Unfortunately, because Rate Review also resides within the AID, HIRRD suffered from unintended negative consequences by association. As stated in previous reports, our federal grant has to comply with Arkansas statutes and regulations just as if the funds had originated as Arkansas general revenue. Obviously, Arkansas’ mandated procurement and hiring processes have been very problematic and caused considerable delays. AID RR is working diligently to overcome these limitations.

A. Potential APCD Problems

- 1) Qualified bidders
- 2) Solving Governance
- 3) Sustainability funding

- 1) **Qualified bidders.** Elements of the federal definition include but are not limited to the following: status as an academic institution or nonprofit organization; demonstrated expertise in health care claims data collection and analysis; and freedom from conflicts of interest. If an organization or entity meets minimum standards for a Qualified Bidder, HIRRD will evaluate the Qualified Bidder’s full technical proposal. HIRRD will not evaluate proposals submitted by entities other than Qualified Bidders. The total award shall not exceed \$1.7 million.
- 2) **Solving Governance.** Governance is critical. An APCD can easily begin on a voluntary basis, but must become mandatory to be effective. In Arkansas, that will require legislation which is not possible until February 2015.
- 3) **Sustainability funding.** This will be a highly controversial issue. This funding must be accomplished through user fees and/or grants. State government is not likely to fund.

B. Legislative Activity

The Arkansas General Assembly only meets bi-annually. The legislative activity in 2013 that would affect the rate review process is listed below with a brief description of each Act.

- Act 1187 of 2013. The Act expands the authority of the Insurance Commissioner over the approval of rates for individual health insurance products. Under prior law the Commissioner could only disapprove rates if the rates were unreasonable to the premium charged. Under Act 1187, the Commissioner may disapprove rates if they are not actuarial sound, or are excessive, inadequate or unfairly discriminatory. One new factor that the commissioner may take into consideration is the profit generated by the new rate. The Commissioner may disapprove a rate if it is likely to produce a profit that is unreasonably high. In addition the law requires the Commissioner to release to the carrier all of the information used in the rate review process if the rate is disapproved. Under prior law, the Commissioner was not required to release any information. The release will include any documents created by outside actuaries during the rate review process. The HIRRD is currently working on processes and procedures to bring the Department into compliance with this new law.
- Act 1339 of 2013. This Act allows the Commissioner to take into consideration the surplus of any non-profit health insurance company when determining if a rate is excessive.
- Act 1500 of 2013. This Act creates a state based exchange for Arkansas by July Of 2015. Currently Arkansas is a partnership exchange. During the transition process, HIRRD will work closely with the new Arkansas Health Insurance Marketplace Board and its staff in planning for and implementing this new law.

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- Act 1143 of 2013. This Act allows for the Medicaid expansion pursuant to the Affordable Care Act. New Medicaid enrollees would be enrolled in Silver plans in the Exchange and not in a separate Medicaid product (“Private Option”).

Public Access Activities

HIRRD continued to implement its communication outreach campaign with the overall goal remaining to educate consumers with meaningful information regarding the health insurance premium rate review process and what health insurance costs mean to consumers. Communication strategies include: a consumer-friendly website; providing and distributing content regarding rate review and health insurance costs to consumers through a variety of platforms.

This quarter the Media Center has been utilized frequently. This usage included, but was not limited to, the June ‘National Rate Review Meeting’, staff training on various topics including SERFF, MLR, and numerous stakeholder meetings for both Rate Review and the Exchange. During the ‘National Rate Review Meeting’ the Media Center was used for on-site presentations as well as remote participation across the country. The goal of the national meeting was to share ideas and enhance states’ rate review programs. More than twenty states, U.S. territories, representatives from HHS and NAIC participated and attended the two day event.

The Media Center was constructed during Cycle I. It also serves as a communications center for other various stakeholders including legislators, consumers, various task forces and industry officials. The system capabilities include: video conferencing, teleconferencing, various presentation functions, document camera and digital audio/video recording components.

Arkansas statute A.C.A.§23-61-103 states active investigatory and examination files are confidential until closed by the commissioner or referred to law enforcement authority. The filing is considered to be an opening of an investigation related to the benefits/rates. It is also held exempt from FOIA because of the early release would allow competitors filing at the same time to have an advantage in designing and filing their products.

There have been many additions added to our HIRRD Website: we uploaded the previous Quarter Reports from Cycle II Quarter two - four as well as the Annual Cycle II Report. HIRRD added the Cycle III Grant application, and Award Notification. HIRRD uploaded the Request for Information, followed by our Request For Proposal. HIRRD had several responses and questions that we processed and answered then transmitted to our website. Due to the timeliness of the project a revision was made to the timeline and the notification was uploaded as well to our HIRRD website. Future plans for the website is to add HIRRD content with AID’s Compliance/ Life and Health division website.

HIRRD is always striving to keep the consumers notified of any information or changes in our State. A Bulletin was published in June 2013 (3B-2013) and HIRRD created a link for the consumers to have access to the bulletin from our website.

Improvements and additions continue to be made to the website. In an effort to continue providing consumers with basic and helpful information regarding rate review and health insurance costs, the following features which were incorporated into the existing website last quarter continue to be updated.

- Video: The video explains in basic terms how the review process works and how the average premium dollar is spent in Arkansas.
- E-Alerts Sign up: Consumers who register for the updates will receive notifications when a carrier files a request. The registration information will be available on all pages of our site.

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- Easy to view rate charts: A web page that contains easy to read charts and a database for current rates being reviewed and recent rates that have been approved or disapproved continues to be updated. For now, staff will manually extract data from the new AFMC developed application and insert the rate data into the charts: Meetings were held to begin the process of automating the insertion of data. In this section of the site, consumers will also be allowed to submit comments. Users submitting comments will complete a form with their first/last name, city/state, and email address. Submitted comments will be saved to the website database and staff can review and post the comments.
- Content Management System (CMS): This feature allows staff to edit content, upload documents and photos, and add links to video files or embed YouTube videos on any page of the website at any time. This quarter, training took place on utilization of the CMS. The goal remains to fortify our online presence and provide consumers with important and useful information.

Materials Produced:

- a) iRATE Manual (Insurance Rate Analysis & Tracking Engine)
- b) Rate Review Manual
- c) Analysis of Arkansas Health Care Costs & Marketplace
- d) Rate Review Memorandum of Understanding
- e) Primer 101
- f) Rate Review brochures
- g) Website screenshots

During the last year, the HIRRD staff wrote two successful 'Request for Proposals', a comprehensive Rate Review manual and training module, four major presentations for the national rate review meeting, all required HHS quarterly reports, Work Plans for HIRRD, as well as for iRATE and the APCD, a Risk Assessment Program for the division, numerous website pages, developed a Rate Review 'Primer' which explains the rate review process to consumers in "plain language, and a state-wide market study".

Annual Impact:

Grant funds from Cycle II have had an enormous and positive effect on rate review.

Overview of HIRRD Accomplishments

- Full adoption of all-inclusive recommendations from AON Hewitt review and assessment
- Direct and major support of AID Life & Health Division in Rate Review analysis
- Awarded and maintained an "Effective Rate Review Program" in all markets
- Created enhanced Rate Review System Evaluation
- Creation and launch of new HIRRD website within the AID website
- Hosted Little Rock National Rate Review Meeting
- Created National Rate Review Communications Platform (RR Listserv)
- Implemented user-friendly education platform for Arkansas Consumers
- Created a formal onsite 'Rate Review' training program
- Production of a health insurance "cost and market place study"
- Implementation of a major contract to produce iRATE, a "revolutionary" "Automated SERFF Data Extraction, Retrieval & Analytic Application."
- Created a comprehensive Rate Review Manual for use by all divisions of the Arkansas Insurance Department (AID).
- Created a detailed 'Memorandum of Understanding' for use by all divisions of (AID), especially guidance on interaction between HIRRD and the Arkansas Health Connector.

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Collaborative efforts

The collaborative partners of significance for HIRRD during the last year were:

- a) Arkansas Foundation for Medical Care (AFMC)
- b) L&E Actuaries
- c) Arkansas Center for Health Improvement (ACHI)
- d) Arkansas Health Connector
- e) APCD Council
- f) Life & Health Division of AID
- g) NAIC
- h) SERFF
- i) Multiple state Rate Review partners
- j) CMS/ CCIIO
- k) Freedman Healthcare

As mentioned previously, our division conceived, planned, and hosted the National Rate Review meeting in June. The process of working with our peers from many states, the HHS/CCIIO, the NAIC, and outstanding professional consultants brought about an exchange of useful “rate review” information, knowledge, and camaraderie that was unprecedented.

The eleven formal presentations given during the meeting were outstanding and enormously benefited everyone who physically attending the meeting, as well as the remote participants. The research, logistics, organizational, and planning efforts are now in place to act as a proven matrix for the next national meeting. This effort on the part of the HIRRD of AID represents over 300 hours of staff time and \$28,000 in direct costs.

Last but not least, a simple, effective communications protocol (rate review listserv) was established which has already paid ample dividends with no current or future cost to the users. The ‘rate review listserv’ is regulator only and is expected to grow in utilization as the “users” become more comfortable with the process.

Locally, our ongoing collaborative efforts with various stakeholder groups, the Arkansas Office of Healthcare Information Technology (OHIT), the University of Arkansas for Medical Sciences (UAMS), Arkansas state agencies, and the Arkansas Legislature continue in a robust fashion.

Annual Lessons Learned

As proven in survey after survey, there is an enormous lack of information in the state of Arkansas related to knowledge in both general health care and health insurance. There currently exists a tremendous opportunity to impact issues on a positive basis in both categories by using the HIRRD resources wisely.

HIRRD will endeavor to educate, inform, and involve critical constituent groups such as state leaders, legislators, and active affinity stakeholder groups. HIRRD will use the Media Center to its fullest capacity to accomplish these tasks.

Annual Updated Budget

As proven in survey after survey, there is an enormous lack of information in the state of Arkansas related to knowledge in both general health care and health insurance. There currently exists a

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HIRRD will endeavor to educate, inform, and involve critical constituent groups such as state leaders, legislators, and active affinity stakeholder groups. HIRRD will use the Media Center to its fullest capacity to accomplish these tasks. (See Exhibit 3)

RATE REVIEW GRANT TWENTY-FOUR MONTH ACTUAL (December 2013) CYCLE II

Category	Spent/Projected	Budgeted	Variance
Salary	427,653	392,869	(34,784)
Fringe Benefits	132,462	98,217	(34,245)
Prof. Svcs/Contracts	1,049,226	1,048,015	(1,211)
Supplies & Oth Office Exp	121,879	105,804	(16,075)
Travel	16,217	45,468	29,251
Rental	52,136	72,000	19,864
Capital	16,402	56,725	40,323
Other	-	55,000	55,000
Total	1,815,976	1,874,098	58,122

Twenty Six Months (February 2014) Cycle II

Category	Spent/Projected	Budgeted	Variance
Salary	469,465	1,178,607	709,142
Fringe Benefits	148,313	294,651	146,338
Professional Services/Contracts	1,061,024	1,535,751	474,728
Supplies and Other Office Expenses	125,911	186,551	60,640
Travel	16,562	148,079	131,517
Rental	55,739	72,000	16,261
Capital	16,402	121,784	105,382
Other	-	336,675	336,675
Total	1,893,417	3,874,098	1,980,681

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Thirty Months (June 2014) Cycle II

Category	Spent/Projected	Budgeted	Variance
Salary	528,158	1,178,607	650,449
Fringe Benefits	166,197	294,651	128,454
Professional Services/Contracts	1,078,525	1,535,751	457,226
Supplies and Other Office Expenses	129,911	186,551	56,640
Travel	17,296	148,079	130,783
Rental	58,141	72,000	13,859
Capital	16,402	121,784	105,382
Other	-	336,675	336,675
Total	1,994,631	3,874,098	1,879,467

Thirty-Three Months (September 2014) Cycle II

Category	Spent/Projected	Budgeted	Variance
Salary	573,780	1,178,607	604,827
Fringe Benefits	180,348	294,651	114,303
Professional	1,105,048	1,535,751	430,703
Supplies/Office	140,272	186,551	46,279
Travel	18,718	148,079	129,361
Rental	63,089	72,000	8,911
Capital	16,402	121,784	105,382
Other	-	336,675	336,675
Total	2,097,657	3,874,098	1,776,441

Updated Rate Review Work Plan and Timeline

HIRRD is not only on schedule for the original Rate Review Work Plan and companion timeline, but in many instances is significantly ahead of schedule.

