

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

<b>Report Date</b>	<b>October 30, 2014</b>
--------------------	-------------------------

Organization Information	
<b>State</b>	Arkansas
<b>Project Title</b>	Arkansas Health Insurance Rate Review Program Cycle II & Cycle III
<b>Grant Project Director (Name and Title)</b>	Lowell Nicholas Deputy Commissioner – Rate Review Director
<b>Phone/Email</b>	501-683-3836 / <a href="mailto:lowell.nicholas@arkansas.gov">lowell.nicholas@arkansas.gov</a>
<b>Grant Authorizing Representative</b>	(Same)
<b>Phone/Email</b>	(Same)

Grant Information	
<b>Date Grant Awarded</b>	September 23, 2013
<b>Amount Granted</b>	\$3,134,794.00
<b>Project Year</b>	2013 - 2015
<b>Project Reporting Period (Example Quarter 1 10/1/2013-12/31/2013)</b>	Quarter 4 (07/1/14 – 09/30/14)

**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 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.

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; (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.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

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:**

This 4<sup>th</sup> Quarter Cycle III report will contain activities and budget information from both Cycle II and Cycle III because of the one year grant overlap in FY14.

#### **Cycle II & III Overlap**

*The Arkansas HIRRD Cycle II award ends on September 30, 2014 and 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 of \$2,097,657 in Cycle II expenditures. As of September 30, 2014, there was a total \$344,705 in Cycle III expenditures.*

*Consequently, FY15 (October 1, 2014 – October 30, 2015) will be Cycle III only with the exception of the utilization of a Cycle II “No Cost Extension” (NCE) awarded to HIRRD on March 26, 2014.*

#### **Introduction:**

The Arkansas HIRRD has been aggressive, innovative, and successful in conceiving and implementing its “rate review” strategic plans in Cycles I, II and III, and has recently been awarded the Cycle IV grant. 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 funds and \$1,179,000 in Cycle IV).

It should be noted that the Arkansas Insurance Department (AID) and Health Insurance Rate Review Division (HIRRD) received notification from CCIIO on July 1, 2011, that AID/HIRRD has met the applicable criteria and was designated as an “Effective Rate Review Program” in all markets. AID has worked diligently to maintain that designation.

From Cycle III grant funds, \$1.7 million was allocated to contract for the All Payers Claim Database (APCD) Data Center which is currently being implemented. This APCD Data Center will be an invaluable asset to the State of Arkansas. Furthermore, an incredible enhancement to the APCD will be the “Medical Pricing/Transparency” component to be funded from anticipated Cycle IV grant funds. Comprehensive and detailed project plans have already been created for the “Medical Pricing/Transparency” component. The benefits to the various stakeholders will be enormous.

The stated goals of the Department of Health and Human Services (HHS) include developing and enhancing Data Centers that provide medical pricing data in a transparent, user-friendly way

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

to consumers, employers, researchers, entrepreneurs, non-profit organizations, and other government agencies in order to improve the value of care delivered in the state.

The State of Arkansas HIRRD will exceed all of these stated goals. One noteworthy accomplishment of the Arkansas HIRRD is the conception, design, and implementation of iRATE (Insurance Rate Analysis & Tracking Engine), a revolutionary automated “SERFF Data Extraction, Retrieval & Analytic Application”.

### **Additionally**

On September 23, 2013, the AID HIRRD received grant funding from HHS/CMS/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.

HIRRD designated 72% of the total Cycle III grant funds to two major data/transparency contracts:

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

**1. 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.

**2.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 and many others capabilities make iRATE the best application for submitting fast, effective and accurate rate reviews. Ongoing enhancements included adding the Unified Rate Review Template (URRT), Qualified Health Plan (QHP), and automation of website transfer.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

### **CYCLE IV**

The Arkansas Insurance Department (AID) is excited to continue its important work in support of Section 2794 of the Affordable Care Act (ACA) that ensures that consumers get value for their dollars. This Cycle IV proposal builds upon the rate review and medical price transparency efforts achieved with Cycle I, Cycle II, and Cycle III grants through which HIRRD accomplished the following: (1) creation of the Health Insurance Rate Review Division (HIRRD) within AID; (2) the designation as an “Effective Rate Review Program” in all markets by CCIIO; and (3) selection of the Arkansas Center for Health Improvement (ACHI) to serve as the Data Center to establish an All Payer Claims Database (APCD).

