

Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

Report Date	January 29, 2014
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Organization Information	
State	Arkansas
Project Title	Arkansas Health Insurance Rate Review Program Cycle III
Grant Project Director (Name and Title)	Lowell Nicholas Deputy Commissioner – Rate Review Director
Phone/Email	501-683-3836
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
Project Reporting Period (Example Quarter 1 10/1/2013-12/31/2013)	Quarter 1 (10/1/13-12/31/2013)

The purpose of the Cycle III Quarterly Grant Reports is to:

- Provide the Rate Review Grant Program with a better understanding of the States’ rate review and medical pricing transparency initiatives funded through this grant program
- Provide the Rate Review Grant Program with Quarterly Rate Filing Data
- Describe medical new pricing transparency initiatives at the funded Data Center
- 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

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

Grant Performance Period-Cycle III: September 23, 2013 through September 30, 2015

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 2794 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 establish Data Centers that provide medical price information to the public.

The statute indicates that the program serves the following purposes:

- (1) Establish or enhance rate review programs, referred to in the Cycle III Funding Opportunity Announcement (FOA) as “Rate Review” activities;
- (2) Help states to provide data to the Secretary regarding trends in rate increases as well as recommendations regarding plan participation in the Exchange, denoted as “Required Rate Reporting” activities in the Cycle III FOA; and
- (3) Establish Data Centers that collect, analyze, and disseminate health care pricing data to the public, denoted as “Data Center” activities in the Cycle III FOA.

The goals of the Cycle III 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.
- Developing and enhancing Data Centers that provide medical pricing data in a transparent, user-friendly way to consumers, employers, researchers, entrepreneurs, non-profit organizations, and other government agencies in order to improve the value of care delivered in the state.

A Data Center, established under subsection (c)(1)(C) of section 2794, must: (A) develop fee schedules and other database tools that fairly and accurately reflect market rates for medical services and the geographic differences in those rates; (B) use the best available statistical methods and data processing technology to develop such fee schedules and other database tools;

Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

(C) regularly update such fee schedules and other database tools to reflect changes in charges for medical services; (D) make health care cost information readily available to the public through an Internet website that allows consumers to understand the amounts that health care providers in their area charge for particular medical services; and (E) regularly publish information concerning the statistical methodologies used by the center to analyze health charge data and make such data available to researchers and policy makers.

States are required to submit quarterly progress reports to CCIIO's Rate Review Grant Program. The quarterly progress report describes significant advancements towards the State's goal of improving its current health insurance rate review and/or establish a Data Center from the beginning from the time of approval through completion of the grant period.

Each quarterly report is due thirty days following the end of the Federal fiscal quarter. For example the first Cycle III quarterly report is due by January 31, 2013. All quarterly reports must be submitted electronically through the Health Insurance Oversight System (HIOS).

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 quarterly progress report must detail how grants funds were utilized, describe program progress, barriers and provide an update on the measurable objectives of the grant program.

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

PART I: NARRATIVE REPORT FORMAT

Introduction:

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 establish Data Centers that provide medical price information to the public.

On September 23, 2013, the AID Health Insurance Rate Review Division (HIRRD) received grant funding from the US Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS), Center for Consumer Information and Insurance Oversight (CCIIO) as part of The Health Insurance Rate Review Grant Program – *Grants to States to Support Health Insurance Rate Review and Increase Transparency In Health Care Pricing*, Cycle III Grant award of \$3,134,794.

The Arkansas Health Insurance Rate Review Department (HIRRD) designated 72% of the total Cycle III grant funds to two major data/transparency endeavors:

1. **iRATE** Final Development of the Insurance Rate Analysis & Tracking Engine
2. **APCD** Design and implementation of an All Payers Claims Database

1. **iRATE** (Insurance Rate Analysis and Tracking Engine) is a groundbreaking application, developed by the Arkansas HIRRD, 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. These capabilities and many others make iRATE the best application for submitting a fast, effective and accurate rate review. Ongoing enhancements are ongoing to include the URRT, QHP, and automation of website transfer.
2. **APCD** (All Payers Claims Database) 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 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.

Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

Program Implementation Status:

1. Quarterly Accomplishments to Date:

iRATE (Insurance Rate Analysis and Tracking Engine).

iRATE (Insurance Rate Analysis and Tracking Engine) was conceived by the Arkansas HIRRD in 2011. The development of iRATE was funded by Cycle II Rate Review grant funds and is therefore available, at no cost, for use by all states and territories. The Arkansas HIRRD produced an iRATE webinar on June 24, 2013 to demonstrate the use and capabilities of iRATE accompanied with a comprehensive user manual. Twenty five states and territories were registered for the webinar and fifteen states and territories have indicated their intent to utilize this “ground breaking” automated SERFF Data Extraction/Retrieval and analytics application. iRATE 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 an accurate rate review is easily accessible at all times.

In June 2012, HIRRD contracted with the Arkansas Foundation for Medical Care (AFMC) to build a comprehensive Data Center for **Insurance Rate Review** that will combine health system data from Arkansas commercial sources to achieve the following objectives:

- Protect consumers from unreasonable, unjustified and/or excessive rate increases;
- To enhance existing systems to capture required data, aggregate data, report critical;
- To review trends and rating practices in the individual as well as the small and large group health insurance market to help develop policy initiative and make recommendations aimed at ensuring health insurance rates charged within the state are fair and reasonable;
- Gain insight into Arkansas’s health insurance systems by identifying variations in insurance rates;
- Promote transparency across health insurance providers and reimbursement systems, and
- Guide development of new rate review models for considered implementation

After careful analysis and planning, the iRATE application was developed to meet the needs of the AID and the industry at large. Four phases of the project are complete thus far and enhancements will continue over the next year. As industry needs change, appropriate modifications will be made to iRATE. HIRRD must remain flexible to adjust to these changes.

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

For 2014, AFMC has planned a number of enhancements to add functionality and enhance the application for Rate Review. These modifications will improve the application and solidify iRATE as the market leading tool for Rate Review in the country. There is no other product that comes close to the features that it offers and the 2014 enhancements will improve its value to states and territories.

For 2014, HIRRD plans to add the following enhancements to iRATE:

- URRT Redesign work
- Coding Crosswalk
- Transparency Upgrades
- Inclusion of financial data from iSITE
- Modifications to checklists for improved functionality
- Enhanced metrics to compare filings
- Inclusion of all SERFF Templates
- Incorporating HIOS data
- Tasks notification system

HIRRD's contractor met with Doug Pennington, Director, Rate Review Division Oversight Group with CMS in early October at his office in Bethesda, MD. During that meeting Doug stated the Unified Rate Review Template (URRT) will be redesigned in early 2014. AFMC (HIRRD Contractor) needs to be ready to incorporate those changes beginning in February. Doug also mentioned the need to be able to map grandfathered plans to the current medal plan names for the Insurance Exchange. AFMC will begin this work around mid-February.

Improved Transparency is scheduled to begin toward the end of March and will improve the information provided to the public when viewing a rate filing. Improved financial data from iSITE will allow Rate Review personnel to make better informed decision based on the financial information of Insurance Companies. Incorporating additional iSITE data will begin in April.

Improving the interface through the Checklist feature is scheduled for June thru mid-July. Enhancements to the user interface are one of the focal points in 2014. A better experience for the user is important to adoption of key stakeholders in other states. Throughout each of these enhancements, improvements to the user interface will be implemented.

One of the biggest features of iRATE today is the ability to compare filings across a company or an industry. In mid-July thru late August, AFMC will work to expand on that information to provide additional metrics, so reviewers have more information for comparison purposes.

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

The Business Rules, Service Area, and Rates Templates were added as a part of Phase III. In August – October, AFMC will begin development to include the additional templates outlined at http://www.serff.com/plan_management_data_templates.htm. These templates will provide additional information to help state agencies perform rate review.

Doug Pennington is planning to work to fund the incorporation of HIOS data into iRATE. From the end of October through the beginning of December, AFMC plans to complete this development.

Finally, starting in December and lasting into 2015, AFMC will build a Task Notification system into iRATE, to allow users to track tasks assigned to each individual working to review a filing. This system will streamline workflow allowing for more efficient processing of a Rate Review.

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. We will enhance, modify, or change these plans as needed based on the direction of the Arkansas Insurance Department (AID). If the schedule needs to be modified, we will adjust based on the needs of our client. Working under the direction of the AID, AFMC will continue to build a product that is a leader in the industry.