On December 16, 2013, the Health Insurance Rate Review Division (HIRRD) of the Arkansas Insurance Department (AID) issued a "Request for Proposal for an Intergovernmental Technical Services Contract - RR-120142" which contracts for the design and implementation of an 'All Payers Claims Database' (APCD) for the State of Arkansas (see Exhibit #).

- Official proposals were required to be submitted to HIRRD on or before February 3, 2014. HIRRD issued the "Notice of Award" on March 10, 2014. Federal grant funds in the amount of \$1.7 million have been allocated to the design and implementation of the APCD for the State of Arkansas. Responders to RR-120142 were limited, by specific federal grant guidelines, to academic institutions or non-profits.
- An APCD is a large-scale database that systematically collects health care claims data from a variety of payer sources. APCD systems collect data from the existing transaction systems in

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place to pay health care claims, thus leveraging data from within the insurance claims and reimbursement system, including public payers such as Medicare and Medicaid. The resultant claims data is analyzed, in great detail, to obtain optimal results in better healthcare, lower costs, improved health policy, and consumer pricing transparency.

- The State of Arkansas urgently needs the benefits of an All-Payer Claims Database (APCD). Healthcare data and pricing in Arkansas is fragmented and difficult to obtain in a usable format or in a timely manner.
- In recent surveys and reports, the State of Arkansas consistently receives low scores in comparison to other states.
- In the national report card on ‘State Price Transparency’ by Health Care Improvement Incentives Institute, Arkansas received a grade of “D”.
- APCDs are an emerging data source for multiple stakeholders to better understand health care costs, utilization, access, and quality. When APCD data is overlaid with clinical outcome measures and unduplicated enrollment data, it can show statewide variation in care, including whether evidence-based guidelines and best practice clinical standards are being followed and how they affect cost and quality. The data can also be analyzed to identify disparities in the coordination of health care between communities, counties, and regions.
- Fortunately, valuable and historical information is available to the State of Arkansas in its design and implementation of an APCD. Twelve states have already implemented APCDs, and another eleven are in mid-implementation. The APCD experiences of these states have created a tremendous amount of invaluable information for the states that follow in their footsteps.

Data Collection and Analysis

To attain optimal rate review, AID RR is creating an effective data acquisition process which will allow accurate healthcare data analytics, including but not limited to:

- data collection
- data processing
- data analysis
- benchmarking
- identification of applicable rate trends
- forecasting

(See Part II for specific data of Cycle II)

Arkansas does require all rate filings to be submitted through SERFF. However, without a database with a reporting capability previously, it was difficult to identify discrepancies in those filings. Our (iRATE) database has allowed us to better identify these discrepancies.

For FFY14 the year started with a low number of filings for AID. AID received fifteen new products to be sold on and off the exchange. Many were sent to an outside actuary for review. 2nd quarter did not fair much better, with no rate filings for the Department. There were four request for New Products to be sold on and off the exchange. Two of these products were sent to our outside actuary for review in which they were approved and closed. The two product offered by Arkansas Blue Cross and Blue Shield did not need actuarial review.

During 3rd quarter, because of the CMS Validation Services Outage being reported by SERFF, HIRRD was not be able to accurately confirm or submit third quarter Rate Review Volume/Market Data nor the

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details contained in the Rate Review Data Details. These services were not corrected until recently this month.

Finally during 4th Quarter, the Department received a total of 29 filings, however, because multiple products are grouped together under the same SERFF-Tracking number it made the number of filings come out to be 21. Two of these were for new products with one to be sold on and off the exchange.

Individual : 12
Small Group : 09
Large Group : 0

There were a total of 16 submissions that had the final disposition processed in this quarter and approved.

<u>Company</u>	<u>SERFF #</u>	<u>SubTOI</u>	<u>State Status</u>
Freedom Life Ins. Comp of America	USHG-129519598	H16I Individual Health - Major Medical	Approved
Freedom Life Ins. Comp of America	USHG-129519289	H16I Individual Health - Major Medical	Approved
UnitedHealthcare of Arkansas, Inc.	UHLC-129585818	HOrg02G Group Health Organizations - Health Maintenance (HMO)	Approved
QCA Health Plan Inc.	QUAC-129634145	H16G Group Health - Major Medical	Approved
QCA Health Plan, Inc.	QUAC-129634141	H16G Group Health - Major Medical	Approved
QCA Health Plan, Inc.	QUAC-129634125	H16G Group Health - Major Medical	Approved
QualChoice Life and Health Insurance Company, Inc.	QUAC-129575658	H16I Individual Health - Major Medical	Approved
QCA Health Plan, Inc.	QUAC-129575655	H16I Individual Health - Major Medical	Approved
QCA Health Plan, Inc.	QUAC-129575640	H16I Individual Health - Major Medical	Approved
Humana Insurance Company	HUMA-129725651	H16G Group Health - Major Medical	Approved
Humana Insurance Company	HUMA-129724222	H16G Group Health - Major Medical	Approved
Federated Mutual Insurance Company	FEMC-129579186	H16I Individual Health - Major Medical	Approved
Arkansas Blue Cross and Blue Shield	ARBB-129588871	H16I Individual Health - Major Medical	Approved
Arkansas Blue Cross and Blue Shield	ARBB-129587916	H16I Individual Health - Major Medical	Approved
UnitedHealthcare Life Insurance Company	AMMS-129543878	H16I Individual Health - Major Medical	Approved
Aetna Health and Life Insurance Company	AETN-129653820	H16I Individual Health - Major Medical	Approved

*ARBB-129702949 - Arkansas Blue Cross and Blue Shield -Grandfathered Group Benefit certificates – Informational-Requested 15% increase. Disapproved. 29,723 Covered lives. Should not have been

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reported to HHS. Sending e-mail to SERFF asking for assistance in correctiong the filing showing what it should not have been reported to HHS.

Annual

- The total submitted rate filings – 53.
- Number requesting increase in premiums – 41.
- Number of filings reviewed – 38.
- Number of filings approved – 31.
- Number of filings denied – 6.

Because AID now requires all filings to be electronic, the Rate Review Division hosted a high level data development task force meeting, attended by the state healthcare leaders which resulted in the initial planning of an All Payer Claims Database (APCD). An APCD, currently under construction in Arkansas, will create the optimal pathway for HIRRD to acquire the needed data analytics and benchmarking.

Updated Evaluation Plan

HIRRD’s evaluation shall include, but not be limited to, formal weekly staff meetings in which key indicators, identified in the grant application work plan are discussed and assessed. Each AID RR staff member has specific areas of responsibilities and will be held accountable for appropriate progress. AID RR will follow the same successful methodology that it utilized during its Cycle I activities.

Additionally, the AID RR staff will continue to engage Commissioner Bradford, and the Exchange Planning Director on coordination and planning for Exchange Operations, especially the state responsibilities of AID Rate Review as specified in the ACA.

Finally, the AID HIRRD will meet or exceed all of the CFDA 93.511 “Evaluation” criteria by fully implementing and monitoring the very specific assessments, recommendations, and timelines contained in the excellent and comprehensive AON Hewitt reports. Further efforts will include engaging competent and professional third parties to evaluate AID HIRRD progress.

Annual Report Summary Statistics:

Please fill in the data as available below for grant activity occurring over the past year.

- Total Funds Expended to date: **\$2,097,657**
- Total Staff Hired (new this quarter and hired to date with grant funds): **(0/4)**
- Total Contracts in Place (new this quarter and established to date): **(3/7)**
- Introduced Legislation: **(Yes)**
- Enhanced IT for Rate Review: **(YES)**
- Submitted Rate Filing Data to HHS: **(YES)**
- Enhanced Consumer Protections: **(YES)**
 - Consumer-Friendly Website: **(YES)**
 - Rate Filings on Website: **(YES)**

Progress on meeting HHS Grant Goals

HIRRD has planned and implemented an aggressive and innovative effort to improve the infrastructure and accuracy of the AID rate review process, including but not limited to:

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

- Initiated a ground-breaking and pioneering contract to automate and analyze the healthcare data extracted from SERFF and applicable federal databases.
- The automatic retrieval and analysis will be used by HIRRD and the AID Life & Health Division (L&H) in compliance and rate review of healthcare information. This has the potential to revolutionize the entire AID rate review process.
- Scheduled and funded extensive onsite SERFF Training of L&H rate review personnel.
- Produced a professional evaluation of the L&H rate review process with recommendations which will substantially upgrade the L&H process.
- Produced an innovative and comprehensive department training manual, checklists, and job aids for use by L&H personnel.

Funded numerous and significant actuarial services that were not fundable through the L&H/AID operating budget.

- a. Engaged Lewis & Ellis (L&E) to review AID's first two small group rate filings. AID had never reviewed a small group rate filing before and needed the review of filings for compliance with AID Bulletin 7-2011.
- b. Engaged L&E to create a 'Summary Worksheet' as well as a one-page "short form" actuarial checklist for all future rate requests.
- c. Engaged L&E to review existing AID bulletin on 'Small Group' Rate Filings and made necessary changes to the bulletin so that the Department's review would meet all requirements of an 'Effective Rate Review Program'.
- d. Engaged L&E to review the two individual rate filings that covered the largest number of individuals. The review helped the Department in reducing the amount to the increases. These filings were the Blue Cross open block of business and the Blue Cross closed block of business.
- e. Engaged INS to review L&H's form filing procedures and make recommendations to our procedures so that the Department will be better positioned for implementation of the Affordable Care Act.
- f. Engaged INS to produce a comprehensive training manual that will be used to train our staff for future form filing reviews.

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PART II: HEALTH INSURANCE RATE DATA COLLECTION

The data for Tables A-E (provided below) and the Rate Filing Detailed Data Elements will be submitted through the Health Insurance Oversight System (HIOS). The rate filing data can either be downloaded through the SERFF system or uploaded directly by the States (for states not employing SERFF) into the HIOS system. States *do not need* to also input the data into the programmatic narrative report template displayed here.

Tables A-E: Rate Volume Tables

Table A. Rate Review Volume

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Number of submitted rate filings	6	5	21	21	53
Number of policy rate filings requesting increase in premiums	2	4	16	19	41
Number of filings reviewed for approval, denial, acceptance etc.	11	5	1	21	38
Number of filings approved	11	3	1	16	31
Number of filings denied	0	1	0	5	6
Number of filings deferred	0	1	0	0	1

Note: “Number of filings deferred” refers to rate filings without a final disposition at the end of the reporting period.