The APCD, which will aggregate medical claims across patients, payers, and providers into consumable formats, will serve as the foundation for the dissemination of medical reimbursement data transparency reporting and the enhancement of rate review processing in Arkansas. APCD reports will help consumers navigate the variability of services and rates among health care providers by reporting potential out-of-pocket costs and provider quality for medical provider and service selection.

The changing health care environment in Arkansas has created a heightened need for a shared tool to assist consumers in making health care decisions. HIRRD will allow expansion of the APCD reporting tools through the proposed Arkansas Pricing Transparency (APT) Project. A Cycle IV grant will support the development and implementation of a consumer-facing decision support tool and a validation and review process for the stakeholders (providers and carriers) named in reports. The strength and credibility of HIRRD’s approach are highly transparent methodologies and processes to ensure providers and payers fully vet actual data before public release in any form.

In the first phase of the APT Project, APCD will pull data collected in late 2014 and the first half of 2015 (the first year of operations) to reliably support consumer decision tools that focus on price variation by geography and care setting. The second phase will include the addition of provider-specific information to the reporting tools. APCD will acquire health insurance claim grouper software to execute episode of care analysis and risk adjusted population cost analysis, improving all proposed reports using APCD medical claims data. In addition, to enhance information portability, the APCD will develop mobile application tools to deliver all reports via mobile devices.

### **Program Implementation Status:**

#### ***1. Quarterly Accomplishments to Date:***

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.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

On March 10, 2014, the contract was awarded to the Arkansas Center for Health Information (ACHI), a research and analytics center at the University of Arkansas Medical Sciences. ACHI staff members have extensive experience in designing and executing sound study methodologies using health care data.

In early June, 2014 the contract was sent to the Arkansas Legislative Council's Performance and Evaluation and Expenditure Review Committee (PEER) where it was approved and became effective on June 20, 2014.

ACHI/HIRRD achieved several milestones during this Quarter of the Cycle III Grant:

- Public Outreach
  - Planned APCD Advisory Committee and Workgroups
  - Researched Best Practice Report
  - Developed Best Practice Report
- File Management and Database Development
  - Data Intake
  - Data Integration
- Analytics, Reporting and Data Release
  - Data Release
  - Analytics and Reporting
- Project Support
  - Data Security and Privacy Plan
  - Data Submission Guide
  - Hardware/Software procurement
  - Data Management
  - Technical Support
  - Publish Data Submission Guide v1.0
  - Deploy Technical Support
- Project Management
  - HIRRD Weekly Status Reports
  - HIRRD Quarterly Status Reports
  - HIRRD Bimonthly Status Meetings
  - Project Execution, Monitoring and Control

During this quarter ACHI has expanded their staff as they have hired a Web Developer, and two Analytics/Reporting managers. ACHI will continue to work on the Project Management Plan that was delivered to HIRRD on July 11, 2014.

ACHI/HIRRD has continued to develop the Stakeholders list. There were two Stakeholder meetings held in August with excellent participation.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

### **Other items that have been achieved this quarter:**

- Ordered the required hardware and software
- Held final validation meeting with applicable team
- APCD Website Development awarded to Justin Mauck
- Submitted Data Use Agreement to Medicaid
- Working on Medicare Data use Agreement
- Development of Project-level success criteria
- Reviewed Security Protocols with UAMS IT Security Officer
- Completed first draft of all scopes, deliverable definitions and schedules
- Began contacting potential Stakeholders
- Completed change management request form and template

### **2. *Quarterly Progress as, or toward, an Effective Rate Review Program* (Applies only to states that applied for funds for Rate Review or Required Rate Reporting Activities):**

- Awarded and maintained an “Effective Rate Review Program” in all markets.
- Issued \$1.7 million RFP for design and implementation of an All Payers Claims Database.
- Applied for and received \$1,179,000 in Cycle IV grant funding.
- Implementation of a major contract to produce iRATE, a “revolutionary” “Automated SERFF Data Extraction, Retrieval & Analytic Application.”
- Created an interactive and comprehensive rate review training manual for AID.
- Created a formal and comprehensive onsite “Rate Review” training program.
- Creation and launch of new HIRRD website within the AID website.
- Implemented user-friendly education platform for Arkansas Consumers.
- Created enhanced Rate Review System Evaluation.
- Direct and major support of AID Life & Health Division in Rate Review analysis.
- Production of a health insurance “cost and marketplace study”.
- Contracted for a comprehensive review and assessment of AID Rate Review by AON Hewitt.
- Full adoption of all-inclusive recommendations from AON Hewitt review and assessment.
- Creation and implementation of the “Rate Review Media Center”.
- Hosted Little Rock National Rate Review Meeting.
- Created National Rate Review Communications Platform (RR Listserv).