- **All Payers Claims Database (APCD) design and implementation**

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.

Official proposals must be submitted to HIRRD on or before February 3, 2014. HIRRD will issue 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 are 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 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.

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

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.

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

N/A The Arkansas HIRRD was awarded and has maintained an "Effective Rate Review Program" in all markets.

3. Challenges and Responses faced this year:

- The greatest challenge has been to meet the continuing ACA mandates and regulations while simultaneously conducting an efficient rate review process within the State of Arkansas.
- The Cycle III Rate Review Grant application submitted during the third quarter was a special challenge because 60% of the entire grant request was dedicated to the formation of an All Payers Claims Database (APCD). The research required for the APCD was extraordinary and very time consuming. However, the end result was a "Request for Proposals" which was well documented and strategically sound.
- All proposed grant activities were either completed during the prior twelve months or are ahead of schedule.

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

NONE

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

Significant Activities: Undertaken and Planned

1. Website
2. APCD
3. iRATE

1. HIRRD 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.
- 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 and meetings were held this quarter 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.

2. All Payers Claims Database (APCD)

Funding for an APCD was approved in the Cycle III funding. The grant request for the Arkansas APCD for FY14 was \$1,199,038 and for FY15 was \$500,000 for a total two year funding of \$1,699,038. HIRRD will measure its progress by completing the following key indicators:

- a) Solicit input and advice from applicable Arkansas stakeholders
- b) Define the purpose and mission of an Arkansas APCD
- c) Identify qualified APCD Vendors
- d) Develop and adopt a realistic governance model that aligns with state and stakeholder goals, capitalizes on available resources, and mitigates actual or apparent conflicts of interest.

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

- e) Prepare and submit a RFI (Request for Interest) to the qualified Vendors
- f) Determine:
 - Purposes of gathering data?
 - Who will be required to report data?
 - What data are required to be reported?
 - How will the data be submitted and processed?
 - When will the data be required to be submitted?
 - Who will house and analyze the data?
 - Who will have authority to access the data?
 - The technology infrastructure to be utilized
- g) Prepare and submit a RFP (Request for Proposal) to all qualified vendors
- h) Assemble a competent team to evaluate the vendor proposals on a timely basis
- i) Write and issue final regulations.

3. iRATE (Insurance Rate Analysis and Tracking Engine)

With Phase I, II, III, and IV completed, the final phase of iRATE development has recently begun. Phase IV has integrated information from previous phases into our website to provide even more automated information to the consumer. Phase IV also has incorporated information from the Rating Table Template, Rating Rules Template, Service Area Template, Business Rules Template, and Rates Template. The final phase will include Plan Management for incorporation into iRATE.

The final phase will include modifications to enhance transparency between the AID and consumers in the state of Arkansas. Currently, the AID hosts a website to provide consumers with easy to understand information about the reasons for significant rate increases and post justification for the increase. By doing this, the AID expects to bring greater transparency, accountability and help moderate premium increases.

Operational/Policy Developments/Issues

A. Potential APCD Problems

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

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

- 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, 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 0f 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.
- **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").

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

Public Access Activities

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. This quarter we added Cycle III Grant application, and Award Notification. We immediately went into action to start the procedures for our All Payer Claims Database (APCD) with this we uploaded our Request For Information, followed by our Request For Proposal, we had several responses and questions that we processed and answered then transmitted those answers 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.

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.

Documents currently posted on the HIRRD website

1st Quarter Cycle III Postings:

- CFDA 93.511
- GRANT Application Rate Review Cycle III
- Cycle III Award

ALL PAYER CLAIMS DATABASE (APCD):

- APCD – Request for Information (RFI) – All Payer Claims Database
- Intergovernmental Technical Service Contract – Request for Proposal
- Answers to Submitted Questions 120142 – Request for Proposal for Intergovernmental Technical Service Contract
- ADDENDUM 1
- ADDENDUM 2

Collaborative efforts

The collaborative partners of HIRRD in the last quarter were CMS, CCIIO, SERFF, Arkansas Foundation of Medical Care (AFMC), Life & Health Division of AID, Arkansas Center for Health Improvement (ACHI), L&E Actuaries, APCD Council, and multiple state RR directors. Collaborative categories were iRATE (Insurance Rate Analysis and Tracking Engine), All Payers Claims Database (APCD), HIRRD Website, state legislation and bulletins, staff training, comprehensive upgrades to rate review manuals and checklists, and satisfactory interface with the Arkansas Health Connector (Exchange).

Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

Lessons Learned

The HIRRD has learned to maintain maximum flexibility in order to comply with the regulatory environment. Confusion has been prevalent as the ACA enrollment process rolled out. There continues to be an enormous lack of information in the state related to knowledge in both rate review and general health insurance. Opportunities to impact issues on a positive basis, in both categories by using the HIRRD resources wisely, continue to exist. HIRRD will endeavor to educate, inform, and involve critical constituent groups such as state leaders, legislators, and active affinity stakeholder groups.

Updated Budget

HIRRD is well within its operation budget and projected budget for Cycle II. No Expenditures Cycle III funds as of end of 1st quarter. All budgets have been prepared and reviewed by an outside accounting firm specializing in Health Care Finance. (See Exhibit 2)

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. Service/Contracts	1,049,226	1,048,015	(1,211)
Supplies & Other Office Expenses	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

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

Updated Rate Review Work Plan and Timeline

- 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 4).
- Official proposals must be submitted to HIRRD on or before February 3, 2014. HIRRD will issue 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 are 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 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.

Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

Data Collection and Analysis

ALSO SEE PART II: HELTH INSURANCE RATE DATA COLLECTION)

During the quarter, the number of filings for the Department was low. Receiving eleven new products to be sold on and off the exchange. All of these products were sent to our outside actuary for review in which all of the reviews have been approved and closed.

<u>Company</u>	<u>SERFF #</u>	<u>SubTOI</u>	<u>State Status</u>
Freedom Life Ins. Comp of America	USHG-1292132923	Ind. – Preferred Provider (PPO)	Approved
Freedom Life Ins. Comp of America	USHG-129212848	Ind. – Preferred Provider (PPO)	Approved
Celtic Insurance Company	CELT-129061553	Ind. – Preferred Provider (PPO)	Approved
QCA Health Plan Inc.	QUAC-129133612	Ind. – Point of Service (POS)	Approved
Unitedhealthcare Ins. Comp. of the River	UHLC-129215588	Small Group Only - Other	Approved
Unitedhealthcare Ins. Comp.	UHLC-129214967	Small Group Only - Other	Approved
Unitedhealthcare of AR, Inc	UHLC-129214942	Small Group Only - Other	Approved
HMO Partners, Inc. d/b/a Health Advantage	HLAD-129198795	Small Group Only - Other	Approved
Time Insurance Company	ASWX-G129054516	Small Group Only - Other	Approved
Humana Insurance Comp	HUMA-129144402	Small Group Only - PPO	Approved
Coventry Health and Life Insurance Comp	CVKS-129200522	Small Group Only - PPO	Approved

Pricing Data Collection and Analysis

Currently there is no analysis available on medical claims data collected by AID. As we prepare for the structure and implementation of the APCD, this information will become available later.

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

Updated Evaluation Plan

HIRRD's continued 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 HIRRD staff member has specific areas of responsibilities and will be held accountable for appropriate progress. HIRRD will follow the same successful methodology that it utilized during its Cycle II activities.

Additionally, the HIRRD staff will continue to engage Commissioner Bradford, and the AR Health Connector (formerly 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. Additionally, the expertise of competent and credible professional third parties will be fully utilized in the evaluation. HIRRD will fully implement and monitor the very specific assessments, recommendations, and timelines contained in the excellent and comprehensive AON Hewitt reports

Quarterly Report Summary Statistics:

Please provide the data as available below include activities new this quarter and occurring to date with Rate Review Grant Funds:

- Total Funds Expended to date: (Cycle II **\$1,815,976**)
- Total Staff Hired (new this quarter and hired to date with grant funds): (**0/5**)
- Total Contracts in Place (new this quarter and established to date): (**1/10**)
- Introduced Legislation: (**No**)
- Money saved for consumers through rate review during the federal fiscal year: (**Not Available**)
- Enhanced IT for Rate Review: (**Yes**)
- Submitted Rate Filing Data to HHS: (**Yes**)
- Enhanced Consumer Protections in Rate Review Processes: (**Yes**)
 - Consumer-Friendly Rate Review Website: (**Yes**)
 - Rate Filings on Website: (**Yes**)
 - Medical Pricing data on Website: (**No**)

Health Insurance Rate Review Grant Program

Cycle III Quarterly Report Template

Data Center Activities

(An RFP for a state wide 'All Payers Claims Database' was issued December 16, 2013. Notice of Award will be made on March 10, 2014).