Table B. Number and Percentage of Rate Filings Reviewed – Individual Group

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Product Type (PPO, HMO, etc.)	PPO/POS	N/A	N/A	N/A	N/A
Number of Policy Holders	N/A	N/A	N/A	N/A	N/A
Number of covered lives affected	7	N/A	N/A	N/A	7

Table C. Number and Percentage of Rate Filings Reviewed – Small Group

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Product Type (PPO, HMO, etc.)	OTH/PPO	N/A	N/A	N/A	N/A

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Number of Policy Holders	N/A	N/A	N/A	N/A	N/A
Number of covered lives affected	7	N/A	N/A	N/A	7

Table D. Number and Percentage of Rate Filings Reviewed – Large Group

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Product Type (PPO, HMO, etc.)	N/A	N/A	N/A	N/A	N/A
Number of Policy Holders	N/A	N/A	N/A	N/A	N/A
Number of covered lives affected	N/A	N/A	N/A	N/A	N/A

Table E. (SERFF Users): Number and Percentage of Rate Filings Reviewed –Combined

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Product Type (PPO, HMO, etc.)	N/A	N/A	N/A	N/A	N/A
Number of Policy Holders	N/A	N/A	N/A	N/A	N/A
Number of covered lives affected	N/A	N/A	N/A	N/A	N/A

Rate Filing Detailed Data Elements: Please refer to the Enclosure for the updated **Rate Filing Detailed Data Elements**. Please note all the data collected for the Rate Filing Detailed Data Elements will be collected at the level of the *rate filing*.

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Enclosures/Attachments

Exhibit 1: Timeline

Exhibit 2: Operating Budget

- 1st Quarter
- 2nd Quarter
- 3rd Quarter
- 4th Quarter

Exhibit 3: SF-425 (Cycle II)

- 1st Quarter
- 2nd Quarter
- 3rd Quarter
- 4th Quarter

Exhibit 4: N.C.E. (Cycle II 3.26.14)

Exhibit 5: N.C.E. Work Plan

Exhibit 6: APCD RFP #120142 (Web Link)

Exhibit 7: Supplemental Health Care Market Share

Exhibit 8: Division of Legislative Audit Report

Exhibit 9: Risk Assessment & Control Activities Worksheet

Exhibit 10: BULLETIN NO. 9-2014 (Web Link)

**The 2015 Plan Year Requirements for Qualified Health Plan Certification In
The Arkansas Federally-Facilitated Partnership Marketplace**

Exhibit 11: Cycle IV Notice of Award

Exhibit 12: Newspaper article - Cycle IV

Exhibit 13: Newspaper article - Website rate postings

Attachments:

1. iRate Phase IV Proposal
2. HIRRD Rate Review Manual (83 pages)
3. iRATE Manual (19 pages)
4. Cycle IV Grant Application
5. APCD Status Report
6. iRATE Status Report

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Exhibit 1 Timeline

September 2014

- 09.20.14 Local Newspaper Arkansas Democrat-Gazette Article By Andy Davis “Grant to deliver medical Billing data to fingertips “reported information of the Cycle IV grant and how it will help consumers.
- 09.19.2014 Received Notice of Award Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of Medical Services, Cycle IV.

August 2014

- 08.27.14 Per directive of Lenita Blasingame (Chief Deputy Commissioner) HIRRD website was taken down immediately until further notice.
- 08.23.14 Local Newspaper Arkansas Democrat-Gazette Article By Andy Davis “Insurers’ ’15 rates go on-line in slip-up”
- 08.22.14 The Public rate filing section of www.arhealthpremuums.com website was taken down due to conflict with A.C.A. §23-76-112(b)(1), Bulletin 7-2011 and Bulletin 7A-2011. In accordance to A.C.A. §23-61-103(d)(4), that the enclosed Rate Methodology be treated as confidential and privileged.
- 08.21.14 Modifications of Cycle IV Grant Submitted
- 08.12.14 Sole Source Contract for Freedman Health Care Approved

July 2014

- 07.25.14 Submitted Sole Source Contract for Freedman Health Care

June 2014

- 06.24.14 APCD Stakeholder List generated
- 06.20.14 ALC Meeting Approved funding for APCD, Contract Executed.
- 06.19.14 Rate Review Grant Cycle IV: Award Details Each state and territory awarded a Cycle IV grant will receive a \$1,179,000 Baseline Award. “Performance” or “Workload” funds **will not** be available for Cycle IV.
- 06.05.14 Peer Council Meeting for APCD Funding (approved)

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

06.04.14 Submitted Mandatory Letter of Intent to Apply for Cycle IV of the Rate Review Grant Program, “Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of Medical Services, Cycle IV.”

May 2014

05.30.14 Announcement Cycle IV The Health Insurance Rate Review Grant Program Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of Medical Services, Cycle IV

05.19.14 ACHI/HIRRD Kick-Off APCD

April 2014

04.29.14 Arkansas Division of Legislative Audit preformed

04.25.14 Submitted 2nd Qtr Report

04.11.14 Bulletin No. 9-2014: 2015 Plan Year Requirements for Qualified health Plan Certification in the Arkansas Federally-Facilitated Partnership Marketplace

Mar. 2014

03.26.14 Notice of Award for NCE of Cycle II Grant funds through 09/30/2015

Feb. 2014

02.24.14 Presentation by Selected Finalists (Little Rock)

02.17.14 Finalist invited for Presentation

02.10.14 Intergovernmental Technical Services Contract Proposal Opening Date/2:00 pm

Jan. 2014

01.31.14 [Arkansas posts Addendum 4 for RFP RR-120142](#)

01.24.14 Submitted 1st Qtr Report

01.08.14 [Arkansas extends RFP submission date to February 3, 2014](#)

Dec. 2013

12.20.13 Deadline Date for Receipt of Written Questions

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

12.13.13 ITSC (Intergovernmental Technical Services Contract) Request for Proposal Issued

12.03.13 Present draft RFP to Arkansas Insurance Department for comment.

Nov. 2013

11.27.13 Draft RFP for internal review - Develop draft RFP for review and input from internal privacy and technology advisors.

11.12.13 RFP outline - Develop outline for RFP for review and input from HIRRD of AID.

11.06.13 Telecon agenda - Facilitate communications with HIRRD to clarify goals of APCD.

11.01.13 Review available documents to include: Arkansas Cycle III application; APCD strategic documents; existing state legislation and privacy laws; among others

11.01.13 Contract with Freedman Healthcare for the Development of Request for Proposal for Data Center / All Payer Claims Database (APCD)

Oct 2013

10.28.13 Health Insurance Rate Review Division Contract with Freedman Healthcare for future insurance of a professional 'Request for Proposal' (RFP) for an Arkansas All Payers Claims Database (APCD).

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

EXHIBIT 2: OPERATING BUDGET CYCLE II 1ST QUARTER

RATE REVIEW GRANT
Twenty Four Months Actual (DECEMBER 2013) Cycle II

Category	Spent/Projected	Budgeted	Variance
Salary	427,653	392,869	(34,784)
Fringe Benefits	132,462	98,217	(34,245)
Prof. Svcs/Contracts	1,049,226	1,048,015	(1,211)
Supplies & Oth Office Exp	121,879	105,804	(16,075)
Travel	16,217	45,468	29,251
Rental	52,136	72,000	19,864
Capital	16,402	56,725	40,323
Other	-	55,000	55,000
Total	1,815,976	1,874,098	58,122

	ACTUAL												Budget Amt	Remain Bal	
	Jan. 2013	Feb. 2013	Mar. 2013	April 2013	May 2013	June 2013	July 2013	Aug. 2013	Sept. 2013	Oct. 2013	Nov. 2013	Dec. 2013			
Monthly Totals	226,724	164,092	301,695	52,443	49,364	83,038	138,876	35,824	26,631	29,335	35,522	48,062	1,815,976	1,874,098	58,122
Regular Salary	20,152	20,152	20,152	20,152	32,381	33,396	23,484	24,322	16,525	13,894	20,840	13,894	427,653	392,869	(34,784)
Total Fringe Benefits	6,488	6,478	6,361	6,466	9,035	9,258	7,493	7,403	5,772	5,418	6,744	5,180	132,462	98,217	(34,245)
Total Prof/Contract Svcs	179,061	133,424	266,687	17,815	2,663	3,485	102,328	1,074	1,090	7,788	5,968	26,964	1,049,226	1,048,015	(1,211)
Total Office Supplies & Other	17,993	1,009	3,173	1,081	2,289	36,699	1,432	1,236	2,042	756	768	824	121,879	105,804	26,964
Total Travel	-	-	2,293	3,899	1,541	199	1,118	279	-	279	-	-	16,217	45,468	29,251
Total Rental	3,031	3,031	3,031	3,031	1,456	-	3,021	1,511	1,201	1,201	1,201	1,201	52,136	72,000	19,864
Capital	-	-	-	-	-	-	-	-	-	-	-	-	16,402	56,725	40,323
Total Other	-	-	-	-	-	-	-	-	-	-	-	-	-	55,000	55,000

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

2nd QUARTER

RATE REVIEW GRANT						
Twenty Six Months (FEBRUARY 2014) Cycle II						
Category	Spent Projected	Budgeted	Variance			
Salary	469,465	1,178,607	709,142			
Fringe Benefits	148,313	294,651	146,338			
Professional Services/Contracts	1,061,024	1,535,751	474,728			
Supplies and Other Office Expenses	125,911	186,551	60,640			
Travel	16,562	148,079	131,517			
Rental	55,739	72,000	16,261			
Capital	16,402	121,784	105,382			
Other	-	336,675	336,675			
Total	1,893,417	3,874,098	1,980,681			
ACTUAL						
	January 2014	February 2014	March 2014	Dec 2011 to Sept. 2014	Budgeted Amount	Remaining Balance
Monthly Totals	24,173	25,765	27,503	1,893,417	3,874,098	1,980,681
Regular Salary	13,894	13,894	14,025	469,465	1,178,607	709,142
Total Fringe Benefits	5,359	5,284	5,209	148,313	294,651	146,338
Total Professional/Contract Services	2,533	2,975	6,290	1,061,024	1,535,751	474,728
Total Office Supplies and Other	1,187	2,412	434	125,911	186,551	60,640
Total Travel	-	-	345	16,562	148,079	131,517
Total Rental	1,201	1,201	1,201	55,739	72,000	16,261
Capital			-	16,402	121,784	105,382
Total Other				-	336,675	336,675

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

3rd QUARTER

RATE REVIEW GRANT										
Thirty Months (JUNE 2014) Cycle II										
Category	Spent Projected	Budgeted	Variance	ACTUAL						
	Jan 2014	Feb 2014	Mar 2014	April 2014	May 2014	June 2014	Dec 2011 to Sept 2014	Budgeted Amount	Remaining Balance	
Salary	528,158	1,178,607	650,449							
Fringe Benefits	166,197	294,651	128,454							
Professional	1,078,525	1,535,751	457,226							
Supplies and Other Office	129,911	186,551	56,640							
Travel	17,296	148,079	130,783							
Rental	58,141	72,000	13,859							
Capital	16,402	121,784	105,382							
Other	-	336,675	336,675							
Total	1,994,631	3,874,098	1,879,467							
ACTUAL										
Monthly Totals	24,173	25,765	27,503	33,963	36,545	30,707	1,994,631	3,874,098	1,879,467	
Regular Salary	13,894	13,894	14,025	15,207	22,811	20,675	528,158	1,178,607	650,449	
Total Fringe Benefits	5,359	5,284	5,209	5,630	6,367	5,887	166,197	294,651	128,454	
Total Professional/Contract	2,533	2,975	6,290	10,546	4,102	2,854	1,078,525	1,535,751	457,226	
Total Office Supplies and Other	1,187	2,412	434	645	2,064	1,291	129,911	186,551	57,327	
Total Travel	-	-	345	734	-	-	17,296	148,079	130,783	
Total Rental	1,201	1,201	1,201	1,201	1,201	-	58,141	72,000	13,859	
Capital			-				16,402	121,784	105,382	
Total Other							-	336,675	336,675	