### **3. *Challenges and Responses faced this year:***

- With simultaneous activities in Cycles II, III, & IV, the quarterly and annual reports to HHS are additionally challenging to HIRRD.
- Another challenge is the continuing technical problems with HIOS.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

- Maintaining compliance with the ACA mandates and regulations while simultaneously conducting an efficient rate review process within the State of Arkansas has been challenging.
- A major challenge has been to successfully meet the Arkansas state legislative rules and regulations regarding approval of grant budgets, grant contracts, and grant personnel.
- Gaining legislative approval for the “All Payers Claims Database” (APCD) contract, funded by the Cycle III Rate Review Grant, was a special challenge. The APCD contract was 60% of the entire Cycle III grant request and was dedicated to the formation and implementation of the APCD. Final legislative approval was attained on June 20, 2014.
- The Cycle IV grant application was formally submitted July 17, 2014. This grant application required enormous time and effort to reflect the meaningful integration of the “Medical Pricing/Transparency” component into the current implementation of the APCD funded by Cycle III.
- 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)

**Significant Activities: Undertaken and Planned**

1. **APCD**
2. **iRATE**
3. **Medical Pricing/Transparency**

**1. ALL-PAYERS CLAIM DATABASE (APCD)**

AID/HIRRD completed a competitive procurement process for the Arkansas All-Payer Claims Databases (APCD) in June 2014 with the formal execution of a contract with the Arkansas Center for Health Information (ACHI), a research and analytics center at the University of Arkansas Medical Sciences. ACHI staff members have extensive experience in designing and executing sound study methodologies using health care data.

The implementation of an All Payer Claims Database (APCD) Data Center is underway, which will help consumers, businesses, and researchers to understand variation in health care pricing, utilization, and quality. This web based tool is being made available to all states. The Arkansas APCD Data Center will provide consumer-friendly, highly accessible information about the cost of specific medical services based on data collected under Cycle III funding.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

ACHI manages the Arkansas Health Data Initiative (HDI), which includes data from all publicly funded health care services (Medicaid, state employees), registries (births, deaths, and vaccines), hospital discharge data, automobile crash data, and workers compensation. ACHI reports drawn from the HDI include school health, annual obesity tracking analysis, and effects of seat belt use.

The APCD Data Center will collect claims from private and public payers doing business in Arkansas. An APCD Stakeholder Advisory Group has already begun deliberations to develop data submission requirements, including submitter thresholds based on best practices from other APCD models. For example, some states set thresholds ranging from 1,000 to 5,000 covered lives for APCD submission; others use total in-state premium amounts as the minimum requirement.

The proposed APCD Data Center will roll out in two phases. The first phase will offer Arkansas residents aggregated information about average or median costs for price-sensitive medical services based on a geographic area or region. As the APCD Data Center vendor, ACHI will provide the information in an accessible, user-friendly tool, including web-based look-ups and a mobile app. In designing this tool, ACHI will consult with the APCD Advisory Group, conduct focus groups, and incorporate best practices from other APCD states and health literacy research. ACHI will test all tools for appropriate access for people with varying levels of health literacy. The APCD Data Center will achieve transparency by publishing detailed information about how prices are calculated, as well as the strength and credibility of the underlying data. ACHI will update pricing information every six months, in conjunction with the refresh of the APCD warehouse.

The second phase of APCD Data Center will build on the initial phase by adding provider specific information. Preparation for this phase includes leveraging the provider directory that ACHI is currently developing, evaluating the strength of the data and assessing the validity of the variation reported, and previewing the reports with the affected providers.

In keeping with best practices, such as those demonstrated with the Colorado and Massachusetts APCD public reporting efforts and the Qualified Entity Program, Arkansas reporting projects should strive to maintain strong relationships with stakeholders throughout the development and delivery portions of the project.

## **2. INSURANCE RATE ANALYSIS AND TRACKING ENGINE (iRATE)**

iRATE is a new 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

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

insurance departments better track rate filings, review past requests and file them for future use. These and many other capabilities make iRATE the best application for performing a fast, effective and accurate rate review.