- Total Staff Hired for Data Center (new this quarter and hired to date with grant funds):(0)
- Total Contracts in Place for Data Center (new this quarter and established to date): N/A
- Enhanced IT for Data Center: N/A
- Gained access to new or more comprehensive data sets: N/A
- Enhanced public availability of price data for medical services: N/A
 - Provided new data regarding the prices of medical services on website: N/A
 - Integrated medical pricing data with other health care data sets: N/A
 - Tested new website applications and reports with consumers and/or through usability testing: N/A
 - Number of website hits (Provide dates for the period from which the new visitor count was taken): N/A
 - Total (Provide dates): N/A
 - New visitors (Provide dates for the period from which the new visitor count was taken from): N/A

Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

Enclosures

PART II: HEALTH INSURANCE RATE DATA COLLECTION

Exhibits

- 1. Exhibit 1: Timeline**
- 2. Exhibit 2: Operating Budget**
- 3. Exhibit 3: SF-425**
- 4. Exhibit 4: APCD RFP #120142**

Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

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

If using SERFF to import your data into the HIOS System, please discuss any discrepancies between the imported data and State records.

Table A. Rate Review Volume

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Number of submitted products with rate information	6				
Number of products requesting increase in premiums	2				
Number of products reviewed for approval, denial, acceptance etc.	11				
Number of products approved	11				
Number of products denied	0				
Number of products deferred	0				

Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

Table B. Number and Percentage of Products Reviewed – Individual Group

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Number of covered lives affected	PPO/POS 7				

Table C. Number and Percentage of Products Reviewed – Small Group

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Number of covered lives affected	OTH/PPO 7				

Table D. Number and Percentage of Products Reviewed – Large Group

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Number of covered lives affected	0				

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

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Number of covered lives affected	0				

Rate Filing Detailed Data Elements: Please refer to the Enclosure for the updated **Rate Filing Detailed Data Elements**.

Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

Exhibit 1: Timeline

Dec. 2013

- 12.20.13 Deadline Date for Receipt of Written Questions
- 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 Developed 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).

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Sept. 2013

- 09.23.13 Received Notice of Award for Phase III - Grants to States to Support Health Insurance Rave Review and Increase Transparency in Healthcare Pricing, Cycle III) \$3,134,794.00
- 09.23.13 Premiums and other details of the private plans that will be offered on Arkansas' Health Insurance Marketplace announced by the AID Commissioner
- 09.23-27.13 In Person Assister Guide "Phase I Training"
- 09.06.13 AFMC meeting to discuss next phase III of I-Rate

Aug. 2013

- 08.26.13 APCD Council Meeting
- 08.01.13 AFMC meeting to discuss next phase III of I-Rate

July 2013

- 07.18.13 APCD Presentation presented by ACHI to both AR Health Connector and HIRR Divisions.
The Arkansas Insurance Department (AID) engaged ACHI to study the composition of claims databases such as all-payer claims databases (APCDs)
- 07.11.13 Presentation AR Health Connector/ Health Insurance Marketplace "Speakers Bureau – GET IN- Toolkit
- 07.09.13 Phase III - Grants to States to Support Health Insurance Rave Review and Increase Transparency in Healthcare Pricing, Cycle III) Submitted.

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Exhibit 2: Operating Budget

**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	36,522	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	6,468	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

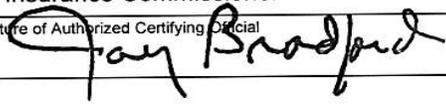
According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is **0938-1121**. The time required to complete this information collection is estimated to average **26 hours** per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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Exhibit 3- SF-425

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			
b. Signature of Authorized Certifying Official 				d. Email address jay.bradford@arkansas.gov			
				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.

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Cycle III Quarterly Report Template

Exhibit 4: APCD RFP #120142

The APCD RFP #120142 is posted on the AID HIRRD website.

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

<http://arhealthpremiums.arkansas.gov!/userfiles/editor/docs/ADDENDUM%20%202.pdf>