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

4th QUARTER

RATE REVIEW GRANT
Thirty Three Months (SEPTEMBER 2014) Cycle II

Category	Spent/Projected	Budgeted	Variance
Salary	573,780	1,178,607	604,827
Fringe Benefits	180,348	294,651	114,303
Professional Services/Contracts	1,105,048	1,535,751	430,703
Supplies and Other Office Expe	140,272	186,551	46,279
Travel	18,718	148,079	129,361
Rental	63,089	72,000	8,911
Capital	16,402	121,784	105,382
Other	-	336,675	336,675
Total	2,097,657	3,874,098	1,776,441

	January-14	February-14	March-14	April-14	May 2014	June 2014	July 2014	August 2014	September 2014	Dec 2011 to Sept. 2014	Budgeted Amount	Remaining Balance
Monthly Totals	24,173	25,765	27,503	33,863	36,545	30,707	31,708	43,669	27,748	2,097,657	3,874,098	1,776,441
Regular Salary	13,894	13,894	14,025	15,207	22,811	20,675	15,207	15,207	15,207	573,780	1,178,607	604,827
Total Fringe Benefits	5,359	5,284	5,209	5,630	6,367	5,887	4,854	4,637	4,660	180,348	294,651	114,303
Total Professional/Contract Ser	2,533	2,975	6,290	8,501	3,925	2,854	7,108	16,536	5,101	1,105,048	1,535,751	430,703
Total Office Supplies and Other	1,187	2,412	434	2,690	2,241	1,291	1,266	5,952	921	140,272	186,551	46,967
Total Travel	-	-	345	734	-	-	800	-	622	18,718	148,079	129,361
Total Rental	1,201	1,201	1,201	1,201	1,201	-	2,474	1,237	1,237	63,089	72,000	8,911
Capital			-					-	-	16,402	121,784	105,382
Total Other										-	336,675	336,675

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

PROFESSIONAL SERVICES DETAIL

<u>Professional Services Detail</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
Actuarial Services										
L&E Actuaries	2,283		3,640	6,270	3,360		2,240	13,855	4,095	35,743
HealthBridge - Consulting	250	575	250	531	250	250	450	542	250	3,349
AFMCRATE										-
PCG										-
ACHI/APCD										-
Freedman Healthcare			2,604			4,418		2,139		9,161
Other		2,400	2,400	1,700	315				756	7,571
Total	2,533	2,975	6,290	8,501	3,925	2,854	7,108	16,536	5,101	55,822

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

EXHIBIT 3: SF-425 CYCLE II 1ST QUARTER

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted DHHS-CC110		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 6PRPPR120006-01-01		Page 1	of pages		
3. Recipient Organization (Name and complete address including Zip code) Arkansas Insurance Department 1200 West Third Street, Little Rock Arkansas 72201							
4a. DUNS Number 810501558	4b. EIN 71-0847443	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual			
8. Project/Grant Period From: (Month, Day, Year) 10/01/2011		To: (Month, Day, Year) 09/30/2014		9. Reporting Period End Date (Month, Day, Year) 12/31/2013			
10. Transactions					Cumulative		
<i>(Use lines a-c for single or multiple grant reporting)</i>							
Federal Cash (To report multiple grants, also use FFR Attachment):							
a. Cash Receipts					1,807,734.58		
b. Cash Disbursements					1,797,922.62		
c. Cash on Hand (line a minus b)					9,811.96		
<i>(Use lines d-o for single grant reporting)</i>							
Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized					3,874,098.00		
e. Federal share of expenditures					1,797,922.62		
f. Federal share of unliquidated obligations							
g. Total Federal share (sum of lines e and f)					1,797,922.62		
h. Unobligated balance of Federal funds (line d minus g)					2,076,175.38		
Recipient Share:							
i. Total recipient share required							
j. Recipient share of expenditures							
k. Remaining recipient share to be provided (line i minus j)					0.00		
Program Income:							
l. Total Federal program income earned							
m. Program income expended in accordance with the deduction alternative							
n. Program income expended in accordance with the addition alternative							
o. Unexpended program income (line l minus line m or line n)					0.00		
11. Indirect Expense		a. Type	b. Rate	c. Period From	d. Base	e. Amount Charged	f. Federal Share
		g. Totals:					
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:							
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)							
a. Typed or Printed Name and Title of Authorized Certifying Official Jay Bradford State Insurance Commissioner				c. Telephone (Area code, number and extension) 501-371-2621			
				d. Email address jay.bradford@arkansas.gov			
b. Signature of Authorized Certifying Official 				e. Date Report Submitted (Month, Day, Year) January 21, 2014			
14. Agency use only:							

Standard Form 425
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

Paperwork Burden Statement

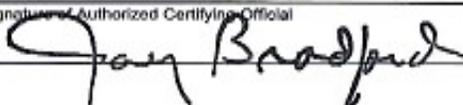
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0060), Washington, DC 20503.

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

SF-425 CYCLE II 2ND QUARTER

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted DHHS-CC110		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 6PRPPR120006-01-01			Page 1	of 	pages		
3. Recipient Organization (Name and complete address including Zip code) ARKANSAS INSURANCE DEPARTMENT 1200 WEST THIRD STREET, LITTLE ROCK, ARKANSAS 72201									
4a. DUNS Number 810501558		4b. EIN 71-0847443		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)		6. Report Type <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final		7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	
8. Project/Grant Period From: (Month, Day, Year) 10/01/2011				To: (Month, Day, Year) 09/30/2014		9. Reporting Period End Date (Month, Day, Year) 03/31/2014			
10. Transactions								Cumulative	
<i>(Use lines a-c for single or multiple grant reporting)</i>									
Federal Cash (To report multiple grants, also use FFR Attachment):									
a. Cash Receipts								1,876,345.48	
b. Cash Disbursements								1,875,363.79	
c. Cash on Hand (line a minus b)								981.69	
<i>(Use lines d-o for single grant reporting)</i>									
Federal Expenditures and Unobligated Balance:									
d. Total Federal funds authorized								3,874,098.00	
e. Federal share of expenditures								1,875,363.70	
f. Federal share of unliquidated obligations									
g. Total Federal share (sum of lines e and f)								1,875,363.70	
h. Unobligated balance of Federal funds (line d minus g)								1,998,734.30	
Recipient Share:									
i. Total recipient share required									
j. Recipient share of expenditures									
k. Remaining recipient share to be provided (line i minus j)								0.00	
Program Income:									
l. Total Federal program income earned									
m. Program income expended in accordance with the deduction alternative									
n. Program income expended in accordance with the addition alternative									
o. Unexpended program income (line l minus line m or line n)								0.00	
11. Indirect Expense		a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share	
				g. Totals:					
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:									
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)									
a. Typed or Printed Name and Title of Authorized Certifying Official Jay Bradford State Insurance Commissioner						c. Telephone (Area code, number and extension) 501-371-2621			
						d. Email address jay.bradford@arkansas.gov			
b. Signature of Authorized Certifying Official 						e. Date Report Submitted (Month, Day, Year) April 22, 2014			
						14. Agency use only:			

Standard Form 425
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

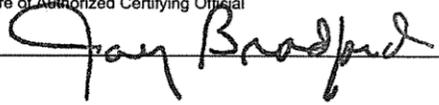
Paperwork Burden Statement
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0060), Washington, DC 20503.

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

SF-425 CYCLE II 3RD QUARTER

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted DHHS-CC110		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 6PRPPR120006-01-01			Page 1	of		
pages								
3. Recipient Organization (Name and complete address including Zip code) ARKANSAS INSURANCE DEPARTMENT 1200 WEST THIRD STREET, LITTLE ROCK, ARKANSAS 72201								
4a. DUNS Number 810501558		4b. EIN 71-0847443		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)		6. Report Type <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final		
7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual								
8. Project/Grant Period From: (Month, Day, Year) 10/01/2011				To: (Month, Day, Year) 09/30/2014		9. Reporting Period End Date (Month, Day, Year) 06/30/2014		
10. Transactions							Cumulative	
<i>(Use lines a-c for single or multiple grant reporting)</i>								
Federal Cash (To report multiple grants, also use FFR Attachment):								
a. Cash Receipts							1,977,569.86	
b. Cash Disbursements							1,976,578.38	
c. Cash on Hand (line a minus b)							991.48	
<i>(Use lines d-o for single grant reporting)</i>								
Federal Expenditures and Unobligated Balance:								
d. Total Federal funds authorized							3,874,098.00	
e. Federal share of expenditures							1,976,578.38	
f. Federal share of unliquidated obligations								
g. Total Federal share (sum of lines e and f)							1,976,578.38	
h. Unobligated balance of Federal funds (line d minus g)							1,897,519.62	
Recipient Share:								
i. Total recipient share required								
j. Recipient share of expenditures								
k. Remaining recipient share to be provided (line i minus j)							0.00	
Program Income:								
l. Total Federal program income earned								
m. Program income expended in accordance with the deduction alternative								
n. Program income expended in accordance with the addition alternative								
o. Unexpended program income (line l minus line m or line n)							0.00	
11. Indirect Expense		a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
							g. Totals:	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:								
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)								
a. Typed or Printed Name and Title of Authorized Certifying Official Jay Bradford State Insurance Commissioner					c. Telephone (Area code, number and extension) 501-371-2621			
					d. Email address jay.bradford@arkansas.gov			
b. Signature of Authorized Certifying Official 					e. Date Report Submitted (Month, Day, Year) 07/21/2014			
14. Agency use only:								

Standard Form 425
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

Paperwork Burden Statement
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0060), Washington, DC 20503.

Health Insurance Rate Review Grant Program
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EXHIBIT 4: APCD RFP #120142

To access the APCD RFP # 120142, in its entirety (38 pages), follow the link below:

<http://arhealthpremiums.arkansas.gov!/userfiles/editor/docs/ADDENDUM%20%202020.pdf>

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

EXHIBIT 5: N.C.E. (CYCLE II 3.26.14)