### Background

In 2012, AID approached Arkansas Foundation for Medical Care (AFMC) to build a comprehensive Data Center for Insurance Rate Review that combines health-system data from Arkansas commercial sources to achieve several objectives:

- Protect consumers from unreasonable, unjustified, or excessive rate increases.
- Enhance existing systems to enable the capture of required data, aggregate data, and report critical information.
- Review trends and rating practices in the individual and small- and large-group health insurance markets to help develop policy initiatives 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.
- Guide development of new rate review models for considered implementation.

After careful analysis and planning, AFMC developed the iRATE application to meet the needs for AID and the industry-at-large. This project, funded by a U.S. Department of Health and Human Services (HHS) grant (PHS 2794 of ACA), originally restricted eligible bidders to a qualified academic institution or a qualified non-profit for this particular contract. After lengthy due diligence, HHS determined that only AFMC could meet the required qualifications, and they were awarded the contract on a "Sole Source" basis.

Three phases of the project are complete and include the following accomplishments:

- **Phase I** – AFMC created an application using data from the System of Electronic Rate and Form Filing (SERFF) to more easily compare filings from across a company or the industry as a whole. Data was extracted from SERFF and displayed in an easier format for users. Data and color highlighting were displayed in such a way as to emphasize important information for rate reviewers. Search capabilities were added, and standardized reporting was included. Finally, checklists were included so states and territories could customize the application to capture data specific to requirements and regulations of each individual state or territory. This phase began on August 28, 2012 and was completed February 6, 2013.
- **Phase II** - The main focus of Phase II was for AFMC to include data from the Unified Rate Review Template (URRT), which was originally designed to "seek out all relevant and applicable healthcare data regardless of source" and incorporate this data into iRATE.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

On November 20, 2012, AFMC was notified of the new URRT that was to be included in all Rate Filing Reviews, and Phase II was amended to solely incorporate the URRT into the application. Phase II development began on February 12, 2013 and was completed May 31, 2013.

- Phase III** - The purpose of Phase III was to include three templates from SERFF: the Rate Table Template, Rating Rules Template, and Service Area Template. Phase III also included an enhancement to the AID website (<http://www.arhealthpremiums.com>), a site devoted to protecting Arkansas health insurance consumers from unreasonable premium rate increases. This enhancement added key information about each filing, so that Arkansas consumers would have access to more detailed data. Phase III was finalized in December 2013.

As the industry changes, the need for modifications to the iRATE application expand, and AID and AFMC must remain flexible to make adjustments when changes arise. AFMC wants to continue to work closely with AID to identify any and all necessary modifications that must take place to accommodate these industry changes.

- Phase IV** - Due to the success of the previous three phases of iRATE and a proven track record, AFMC submitted the following proposal for Phase IV development for June 2014 to August 2015. We believe AFMC is uniquely qualified to perform the enhancements outlined in this proposal based on our experience in the industry and our experience developing iRATE.

### Scope of Work for Enhancements

Based on AID's changing needs, AFMC offers targeted improvements to the iRATE application to add functionality and enhance it for Rate Review. No other product comes close to the features built into iRATE, and the upcoming improvements will enrich its value to Arkansas and its consumers with planned enhancements, which we explain further in the subsequent text. Working under AID's direction, AFMC will continue to build a product that serves AID by saving time and expense for rate reviews.

Beginning and completion dates for the described enhancements are estimates based on AID's needs. AFMC will enhance, modify, or change dates and plans as needed, based on AID's direction. If the schedule or order of plans should need modification, we will adjust accordingly.

iRATE Enhancement Task	Start Date	Finish Date
A. Data Template Inclusion	Jun 2, 2014	Jun 17, 2014
B. Inclusion of Financial Data from I-SITE	Jun 6, 2014	Jul 28, 2014
C. Modifications to User Interface for Improved	Jul 29, 2014	Sep 29, 2014

## Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

Functionality		
D. Transparency Upgrade	Sep 30, 2014	Nov 27, 2014
E. Enhanced Metrics to Compare Filings	Nov 28, 2014	Jan 12, 2015
F. Inclusion of SERFF Templates	Jan 13, 2015	Feb 5, 2015
G. Task Notification System	Feb 6, 2015	May 21, 2015
H. Coding Crosswalk	May 22, 2015	Aug 3, 2015

**A. Data Template Inclusion:** This enhancement will be the “Actuarial Memorandum and Plain Language Summary” data templates. These data templates, created by Lewis & Ellis Actuaries & Consultants, will require AID to issue a bulletin requiring insurance companies to include these mandatory templates in SERFF during the file submission process. Similar to the URRT, the data from these two data templates will be included as a separate tab in iRATE.