1. DATE ISSUED MM/DD/YYYY 03/26/2014	2. CFDA NO. 93.511	3. ASSISTANCE TYPE Project Grant	Department of Health and Human Services Centers for Medicare & Medicaid Services Office of Acquisitions and Grants Management 7500 Security Boulevard Baltimore, MD 21244-1850 NOTICE OF AWARD AUTHORIZATION (Legislation/Regulations) Section 2794 of the Public Health Service Act (Section 1003 of the Affordable Care Act)	
1a. SUPERSEDES AWARD NOTICE dated 10/05/2011 except that any additions or restrictions previously imposed remain in effect unless specifically rescinded				
4. GRANT NO. 4 PRPPR120006-01-02 Formerly		5. ACTION TYPE Post Award Amendment		
6. PROJECT PERIOD MM/DD/YYYY From 10/01/2011		Through MM/DD/YYYY 09/30/2015		
7. BUDGET PERIOD MM/DD/YYYY From 10/01/2011		Through MM/DD/YYYY 09/30/2015		
8. TITLE OF PROJECT (OR PROGRAM) Grants to Support States in Health Insurance Rate Review Grant Cycle II				
9a. GRANTEE NAME AND ADDRESS Arkansas Insurance Department 1200 W 3rd St Administration Little Rock, AR 72201-1904			9b. GRANTEE PROJECT DIRECTOR Dr. Lowell Nicholas 1200 W 3rd St Little Rock, AR 72201-1904 Phone: 501-683-3638	
10a. GRANTEE AUTHORIZING OFFICIAL Mr. Jay Bradford 1200 West 3rd Street Administration Little Rock, AR 72201-1904 Phone: 501-371-2621			10b. FEDERAL PROJECT OFFICER James Taing 7500 Security Boulevard null null Baltimore, MD 21244-null Phone: None	
ALL AMOUNTS ARE SHOWN IN USD				
11. APPROVED BUDGET (Excludes Direct Assistance)			12. AWARD COMPUTATION	
I Financial Assistance from the Federal Awarding Agency Only			a. Amount of Federal Financial Assistance (from item 11m) 3,874,098.00	
II Total project costs including grant funds and all other financial participation <input checked="" type="checkbox"/>			b. Less Unobligated Balance From Prior Budget Periods 0.00	
a. Salaries and Wages 1,178,607.00			c. Less Cumulative Prior Award(s) This Budget Period 3,874,098.00	
b. Fringe Benefits 294,651.00			d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION 0.00	
c. Total Personnel Costs 1,473,258.00			13. Total Federal Funds Awarded to Date for Project Period 3,874,098.00	
d. Equipment 121,784.00			14. RECOMMENDED FUTURE SUPPORT	
e. Supplies 136,551.00			(Subject to the availability of funds and satisfactory progress of the project):	
f. Travel 148,079.00			YEAR TOTAL DIRECT COSTS YEAR TOTAL DIRECT COSTS	
g. Construction 0.00			a. 2 d. 5	
h. Other 458,675.00			b. 3 e. 6	
i. Contractual 1,535,751.00			c. 4 f. 7	
j. TOTAL DIRECT COSTS → 3,874,098.00			15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:	
k. INDIRECT COSTS 0.00			a. DEDUCTION <input type="checkbox"/>	
l. TOTAL APPROVED BUDGET 3,874,098.00			b. ADDITIONAL COSTS	
m. Federal Share 3,874,098.00			c. MATCHING	
n. Non-Federal Share 0.00			d. OTHER RESEARCH (Add / Deduct Option)	
			e. OTHER (See REMARKS)	
			16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:	
			a. The grant program legislation	
			b. The grant program regulations.	
			c. This award notice including terms and conditions, if any, noted below under REMARKS.	
			d. Federal administrative requirements, cost principles and audit requirements applicable to this grant.	
			In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.	

REMARKS (Other Terms and Conditions Attached - Yes No)
 This Notice of Award approves the 12 months No Cost Extension as per the grantee's request dated March 25, 2014.

GRANTS MANAGEMENT OFFICER: **Gabriel Nah**

17. OBJ CLASS 4115	18a. VENDOR CODE 1710847443A9	18b. EIN 710847443	19. DUNS 081501558	20. CONG. DIST. 02
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	AMT ACTION FIN ASST	APPROPRIATION
21. a. 1-5992933	b. PRPPR0006A	c. IPR	d. \$0.00	e. 75X0112
22. a.	b.	c.	d.	e.
23. a.	b.	c.	d.	e.

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

Exhibit 6: N.C.E. Work Plan

HHS/CMS/CCIIO No Cost Extension (NCE) Application

Health Insurance Rate Review Division (HIRRD)
Arkansas Insurance Department (AID)
March 10, 2014

Requestor: Lowell Nicholas, AID Deputy Commissioner, HIRRD Director

Beginning of Request Period: 10.1.14

Ending of Request Period: 9.30.15

NCE Request Amount: \$1,380,369

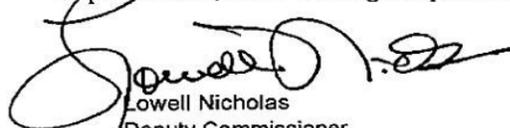
NCE Justification:

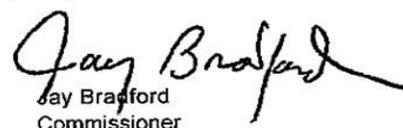
The Health Insurance Rate Review (HIRRD) Division of the Arkansas Insurance Department (AID) requests approval to use approximately \$1,380,369 for the purpose of continuing our 2011 Cycle II Rate Review grant program during the requested NCE time period.

- The HIRRD Division of AID is requesting the NCE for the twelve month period of September 1, 2014 through September 30, 2015.
- The NCE would allow us to continue to improve Rate Review price transparency and to refine the HIRRD website,
- HIRRD could continue to enhance the parameters of the existing iRate program.
- HIRRD would provide comprehensive oversight and collaboration with the vendor that is awarded the RFP APCD Data Center Contract (18 month implementation).
- HIRRD would jointly work with legal department to review statues and best practices to better support and request legislative authority to enhance APCD.

The approval of the requested amount of \$1,380,369 is needed to enable the AID HIRRD to continue to function and perform the required activities mandated under the terms and conditions of the Cycle II Rate Review grant. Rules and regulations within Arkansas State Government require that Federal grant funds be treated as State general revenue funding with all of the inherent state restrictions.

Therefore, Arkansas HIRRD is formally requesting official approval to use the approximate \$1,380,369 for the purpose of continuing our grant program during this NCE time period of September 1, 2014 through September 30, 2015. (*see Work plan*)


Lowell Nicholas
Deputy Commissioner,
AID Rate Review Director
Arkansas Insurance Department
1200 W. Third
Little Rock, AR 72201
501 683-3638 (direct line)
Lowell.nicholas@arkansas.gov


Jay Bradford
Commissioner
Arkansas Insurance Department

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

NCE Work Plan – Cycle II Funds 09/30/14 – 09/30/15

The three major components of the NCE HIRRD Cycle II Work Plan are:

- 1) All Payers Claims Database (APCD)
- 2) iRate (Insurance Rate Analysis and Tracking Engine)
- 3) Core Rate Review.

Overview

This NCE proposal by the HIRRD of the Arkansas Insurance Department (AID) is to focus on the implement of an All Payers Claims Database (APCD) for the State of Arkansas. AID research on an APCD began in late 2010. In 2011, HIRRD sponsored a state healthcare leadership meeting to gain support for an APCD in the State of Arkansas.

The Arkansas APCD would be funded for FY14 in the amount of \$1,200,000 and FY15 of \$500,000 for a total two year funding of \$1,700,000. The two year budget of \$1,700,000 should be viewed as very conservative when compared to other state APCD expenditures. While the \$1,700,000 is a conservative number, HIRRD believes that it can learn from the prior missteps of other states.

The work plan enclosed in this proposal are based on information gathered from Arkansas Center for Health Improvement (ACHI) cost proposal and development timeline as the selected vendor to head the creation and management of this database. Additionally, extensive assistance was provided by Patrick Miller, MPH of the APCD Council.

In addition to APCD implementation, HIRRD will continue with updates to iRATE. a unique and innovative application that automates and streamlines the rate filing review process, making it easier and faster to provide an effective rate review. iRATE is a web-based tool that presents data from SERFF (System for Electronic Rate and Form Filing) in a simpler way that is easy to understand. iRATE ensures that the most important data needed to complete a rate review is easily accessible at all times. In addition, iRATE includes a robust reporting system that helps insurance departments better track reviews and file them for future use.

Finally, continuing an effective consumer outreach remains an important goal for Rate Review. We currently have a website dedicated to providing consumers and small businesses with understandable, meaningful and useful information regarding the rate review process, general health care costs and easy access to rate filings. The platform of the website is to educate and increase public awareness about rate review. The next phase will include expanding 'health care 101' information, develop a rate calculator, create a responsive design site for mobile devices, develop additional videos to continue educating stakeholders in a more engaging way and receive more search engine optimization or SEO recommendations to current and future pages. The process of uploading rate filing information to the tables on the site will be automated. AR Health Connector (formerly Exchange) rate filing information will also be included. Additionally, a translation feature will be installed for Spanish speaking consumers.

Health Insurance Rate Review Grant Program

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1. APCD

APCD (All Payers Claims Database) is large-scale database that systematically collects health care data from a variety of payer sources both public and private including, but not limited to, Medical claims, Pharmacy claims, Dental claims, Eligibility files, and Provider Typically APCDs are created by a state mandate, but could be multi-state based. Policymakers, consumers, researchers, providers, employers, Medicaid, and commercial payers all benefit from a functional APCD.

Detailed Work Plan

Objective: Determine the needs of the FFE partnership

Develop overall timeline between now and 2016. To be included: state/ federal marketplace information, accreditation for QHP, rate review, enrollment periods, submission, OHIT, and other expected dates.

1. Confirm with AID that the need is only for measurement of health plans
2. Participate in AID Rate Review/Health Connector Policy Discussions to relay for change management
3. Participate in Plan Management Advisory Committee meetings for measurement of health plan quality.
4. Coordinate with Medicaid and OHIT to plan monthly meetings
5. Coordinate the alignment of Medicaid and Marketplace quality metrics (subject to revised expansion plan)

Objective: Identify challenges and limitations of data reporting and develop feasible and effective mechanisms for reporting

1. Explore options for measuring the quality of health plans, inclusive of a scaled approach to an APCD.
 - Meet with the three largest Arkansas insurers to discuss potential alternatives to an APCD
 - Present list of expected metrics for feedback
 - Access pros and cons of different options
2. Identify and contact other states that are not defaulting to federal exchange or pursuing an APCD for health plan quality metrics.
3. Contact NCQA/URAC for information about data summary reports
4. Participation in NCQA/URAC conference regarding accreditation and quality measurements

Objective: Scope and propose alternative options for measuring and driving quality of health plans

1. Internal weekly project team meeting
2. Participation in biweekly Rate Review/ Health Connector Project meeting
3. Development of four options for measuring health plan quality including an APCD
 - a. Inclusive of three APCD options
4. Development of a logic model for the four options
5. Development of a risk continuum and internal SWOT on the four options (inclusive of cost for startup and sustainability)
 - a. A separate risk continuum will be developed for the three APCD options

Objective: Presentation of Options

1. Present options to internal policy team
2. Present options to Plan Management Advisory Committee
3. Prepare option brief

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

Objective: Continue to track other states' progress on claims databases for quality measurement

1. Monitor legislation, statutes, and regulations regarding claims databases.
 - a. Look at current legislation introduced
 - b. Look for legislation dealing with the Healthcare Marketplace
2. Update APCD Tool with new legislation pertaining to APCD database
3. Summarize claims database legislation and regulations associated with state/federal marketplace.
4. Participate in webinars and meetings
 - a. Including HIT Trailblazers, NAHDO, APCD Council, URAC, and NASHP
 - b. Provide Summary
5. Consult with three states using APCD for health plan quality metrics

#	Objective / Task Name	Start Date	End Date
Determine the needs of the FFE partnership			
1	Develop overall timeline between now and 2016		
2	Map proposed quality measures with methodologies for plans on the market place		
3	Confirm with AID that the only need is for measurement of health plans on the market place		
4	Participate in AID Rate Review/ Health Connector Policy Discussions to relay for change management	Ongoing	9/30/2015
5	Participate in Plan Management Advisory Committee meetings for measurement of health plan quality	Ongoing	9/30/2015
6	Coordinate with Medicaid and OHIT to plan monthly meetings		9/30/2015
7	Coordinate the alignment of Medicaid and Healthcare marketplace quality metrics (subject to revised expansion	**	**
Identify challenges and limitations of data reporting and develop feasible and effective mechanisms for reporting			
8	Explore options for measuring the quality of health plans, inclusive of a scaled approach to an APCD	4/1/2014	6/30/2014
9	Meet with the three largest Arkansas insurers to discuss potential alternatives to an APCD	5/1/2014	7/19/2014
10	Identify and contact other states that are not defaulting to federal exchange and not pursuing an APCD for health plan quality metrics	3/10/2014	5/31/2014
11	Consult with NCQA/URAC for information about data summary reports	3/10/2014	5/31/2014
12	Participation in NCQA/URAC conference regarding accreditation and quality measurements	3/10/2014	4/30/2014
Scope and propose alternative options for measuring and driving quality of health plans			
13	Internal weekly project team meeting	Ongoing	7/31/2014
14	Participation in bi-weekly Exchange Project meeting	Ongoing	7/31/2014
15	Development of paper indicating four options for measuring health plan quality including an APCD	4/1/2014	7/31/2014
16	Development of a logic model for the four options	4/1/2014	5/24/2014

***Cautionary Note.** At all times the HIRRD will report on a timely basis to HHS/CCIIO, all activities of the APCD implementation and review of any related contracts or expenditures. This would include pre-selection of any contractor(s) who must fully comply with APPENDIX F (Conflict on Interest Requirements) of the Cycle III FOA

Health Insurance Rate Review Grant Program

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2. iRATE

iRATE (Insurance Rate Analysis and Tracking Engine) was released to all states and territories for implementation on June 1, 2013. While this version of iRATE will greatly improve the rate review process of any user, much is left to be done to fulfill iRATE's optimal potential.

Three phases of the project are complete thus far and enhancements will continue over the next year. As the industry changes, the need for modifications to the iRATE application exist.

For 2014, the following enhancements to iRATE:

- URRT Redesign work - January 2014
- Coding Crosswalk - April 2014
- Transparency Upgrades - Mid-March 2014
- Inclusion of financial data from iSITE - April 2014
- Modifications to checklists for improved functionality - June/July 2014
- Enhanced metrics to compare filings - July/August 2014
- Inclusion of all SERFF Templates - August/October 2014
- Incorporating HIOS data - October/December 2014
- Tasks notification system - December 2014

The 2014 calendar year proves to be a busy time for development of iRATE, but also a critical time to implement updates to improve the product. By incorporating the items noted above, iRATE will continue to add value to states and solidify it as the best product for Rate Review.

3. Core Rate Review

For purposes of this workplan, Core Rate Review shall consist of:

- a) Outreach,
- b) Rate Review enhancement.

a) Outreach

- To create a user friendly, robust, and attractive website that will generate widespread usage among Arkansas residents in regard to rate review.
- To develop a translation feature for Spanish speaking consumers.
- To execute an interagency agreement that will drive collaboration in educating and informing Arkansas residents about rate review.
- To collaborate with iRATE to automate the transference of relevant rate review information to the HIRRD website and provide unprecedented transparency for the consumer and all other stakeholders.
- To fully implement social media into the consumer outreach process.
- To develop a consumer rate calculator for website.
- To create a responsive design site for mobile devices.
- To develop additional videos to continue educating stakeholders in a more engaging way.
- To receive more search engine optimization or SEO recommendations to current and future pages.
- To develop and distribute appropriate educational print materials.

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- To distribute pamphlets, booklets and handouts at various outreach events including but not limited to health fairs, business expos and educational events.
- To develop Spanish language materials.
- To create major transparency (rate justification) and data simplification (understanding) of healthcare filings on a timely basis within the HIRRD website through automated iRATE.

b) Rate Review enhancements

- Enhance technology and programmatic infrastructure to effectively collect, analyze, and report health insurance rate filings and outcomes to diverse stakeholders including the general public, health care insurers, health care providers, and policymakers including state legislators and the Department of Health and Human Services (DHHS) Secretary;
- Create a health insurance education, outreach, and training unit dedicated to information dissemination about health insurance rate approval processes and rate trends to diverse stakeholders including the general public and special consumer populations, policymakers, health insurers, health care providers, and the business community.
- Fully utilize the AID Insurance Rate Review Media Center for public and professional training, education, and information dissemination activities including, but not limited to, public hearings and media presentations. The AID Insurance Rate Review Media Center will serve as the "center" for rate review education and outreach efforts. Training methodologies will include classes, seminars, and interactive webinars or interactive video conferences augmented by PowerPoint presentations, course syllabi, video clips, and classes for healthcare professionals.

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EXHIBIT 7: Supplemental Health Care Market Share

Supplemental Health Care Market Share													
Selected Criteria - Year: 2013 State: Arkansas Codelist Basis: Licensed Include Zero Companies: No Business Type: Property Line of Business: Large Group Employer Comprehensive Health Coverage													
Group Code	Cocode	Name	Domicile	Statement Type	Health Premium Earned	Market Share by Premium	Cumulative Market Share by Premium	Preliminary Medical Loss Ratio	Number of Covered Lives	Market Share by Number of Covered Lives	Cumulative Market Share by Number of Covered Lives		
876	83470	USABLE Mut Ins Co	AR	X	506,887,086	65.94%	65.94%	0.896	129,099	63.35%	63.35%		
876	95442	Hmo Partners Inc	AR	X	91,426,198	11.89%	77.84%	0.889	29,693	14.57%	77.92%		
707	79413	UnitedHealthcare Ins Co	CT	L	76,048,606	9.89%	87.73%	0.827	20,359	9.99%	87.91%		
	95448	QCA Hlth Plan Inc	AR	X	64,216,956	8.35%	96.08%	0.953	16,535	8.11%	96.02%		
707	12231	UnitedHealthcare Ins Co of the River	IL	X	15,314,041	1.99%	98.07%	0.889	4,096	2.01%	98.03%		
707	95446	United Hlthcare of AR Inc	AR	X	5,939,450	0.77%	98.85%	0.799	1,251	0.61%	98.65%		
901	67369	Cigna Hlth & Life Ins Co	CT	L	3,596,916	0.47%	99.32%	0.771	820	0.40%	99.05%		
	70998	Qualchoice Life & Hlth Ins Co Inc	AR	X	2,159,745	0.28%	99.60%	0.89	741	0.36%	99.41%		
901	62308	Connecticut Gen Life Ins Co	CT	L	1,040,074	0.14%	99.73%	1.118	606	0.30%	99.71%		
123	65757	Shelter Life Ins Co	MO	L	943,706	0.12%	99.85%	1.145	208	0.10%	99.81%		
119	73288	Humana Ins Co	WI	L	441,727	0.06%	99.91%	1.202	0	0%	99.81%		
7	13935	Federated Mut Ins Co	MN	P	242,390	0.03%	99.94%	1.199	56	0.03%	99.84%		
1	81973	Coventry Hlth & Life Ins Co	MO	X	220,458	0.03%	99.97%	1.269	22	0.01%	99.85%		
12	70106	United States Life Ins Co In NYC	NY	L	173,433	0.02%	99.99%	-0.063	302	0.15%	100%		
276	62863	Trustmark Life Ins Co	IL	L	43,079	0.01%	100.00%	1.593	0	0%	100%		
19	65080	John Alden Life Ins Co	WI	L	0	0%	100.00%	2.755	0	0%	100%		
1	60054	Aetna Life Ins Co	CT	L	-2,216	0.00%	100%	-0.287	0	0%	100%		
		17 Companies in Report			768,691,649	100%	100%		203,788	100%	100%		

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

Supplemental Health Care Market Share													
Selected Criteria - Year: 2013 State: Arkansas Codelist Basis: Licensed Include Zero Companies: No Business Type: Property													
Line of Business: Small Group Employer Comprehensive Health Coverage													
Group Code	Cocode	Name	Domicile	Statement Type	Health Premium Earned	Market Share by Premium	Cumulative Market Share by Premium	Preliminary Medical Loss Ratio	Number of Covered Lives	Market Share by Number of Covered Lives	Cumulative Market Share by Number of Covered Lives		
876	83470	USABLE Mut. Ins Co	AR	X	242,340,600	49.44%	49.44%	0.831	69,601	51.13%	51.13%		
707	79413	UnitedHealthcare Ins Co	CT	L	82,002,259	16.73%	66.17%	0.786	19,997	14.69%	65.81%		
876	95448	QCA Hlth Plan Inc	AR	X	65,406,475	13.34%	79.52%	0.863	16,927	12.43%	78.25%		
876	95442	Hmo Partners Inc	AR	X	62,391,649	12.73%	92.25%	0.838	19,121	14.05%	92.29%		
707	12231	UnitedHealthcare Ins Co of the River	IL	X	20,163,021	4.11%	96.36%	0.888	6,846	5.03%	97.32%		
707	70998	Qualchoice Life & Hlth Ins Co Inc	AR	X	3,780,347	0.77%	97.13%	0.84	1,091	0.80%	98.12%		
707	95446	United Hlthcare of AR Inc	AR	X	3,085,689	0.63%	97.76%	0.743	495	0.36%	98.49%		
1	81973	Coventry Hlth & Life Ins Co	MO	X	3,029,254	0.62%	98.38%	0.827	544	0.40%	98.89%		
7	13935	Federated Mut Ins Co	MN	P	2,421,073	0.49%	98.87%	0.781	562	0.41%	99.30%		
276	62863	Trustmark Life Ins Co	IL	L	1,593,080	0.33%	99.20%	0.683	292	0.21%	99.51%		
119	73288	Humana Ins Co	WI	L	1,447,599	0.30%	99.49%	0.614	268	0.20%	99.71%		
19	65080	John Alden Life Ins Co	WI	L	1,114,012	0.23%	99.72%	0.531	119	0.09%	99.80%		
19	69477	Time Ins Co	WI	L	796,151	0.16%	99.88%	1.062	173	0.13%	99.93%		
661	77828	Companion Life Ins Co	SC	L	228,717	0.05%	99.93%	0.187	58	0.04%	99.97%		
450	65781	Madison Natl Life Ins Co Inc	WI	L	160,848	0.03%	99.96%	0.736	23	0.02%	99.98%		
450	69078	Standard Security Life Ins Co Of NY	NY	L	107,391	0.02%	99.99%	0.445	16	0.01%	100.00%		
19	70408	Union Security Ins Co	KS	L	66,093	0.01%	100.00%	0.184	5	0.00%	100%		
1	60054	Aetna Life Ins Co	CT	L	2,334	0.00%	100%	-3.268	0	0%	100%		
		18 Companies in Report			490,136,592	100%	100%		136,138	100%	100%		

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

Supplemental Health Care Market Share

Selected Criteria - Year: 2013 State: Arkansas Codelist Basis: Licensed Include Zero Companies: No Business Type: Property