**B. Inclusion of Financial Data from I-SITE:** I-SITE is an Internet based application, developed by the National Association of Insurance Commissioners (NAIC), which allows users to run ready-made reports based off of data stored in the NAIC databases. I-SITE is used to obtain comprehensive financial, market conduct, producer licensing and securities information. Data from I-SITE will allow rate review personnel to make more informed decisions based on the financial information of insurance companies. Also, integrating this information into iRATE will save rate review personnel time, as they will not have to move from application to application to obtain information. iRATE combines many data sources into one easy-to-use interface.

**C. Modifications to User Interface for Improved Functionality:** Enhancements to the user interface will be focal points in 2014 in order to provide better experiences for users. Throughout each enhancement, improvements to the user interface will be implemented.

**D. Transparency Upgrade:** Work on the Improved Transparency enhancement can expand on the information provided to the public when viewing a rate filing. Currently, Arkansas consumers of an insurance policy have the ability (via [arhealthpremiums.com](http://arhealthpremiums.com)) to review high level information related to a particular filing such as the “Status, Product Name, Overall Rate Impact, Effective Date, Policy Holders, and Covered Lives.” Consumers also have the ability to provide comments related to a filing and iRATE offers the functionality for rate review management staff to make those comments available for public viewing.

AFMC will expand on this functionality to include publicly available documents from SERFF, search capabilities, and other improvements to increase the information provided to the public.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

**E. Enhanced Metrics to Compare Filings:** A major feature in iRATE today is the ability to compare filings across a company or an industry. AFMC will work to expand on that information by providing additional metrics, so reviewers have more information for comparison purposes. These metrics will help rate review staff see outliers and provide visual cues of those outliers to aid them in identifying areas they need to focus on. These metrics will help reviewers focus on information that might require more in-depth review. Being able to compare how a particular filing falls in line with other filings of companies domiciled in Arkansas will provide reviewers with information they have never had before when performing rate review.

**F. Inclusion of SERFF Templates:** Features of the Phase III implementation include templates for “Business Rules, Service Areas, and Rates.” AFMC will begin development to include additional templates (outlined at [http://www.serff.com/plan\\_management\\_data\\_templates.htm](http://www.serff.com/plan_management_data_templates.htm)):

- Administrative Data Template
- Essential Community Providers Template
- Plans and Benefits Template
- Plan Benefits Add-In
- Prescription Drug Template
- Network Template
- Issuers NCQA Template
- Issuers URAC Template

These templates will be used by issuers in applying for certification to participate in federally-facilitated exchanges and state partnership exchanges. Most state-based exchanges will also use these templates. Including these templates enhances the template information put in place in the Phase III development of iRATE.

**G. Task Notification System:** Starting in 2015, AFMC will build a “Task Notification System” into iRATE to allow users to track tasks assigned to each individual reviewing a filing. This system will streamline workflow, allowing for more efficient processing of a rate review. Users will be able to track a filing to see who is working on it and analyze the process in which a review was completed. Management will be able to monitor the workflow of a filing to ensure it is being handled efficiently and completed in a timely manner.

**H. Coding Crosswalk:** At a meeting between AFMC and CMS in Bethesda, MD, in October 2013, Doug Pennington, Director, Rate Review Division Oversight Group, mentioned the need to be able to differentiate between grandfathered plans and the current medal plans for the Insurance Exchange on the “Rate Analysis” view of iRATE. AFMC will complete a review of medal plans and subsequently complete this Rate Analysis screen modification.

Development of iRATE will be a busy and critical time to implement updates to enhance the product by AID during 2014-2015. By incorporating the items noted above, iRATE will continue to add value to AID and solidify iRATE as the premium product for rate review.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

### **Implementation**

AFMC will provide enhancements in two stages:

- Stage I – User Acceptance Testing
- Stage II – Implementation

During Stage I, AFMC will deliver each enhancement separately into a test environment hosted within the AFMC Data Center. AID users will perform user acceptance testing in this environment remotely via an Internet connection and provide feedback to AFMC about the functionality and its desired outcomes. Any questions or changes identified as in scope and provided to AFMC will be corrected in the test environment and delivered to AID users for review. Upon successful testing within the test environment, AID will provide written notification that testing is successful and agree to move the changes to the production environment. User acceptance testing will occur after development is complete for each enhancement. This approach will lessen the overall time to analyze the environment and allow ease of testing and approval for AID.

### **Training**

During Stage II, as each enhancement is completed and migrated to the production environment, AFMC will provide trainings of the iRATE application. This will include all aspects of the new enhancements, including any administrative functions. The trainings will be conducted via WebEx or face-to-face as needed. Each training session will last no more than two hours.

AFMC will also provide training in the form of a User's Guide, located at <http://www.afmc.org/irate>. This comprehensive guide will provide users with information about all application features. The guide will be updated during development and include all relevant and new information related to the changes described in the "Scope of Work for Enhancements" section of this document. The User Guide will be complete in its entirety after all functionality is accepted and available in the production environment.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

### **Support**

Support will be provided via the AFMC/iRATE Helpline (phone number 479-573-777, Option 2). This hotline will be the entry point for all inquiries regarding the iRATE application. All requests will be triaged and assigned a priority for additional review. Any problems will be resolved in a timely manner. If application modifications are required to correct an issue, the information will be communicated to AID. This information will include time and date-of-completion estimates. Upon completion, notification will be sent to AID alerting users to the change and requesting sign-off that the change meets their needs.

### **AFMC Qualifications and Technology Expertise**

- AFMC offers the greatest benefit and lowest risk to AID. Their software has been developed to the highest standards leading to AID's confidence in their capabilities and expertise. They guarantee a continued high level of service and innovation to AID.
- AFMC has consistently met or exceeded the existing contract requirements for performance and effectiveness, and their work has set the standard and expectations for the new contract.
- AFMC has developed an outstanding partnership between the key stakeholders, and their existing relationships will continue to be a key factor in achieving the AID's future goals and objectives.

### **Work In Progress**

Work is progressing since the project began in early June. AFMC has been working to implement the first two Tasks in the above schedule, while getting the Arkansas environment available and ready for use. AFMC completed Task 1 and Task 2 on schedule. By completing on schedule, AFMC has begun on Task 3 – Modifications to User Interface for Improved Functionality on time. The items below represent the work that is complete or in progress, includes next steps in the project, and lists potential new client information:

#### Items completed or in progress:

- Task 1 – Data Template Inclusion - 100% complete
  - Plain Language Summary – now available for submission by carriers
  - Actuarial Memo Templates – now available for submission by carriers
- Task 2 – Inclusion of Financial Data from I-SITE in progress – 95% complete
  - Database work complete
  - 52 Life and Health Forms added and available
  - Analysis of additional Annual/Quarterly forms and Testing ongoing
- Arkansas environment configured and new functionality completed on July 13, 2014
- Meeting held on June 25, 2014 to train Arkansas Insurance Department Information Technology staff on Administrative functions of iRATE

#### Next steps:

- Complete addition of Annual and Quarterly I-SITE forms
- Setup training for Arkansas users on new functionality

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

- Perform User Acceptance Testing with Arkansas users for Tasks 1 and 2
- Begin work on Task 3 – Modifications to User Interface for Improved Functionality
- Documentation of Network Administration information for AID Information Technology staff
- Set up meeting with senior management at Arkansas Health Connector

### **3. MEDICAL PRICING/TRANSPARENCY**

During the last quarter, a great deal of research and collaboration was required for preparation of the Cycle IV grant application. On September 9, 2014, HIRRD received notice of the Cycle IV grant award which will expand the uses of the health care claims data collected by the APCD Data Center established under Cycle III.

Arkansas' Cycle IV project will focus on providing accurate and credible information about the consumer's cost for common procedures and office visits through consumer-friendly mobile applications and website tools. This will enable HIRRD to establish a foundation for broad and open discussion about variation in medical service pricing among and between consumers, providers, and purchasers.

The APCD Data Center development and analytic research teams will work collaboratively with HIRRD to design and build the appropriate tools to publish "**medical pricing transparency**" information including pricing, geographic, and demographic differences in rates and utilization. These teams follow a technical solution build practice that includes design, development, and deployment phases governed by formal software development and project management protocols. After gathering and assessing available data, ACHI tools will be designed to meet reporting requirements and display mechanisms, e.g., website and mobile application, specific to Arkansas.