Line of Business: Individual Comprehensive Health Coverage

Group Code	Cocode	Name	Domicile	Statement Type	Health Premium Earned	Market Share by Premium	Cumulative Market Share by Premium	Preliminary Medical Loss Ratio	Number of Covered Lives	Market Share by Number of Covered Lives	Cumulative Market Share by Number of Covered Lives
376	80470	USable Mut Ins Co	AR	X	200,351,765	70.14%	70.14%	0.651	89,517	79.35%	79.35%
707	62266	Golden Rule Ins Co	IN	L	20,253,284	3.28%	37.42%	0.742	10,576	9.37%	83.72%
	95448	QCA Hlth Plan Inc	AR	X	13,065,821	5.16%	92.58%	0.836	7,511	6.66%	95.38%
19	69477	Time Ins Co	WI	L	4,311,185	1.70%	94.28%	0.651	1,052	0.97%	95.35%
119	73288	Humana Ins Co	WI	L	2,803,585	1.11%	95.39%	0.735	1,379	1.22%	97.57%
264	97055	Mega Life & Hlth Ins Co The	OK	L	2,699,988	1.07%	96.45%	0.577	758	0.71%	98.28%
82b	66915	New York Life Ins Co	NY	L	1,623,229	0.64%	97.10%	1.182	321	0.25%	98.57%
4727	81108	United Security Life & Hlth Ins Co	IL	L	1,194,520	0.47%	97.57%	0.223	178	0.16%	98.73%
1	60054	Aetna Life Ins Co	CT	L	1,171,864	0.46%	98.03%	1.265	211	0.15%	98.91%
707	79413	UnitedHealthcare Ins Co	CT	L	1,065,398	0.42%	98.45%	0.855	204	0.18%	99.10%
17b	25178	State Farm Mut Auto Ins Co	IL	P	955,185	0.38%	98.83%	0.541	147	0.13%	99.23%
129b	80759	Celtic Ins Co	IL	L	775,468	0.31%	99.14%	0.688	175	0.16%	99.38%
19	65080	John Alden Life Ins Co	WI	L	477,099	0.19%	99.33%	0.808	86	0.08%	99.46%
264	66087	Mid West Natl Life Ins Co Of IN	TX	L	380,877	0.15%	99.48%	0.764	124	0.11%	99.57%
839	62324	Freedom Life Ins Co Of Amer	TX	L	280,840	0.11%	99.59%	0.005	91	0.08%	99.65%
408	71773	American Natl Life Ins Co Of TX	TX	L	252,553	0.10%	99.69%	0.847	69	0.06%	99.71%
707	12231	UnitedHealthcare Ins Co of the River	IL	X	115,980	0.05%	99.73%	1.018	18	0.02%	99.72%
408	60739	American Natl Ins Co	TX	L	113,934	0.05%	99.78%	0.523	17	0.02%	99.74%
1	81973	Coventry Hlth & Life Ins Co	MO	X	104,862	0.04%	99.82%	0.39	34	0.03%	99.77%
839	98205	National Found Life Ins Co	TX	L	104,127	0.04%	99.85%	0.178	18	0.02%	99.79%
450	69078	Standard Security Life Ins Co Of NY	NY	L	70,381	0.03%	99.89%	0.281	15	0.01%	99.80%
408	86355	Standard Life & Accident Ins Co	TX	L	64,508	0.03%	99.91%	0.283	18	0.02%	99.81%
901	67369	Cigna Hlth & Life Ins Co	CT	L	42,449	0.02%	99.93%	0.59	4	0.00%	99.82%
450	65781	Madison Natl Life Ins Co Inc	WI	L	35,035	0.01%	99.95%	0.213	15	0.01%	99.83%
119	65110	Kanawha Ins Co	SC	L	28,117	0.01%	99.95%	1.765	46	0.04%	99.87%
953	68284	Pyramid Life Ins Co	KS	L	23,555	0.01%	99.97%	1.313	1	0.00%	99.87%
1117	61883	Central United Life Ins Co	AR	L	20,675	0.01%	99.97%	0.735	7	0.01%	99.88%
687	64211	Guarantee Trust Life Ins Co	IL	L	15,454	0.01%	99.98%	0.387	2	0.00%	99.88%
707	95446	United Hlthcare of AR Inc	AR	X	13,590	0.01%	99.99%	0.063	1	0.00%	99.88%
450	26581	Independence Amer Ins Co	DE	P	9,340	0.00%	99.99%	0.375	0	0%	99.88%
520	67784	Philadelphia Amer Life Ins Co	TX	L	9,241	0.00%	99.99%	-0.323	1	0.00%	99.88%
123	65757	Shelter Life Ins Co	MO	L	5,122	0.00%	100.00%	-134.322	21	0.02%	99.90%
12	60488	American Gen Life Ins Co	TX	L	3,612	0.00%	100.00%	-1.635	108	0.10%	100.00%
264	61832	Chesapeake Life Ins Co	OK	L	3,149	0.00%	100.00%	-0.02	1	0.00%	100.00%
84	63479	United Teacher Assoc Ins Co	TX	L	2,122	0.00%	100.00%	0	0	0%	100.00%
170	66869	Nationwide Life Ins Co	CH	L	1,672	0.00%	100.00%	39.077	1	0.00%	100.00%
2538	82538	National Hlth Ins Co	TX	L	840	0.00%	100.00%	0	0	0%	100.00%
4722	71350	Puritan Life Ins Co of Amer	AZ	L	533	0.00%	100.00%	1.238	1	0.00%	100%
429	64216	Guardian Life Ins Co Of Amer	NY	L	17	0%	100.00%	0	0	0%	100%
3527	60836	American Republic Ins Co	IA	L	0	0%	100.00%	12.604	0	0%	100%
901	62308	Connecticut Gen Life Ins Co	CT	L	-835	0.00%	100%	2.288	0	0%	100%
		41 Companies In Report			253,154,142	100%	100%		112,818	100%	100%

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

EXHIBIT 8: Division of Legislative Audit Report

**DIVISION OF LEGISLATIVE AUDIT
REVIEW OF SELECTED FEDERAL AWARDS
MANAGEMENT REPRESENTATIONS
AND EXIT CONFERENCE ACKNOWLEDGEMENT**



**Jay Bradford, Commissioner
Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201**

1. We, the Agency, have made available to the Division of Legislative Audit all program and financial records related to the following federal programs: Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review (CFDA 93.511), Affordable Care Act (ACA) Consumer Assistance Program Grants (CFDA 9.519), and State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges (CFDA 93.525) for the period July 1, 2012 – June 30, 2013.
2. We acknowledge our responsibility for the design and implementation of programs and controls to prevent fraud. We have no knowledge of any fraud or abuse, or suspected fraud or abuse, by management, employees, or others where the fraud or abuse could significantly affect the Program. (*Abuse is defined as behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice, given the facts and circumstances. Abuse includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate.*)
3. We have no knowledge of any allegations of fraud or abuse affecting the Programs by management, employees, or others associated with the Programs.
4. We have disclosed any plans or intentions that may significantly affect the operation of the Programs.
5. We are responsible for compliance with the laws, regulations, and provisions of contracts and agreements applicable to the Programs. We know of no violations of laws, regulations, and provisions of contracts and agreements applicable to the Programs.
6. We have disclosed that, as the result of current or possible legislation or events, the Programs (or aspects of the programs) have been eliminated or will cease to exist or operate within the next year.
7. The findings and recommendations contained in the draft report have been discussed with us and are subject to change upon review by appropriate supervisory personnel prior to the report's presentation to the Legislative Joint Auditing Committee. We understand that draft copies of the report, including findings, conclusions, and recommendations, and copies of related documentation that may be provided to us are not considered public documents and are exempt from the Arkansas Freedom of Information Act. We understand that we have been provided a draft copy of the reportable findings to afford us an opportunity to provide the views of the responsible officials concerning the report findings, conclusions, and recommendations, as well as planned corrective actions. We will address each finding and the proposed corrective action in a letter or email that we will provide by 7/16/14 to:

**Tammy Shaw, Field Audit Supervisor
Email: Tamara.Shaw@arklegaudit.gov**

Mail: Division of Legislative Audit, Room 172 State Capitol Building, Little Rock, AR 72201

We acknowledge that we may be requested to discuss our corrective action plans in person with the Legislative Joint Auditing Committee. **We will be notified when the report is scheduled to be presented to committee.**

8. We are aware that the report will be available on the Division of Legislative Audit's website (www.arklegaudit.gov) after presentation at the respective meeting of the Legislative Joint Auditing Committee. After the report has been presented to the Legislative Joint Auditing Committee, the report and the related documentation will be open to public inspection, except those documents specifically exempted as outlined in Ark. Code Ann. § 10-4-422.

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

EXHIBIT 9: RISK ASSESSMENT & CONTROL ACTIVITIES WORKSHEET

Risk Assessment and Control Activities Worksheet

Agency: Arkansas Insurance Department
 Department: Health Insurance Premium Rate Review
 Activity: Enhancing a meaningful and comprehensive effective rate review program that is transparent to the public
 Prepared By: Kimberly McEnroe, Database Administrator
 Date Prepared: March 11, 2014

Objective Types (1)	Objectives (2)	Risk Assessment			Actions to Manage Risks/ Control Activities (6)	Mgmt Conclusion (7)	Corrective Action Plan (8)
		Risks (3)	Significance/ Impact (4)	Likelihood (5)			
F, O, & C	Meet grant administration requirements.	Inability to follow the advice and guidance of the State Department of Health & Senior Services for Medicare & Medicaid Services (CMS)	Large	Medium	Submit proposals and reports to CMS including the following: (1) annual grant proposal based on anticipated grant award; (2) request budgets based on grant notice of award letters; (3) quarterly financial status reports; (4) quarterly reports on public and media activities; (5) semi-annual resource report; (6) quarterly financial status report; and (7) midterm narrative report detailing progress to meeting the following objectives. Weekly Staff meetings are held to discuss division reports. The division creates quarterly and annual reports to monitor performance and goals to HHS/CMS.	S	
F, O, C, F	Program and financial reports are submitted on time and in accordance with HHS/CMS/CIO expectations.	Failure to maintain an "effective rate review program" could result in some activities being taken over by U.S. Department of Health and Human Services.	Large	Low	Staff works with the National Association of Insurance Commissioners (NAIC), the Center for Consumer Information and Insurance Oversight (CCIO) and other organizations to determine requirements needed to maintain an effective rate review program. Public Information Officer is responsible for submitting completed program and financial reports as required by granting agency quarterly and on time.	S	
F, O, C	Quarterly and Annual Reports to the United States Department of Health & Human Services (HHS)	Agency does not file programmatic or financial reports in a timely manner.	Moderate	Low	All expenditures are reviewed by the Department's Accounting Division as well as the Rate Review Division's Deputy Commissioner for compliance. Staff works with the State Office of Procurement for all contracting and purchasing. All purchases are approved by the Deputy Commissioner. Invoices are approved by the Accounting Division and by the Deputy Commissioner for the Rate Review Division. Traveling employee provides Deputy Director with advanced details of travel request in order for Deputy Director to make an informed decision of meeting value and available travel/conference budget. Accounting Division will approve or disapprove all travel and travel reimbursement requests.	S	
F, O, C, F	All expenditures of federal grant funds must be in compliance with federal and state purchasing laws.	Inappropriate expenditures could result in the termination of the grant and/or state reimbursement for these expenditures.	Large	Low	Automate the transference of relevant rate review information to the HIRRD website and provide transparency for the consumer and all other stakeholders. Increase search engine optimization or SEO recommendations to current and future pages to reach diverse and hard-to-reach population through social media.	S	
F, O	Travel will be planned and reimbursed according to agency, state, and (when applicable) federal policy.	Improper Travel Reimbursement	Small	Low	1. RATE to automate the transference of relevant rate review information to the HIRRD website and provide transparency for the consumer and all other stakeholders. 2. All SERFF filings are published in full on the website (with the exception of actuarial information) allowing interested parties to review them. All filings are stored on both the Department server and the NAIC SERFF system.	S	
O, C	Consumer education and outreach	Incorrect information disseminated to the public	Moderate	Medium	Minimum staffing levels for the division to operate for a short period of time is the Deputy Director and one support staff. Support staff have been cross trained and all employees are required to do other duties as assigned if necessary to keep the division operational. Database Administrator reads leave requests on manual calendar and compares internal time sheets to AASS before approval, and balances with Human Resources each month.	S	
O	Publish SERFF filings to the web	Inefficient staff	Small	Low	Health Insurance Premium Rate Review Division Information will be stated during daily operations and available in electronic or hard-copy files for continued management and operations actions during any unexpected absence of key personnel due to illness, death, or other removal from the workforce. A temporary work starting and back-up electronic files will be provided by AID will be available in case of loss of physical work space due to fire or natural disaster.	S	
O, C	Maintain adequate staffing levels to operate and accurately process division leave requests	Lack of Continuing of Operators	Large	Medium			
F, O, C	Personnel, fiscal, and physical resources are available for continued Division Operations.		Large	Low			

Management's Conclusion:
 (X) The control activities are sufficient to mitigate all of the identified risks and provide a reasonable basis for achieving the stated objective(s).
 () The control activities are sufficient to mitigate all of the identified risks and provide a reasonable basis for achieving the stated objective(s), except for the control activities listed as not sufficient in column 7. The new or additional control activities needed to mitigate the identified risk to an acceptable level are included as the corrective action plan in column 8. The corrective action will be sufficient to mitigate the risk when implemented.
 () Some control activities are not sufficient to mitigate all of the identified risks and provide a reasonable basis for achieving the stated objective(s). Management has not identified any control activities that would be cost efficient to implement in order to mitigate the risk to an acceptable level; therefore, we accept the risk that the stated objective(s) may not be achieved.