The APCD Data Center analytic research team of claims analysts, statisticians, and health insurance consultants will rely on stakeholder input to develop the reports and datasets required for **medical pricing transparency**. They will utilize medical claims, U.S. Census demographic data, and Arkansas licensure, among other data sources. Information will be disseminated using the APCD website and related linked websites. The website will host search pages reflecting medical pricing information including procedure pricing by geography and supporting analytic reporting. These reports will be available to all website visitors. APCD claims analysts and statisticians will utilize SAS statistical software, SQL Server tools, and /or STATA to execute analytic methodology for reports and database tools.

To accomplish Arkansas's **medical pricing transparency goal**, ACHI will develop a data release process in partnership with an APCD Data Release Committee and Scientific Advisory Committee. Together, ACHI and its Committees will create data request and approval steps that govern the use of data by external researchers when the database is robust and the organization

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

has completed quality assessment.

### **Operational/Policy Developments/Issues**

The Arkansas General Assembly is the state legislature of the U.S. state of Arkansas. The legislature is composed of the upper house - Arkansas Senate with 35 members, and the lower house - Arkansas House of Representatives with 100 members.

The General Assembly convenes on the second Monday of every other year. A session lasts for 60 days unless the legislature votes to extend it. The Governor of Arkansas can issue a "call" for a special session during the interims between regular sessions.

The Arkansas Legislators select 20 state representatives and 16 state senators to serve on the Arkansas Legislative Council (ALC), which oversees the Bureau of Legislative Research and acts as an organizing committee for the legislature. More importantly, this committee, in interim years, must approve all budgets including federal grant awards.

- A.** The State of Arkansas requires all federal grant funding to be processed just like the fund origin was state based revenue. That means it must go through a lengthy and complex legislative appropriations protocol. The process starts with Arkansas Legislative Council. This continues to cause delays in the HIRRD timelines.

HIRRD has worked hard to gain credibility and justification with the legislators. HIRRD recently completed an audit by the state legislative arm and received a very positive finding.

**B. Potential APCD Problems**

- 1) Solving Governance
- 2) Sustainability Funding

1) **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.

2) **Sustainability Funding.** This could be a highly controversial issue. This funding must be accomplished through user fees and/or grants. State government is not likely to fund.

**C. Legislative Activity**

The Arkansas General Assembly meets bi-annually. The legislative activity in 2013, affecting 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

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

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 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.
- **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”).

### D. HIRRD Website

**A.C.A. §23-61-103(d)(2)** states that active investigatory and examination files are confidential until closed by the commissioner or referred to law enforcement authority.

A rate 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.

On August 22, 2014, The Arkansas Insurance Department learned that certain 2015 health insurance rate change requests were inadvertently posted on the Rate Review’s website before the approval process had been completed. Because it was not evident at that point what had caused the problem, Lenita Blasingame, Chief Deputy Commissioner of the Arkansas Insurance Department, requested AID’s Information System Department to take down the website altogether until the issue was resolved. The rate information in question has now been released to the public.

While the removal of content was disappointing, the result created a positive “spin” in the news media. The discovery of the error was made when a reporter for local newsmagazine

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

*Arkansas Times* saw the proposed rates on the website and called HIRRD staff person Lesia Carter to inquire about the filings. Lesia directed the call to AID Communications Director Alice Jones. Through those phone conversations, the information came to light that the requests had been posted prematurely, and the decision was made to remove the content.

The reporter, David Ramsey, wrote an online article the stating that the proposed rate filings, if approved, would represent a decrease in premium costs. Mr. Ramsey also commented that the publishing of the rates was a mistake and the webpage was removed after his initial call to the AID office.

Not surprisingly, that article spurred further interest and was referenced in the state's daily newspaper, the *Arkansas Democrat-Gazette*, in an article written by Andy Davis, published on August 23<sup>rd</sup>. Two days later, August 25<sup>th</sup>, business news blog *Talk Business & Politics* posted an online article by Steve Brawner, which again referred to the HIRRD's website but focused on the lower rates for 2015.

On August 25<sup>th</sup>, journalist Andy Davis followed up his original story with an article which centered on the expected dip in premium rates. On September 20<sup>th</sup>, the newspaper published a report by Mr. Davis about the Cycle IV grant and how it will help consumers. This article featured an in-depth interview with Lowell Nicholas, AID Deputy Insurance Commissioner and HIRRD Director. These news articles are included as Attachments\_\_\_\_\_.