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

EXHIBIT 10: BULLETIN NO. 9-2014

The 2015 Plan Year Requirements For Qualified Health Plan Certification In The Arkansas Federally-Facilitated Partnership Marketplace is posted on the AID HIRRD website.

To access Bulletin NO. 9-2014 in its entirety (28 pages), follow the link below:

<http://www.insurance.arkansas.gov/Legal/Bulletins/9-2014.pdf>

Health Insurance Rate Review Grant Program Cycle II Annual Report Template

Exhibit 11: Cycle IV Notice of Award

1. DATE ISSUED MM/DD/YYYY 09/19/2014	2. CFDA NO. 93.511	3. ASSISTANCE TYPE Project Grant	Department of Health and Human Services Centers for Medicare & Medicaid Services Office of Acquisitions and Grants Management 7500 Security Boulevard Baltimore, MD 21244-1850 NOTICE OF AWARD AUTHORIZATION (Legislation/Regulations) Section 2794 of the Public Health Service Act (Section 1003 of the Affordable Care Act)
1a. SUPERSEDES AWARD NOTICE dated except that any additions or restrictions previously imposed remain in effect unless specifically rescinded			
4. GRANT NO. 1 PRPPR140066-01-00 Formerly		5. ACTION TYPE New	
6. PROJECT PERIOD From 09/19/2014		Through 09/18/2016	
7. BUDGET PERIOD From 09/19/2014		Through 09/18/2016	
8. TITLE OF PROJECT (OR PROGRAM) Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of			
9a. GRANTEE NAME AND ADDRESS Arkansas Insurance Department 1200 W 3rd St Administration-DUP2 Little Rock, AR 72201-1904		9b. GRANTEE PROJECT DIRECTOR Dr. Lowell Nicholas 1200 W 3rd St Little Rock, AR 72201-1904 Phone: 501-683-3638	
10a. GRANTEE AUTHORIZING OFFICIAL Dr. Lowell Nicholas 1200 W 3rd St Little Rock, AR 72201-1904 Phone: 501-683-3638		10b. FEDERAL PROJECT OFFICER Ms. Susan Lorden 200 Independence Ave Sw Rm 738-G Washington, DC 20201-0004 Phone: (301) 492-4162	

ALL AMOUNTS ARE SHOWN IN USD																			
11. APPROVED BUDGET (Excludes Direct Assistance)		12. AWARD COMPUTATION																	
l Financial Assistance from the Federal Awarding Agency Only II Total project costs including grant funds and all other financial participation		a Amount of Federal Financial Assistance (from item 11m) 1,179,000.00 b Less Unobligated Balance From Prior Budget Periods 0.00 c Less Cumulative Prior Award(s) This Budget Period 0.00 d AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION 1,179,000.00 13. Total Federal Funds Awarded to Date for Project Period 1,179,000.00																	
a. Salaries and Wages 0.00 b. Fringe Benefits 0.00 c. Total Personnel Costs 0.00 d. Equipment 0.00 e. Supplies 0.00 f. Travel 0.00 g. Construction 0.00 h. Other 0.00 i. Contractual 1,179,000.00 j. TOTAL DIRECT COSTS → 1,179,000.00 k. INDIRECT COSTS 0.00 l. TOTAL APPROVED BUDGET 1,179,000.00 m. Federal Share 1,179,000.00 n. Non-Federal Share 0.00		14. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project): <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>YEAR</th> <th>TOTAL DIRECT COSTS</th> <th>YEAR</th> <th>TOTAL DIRECT COSTS</th> </tr> </thead> <tbody> <tr> <td>a 2</td> <td></td> <td>d 5</td> <td></td> </tr> <tr> <td>b 3</td> <td></td> <td>e 6</td> <td></td> </tr> <tr> <td>c 4</td> <td></td> <td>f 7</td> <td></td> </tr> </tbody> </table>		YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS	a 2		d 5		b 3		e 6		c 4		f 7	
YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS																
a 2		d 5																	
b 3		e 6																	
c 4		f 7																	
		15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES: a DEDUCTION b ADDITIONAL COSTS c MATCHING d OTHER RESEARCH (Add / Deduct Option) e OTHER (See REMARKS)																	
		b																	
16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING: a The grant program legislation b The grant program regulations. c This award notice including terms and conditions, if any, noted below under REMARKS d Federal administrative requirements, cost principles and audit requirements applicable to this grant In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.																			

REMARKS (Other Terms and Conditions Attached - Yes No)
 Refer to the following Award Attachments: 1) Standard Terms and Conditions 2) Programmatic Terms and Conditions

GRANTS MANAGEMENT OFFICER: Michelle Feagins, Grants Management Officer

17. OBJ CLASS 4115	18a. VENDOR CODE 1716006766A1	18b. EIN 710847443	19. DUNS 081501558	20. CONG. DIST. 02
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	AMT ACTION FIN ASST	APPROPRIATION
21. a. 4-5992933	b. PRPPR0066A	c. IPR	d. \$1,179,000.00	e. 75X0112
22. a.	b.	c.	d.	e.
23. a.	b.	c.	d.	e.

Health Insurance Rate Review Grant Program

Cycle II Annual Report Template

Exhibit 12: Newspaper article - Cycle IV

Grant to deliver medical-billing data to fingertips site to include services' costs

By [Andy Davis](#)

This article was published September 20, 2014 at 2:47 a.m.

The Arkansas Insurance Department has been awarded \$950,000 to give consumers access on their computers and smartphones to information about the cost of health care services, such as medical procedures and office visits, the U.S. Department of Health and Human Services announced Friday.

Lowell Nicholas, the Arkansas deputy insurance commissioner who is in charge of the department's rate review division, said the project will draw on information from a database of medical billing information that will be compiled by the Arkansas Center for Health Improvement, a nonprofit research and policy organization led by state Surgeon General Joe Thompson.

According to the Insurance Department's grant application, the first phase of the project -- scheduled for completion in November 2015 -- will give consumers access to the price of common procedures and services in different regions of the state.

The second phase, scheduled for completion in March 2016, will provide information on the prices charged by different hospitals and other health care providers. The tools will include a website and mobile applications, according to the application.

In addition to looking up prices, Nicholas said, consumers will be able to enter information about their insurance coverage to calculate out-of-pocket costs for medical care. Other states, including Colorado, have developed similar websites, he said. "This is not a new discovery," he said. "We're using the pathway that some other states have done."

Arkansas is among 21 states that will share in \$25 million in grants for health insurance rate review programs, according to the Health and Human Services Department announcement. The funding was made available under the 2010 Patient Protection and Affordable Care Act.

Arkansas' award totaled \$1,179,000, including \$129,000 for a website upgrade and \$100,000 to hire actuaries to analyze insurance company rate filings.

An earlier grant is funding the \$1.7 million contract with the Center for Health Improvement to build the database of medical claims, Nicholas said. He said he expects the center to start collecting the information from insurance companies and government agencies, such as the state's Medicaid program, next year.

In the meantime, the Insurance Department will award a contract early next year to the company that will build the website and other tools for consumers. In addition to providing the consumer information, Nicholas said the database will give researchers and policymakers tools to analyze issues affecting health care costs and outcomes.

Information about individual patients' identities will be protected and won't be available to those analyzing the data, he said. "There's no reason that this will not help the providers, the consumers, the insurers," Nicholas said. "This has usefulness for everybody when it's in its final form."

Health Insurance Rate Review Grant Program

Cycle II Annual Report Template

Exhibit 13: Newspaper article - Website rate postings

Insurers' '15 rates go online in slip-up

Arkansas Democrat-Gazette (Little Rock, AR) - Saturday, August 23, 2014

Information inadvertently posted on the Arkansas Insurance Department's website showed that Arkansas Blue Cross and Blue Shield and the company's national affiliate did not request rate increases for next year for plans the companies are offering on the state's health insurance exchange.

However, Insurance Department officials took the information off the website Friday, saying they didn't intend for it to be public until the rates have been approved by the department and the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services.

Seth Blomeley, a spokesman for the Insurance Department's Health Connector Division, said the rate proposals are not expected to be approved by the Centers for Medicare and Medicaid Services until early November.

Nonetheless, department officials are considering releasing preliminary rate information sooner, he said.

"In the interest of transparency, we're going to look and see what we can do - whether there would be a problem releasing it sooner than we had planned," Blomeley said.

He declined to comment on the rate information, saying it was accidentally posted on the website by another division of the department.

Arkansas Blue Cross spokesman Max Greenwood also declined to comment Friday, saying it would be "irresponsible" to do so until the rates have been approved.

She added that the Insurance Department officials' refusal to comment "speaks volumes."

"When the filings are approved and ready to be made public, we'll comment on them at that time," Greenwood said.

The Web page for the department's Health Insurance Premium Rate Review Division listed a proposed rate increase of zero for plans offered by Arkansas Blue Cross and the national Blue Cross and Blue Shield Association, including those on the insurance exchange that were issued after Jan. 1 of this year, when new requirements took effect under the 2010 health care law.

Plans offered on the exchange include those purchased with Medicaid funds through the so-called private option, which are available to adults with incomes below 138 percent of the poverty level: \$16,105 for an individual, for instance, or \$32,913 for a family of four.

Tax credit subsidies are available to many consumers who don't qualify for Medicaid but have incomes of less than 400 percent of the poverty level: for example, \$45,960 for an individual or \$94,200 for a family of four.

As of late June, about 152,000 people were in plans offered on the exchange by Arkansas Blue Cross or the national Blue Cross and Blue Shield Association, including about 115,000 in Medicaid-funded plans, Greenwood has said.

The rate proposals were listed as being under review by the Insurance Department.

The website also listed proposed rate increases of 15.7 percent for 32,361 people covered by "transitional"

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Arkansas Blue Cross policies and an increase of 16.5 percent for people in an "individual closed bloc" of policies.

Both proposed increases appeared to refer to policies issued before the federal health care law's requirements took effect Jan. 1.

Among the other companies offering plans on the exchange, the website listed Little Rock-based QualChoice Health Insurance as requesting no increase for plans on the exchange but being approved by the Insurance Department for a 5 percent increase.

Centene Corp. was listed as not requesting an increase for its exchange plans but being approved by the department for a 12 percent decrease.

Representatives from QualChoice and Centene didn't return calls seeking comment late Friday.

As of July 31, about 200,000 Arkansans were enrolled in plans on the exchange, including 163,480 in Medicaid-funded plans.

Once approved, new rates for plans on the exchange will take effect Jan. 1. Those who qualify for the state's expanded Medicaid program can enroll throughout the year. Open enrollment for coverage starting next year for those who don't qualify for Medicaid will start Nov. 15.

A report on the website's rate information was first reported on the Arkansas Times blog late Friday afternoon.

State Sen. David Sanders, R-Little Rock, and a sponsor of the law creating the private option, said the preliminary information indicates that the program is succeeding **in** increasing competition among insurance companies.

He noted that QualChoice and Centene, which only offered plans **in** parts of the state this year, plan to expand their offerings to every county next year.

And, to trim costs starting next year, the Medicaid program will no longer pay premiums for plans that offer adult vision and dental coverage.

"Even though these are early indications, and the rates aren't finalized, it looks very encouraging," Sanders said. "It looks like Arkansas, from what I've seen, may look fundamentally different from our other fellow states around the country."