### **Public Access Activities**

In addition to all of the current functions of the HIRRD website, the APCD Data Center will have a web-based, user-friendly interactive tool and mobile application that shows the variation by geography and site of service for common procedures. For example, a user could compare the cost of seeing a provider for a sore throat at a clinician's office, an emergency department, or an urgent care clinic. This information would begin to educate consumers about the range of expected costs of care, as well as where to obtain the same level of care at a lower cost.

### **Collaborative efforts**

The collaborative partners of significance for HIRRD in the last quarter were the:

- a) Arkansas Foundation of Medical Care (AFMC)
- b) L&E Actuaries
- c) Arkansas Center for Health Improvement (ACHI)
- d) Arkansas Health Connector
- e) APCD Council
- f) Freedman HealthCare
- g) Life & Health Division of AID

## Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

---

- h) NAIC
- i) SERFF
- j) Multiple state Rate Review partners
- k) CMS/ CCIIO

The categories of collaboration included, but were not limited to, enhancing HIRRD’s rate review processes, public transparency (e.g. HIRRD Website), development of iRATE (Insurance Rate Analysis and Tracking Engine), and the “All Payers Claims Database” (APCD). Monitoring state legislation and AID bulletins, staff training, comprehensive upgrades to rate review manuals and checklists, and satisfactory interface with the Arkansas Health Connector (Exchange) were all high priorities.

### **Lessons Learned**

The HIRRD has learned to maintain maximum flexibility in order to comply with the regulatory environment, both state and federal. There continues to be an enormous lack of information and knowledge in the state related to both rate review and general health insurance. Opportunities to make a positive impact on issues in both categories continue to exist by using HIRRD resources wisely. HIRRD will continue in its 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 operating budget and projected budgets for both Cycle II and Cycle III. All budgets have been prepared and reviewed by an outside accounting firm specializing in Health Care Finance.

### **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/Office Expenses	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
<b>Total</b>	<b>2,097,657</b>	<b>3,874,098</b>	<b>1,776,441</b>

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

## RATE REVIEW GRANT Twelve Months (SEPTEMBER 2014) Cycle III

Category	Spent/Projected	Budgeted	Variance
Salary	-	299,301	299,301
Fringe Benefits	-	92,661	92,661
Professional Services/Contracts	344,705	2,626,200	2,281,495
Supplies/Office Expenses	-	52,432	52,432
Travel	-	-	-
Rental	-	35,400	35,400
Capital	-	4,800	4,800
Other	-	24,000	24,000
<b>Total</b>	<b>344,705</b>	<b>3,134,794</b>	<b>2,790,089</b>

**PROFESSIONAL SERVICES DETAILED:**

AFMC /iRATE	\$ 78,666.66
ACHI/ APCD	\$242,857.14
FREEDMAN HEALTHCARE	\$ 21,931.25
Other	<u>\$ 1,250.00</u>
	<b>\$344,705.05</b>

**Updated Rate Review Work Plan and Timeline**

- 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 APCD contract was approved by the state legislature on June 20, 2014 and is currently being implemented. Healthcare data and pricing in Arkansas has been 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

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

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.

### **Pricing Data Collection and Analysis**

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.

During the 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.

<b><u>Company</u></b>	<b><u>SERFF #</u></b>	<b><u>SubTOI</u></b>	<b><u>State Status</u></b>
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	QUAC-	H16I Individual Health - Major	Approved

## Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

Insurance Company, Inc.	129575658	Medical	
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 reported to HHS. Sending e-mail to SERFF asking for assistance in correcting the filing showing what it should not have been reported to HHS.

### **Updated Evaluation Plan**

All components, goals, and objectives of the Evaluation Plan are currently being achieved. 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 AID Commissioner Jay 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,

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

recommendations, and timelines contained in the excellent and comprehensive AON Hewitt reports.

### **Quarterly Report Summary Statistics:**

- Total Funds Expended to date: **(Cycle II - \$2,097,657)**
- Total Funds Expended to date: **(Cycle III - \$344,705)**
- Total Staff Hired (new this quarter and hired to date with grant funds): **(0/3)**
- Total Contracts in Place (new this quarter and established to date): **(3/10)**
- 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)**

### **Data Center Activities**

The Arkansas Legislature approved the contract for design and implementation of the APCD on June 20, 2014. Because Web Development design specification and security plan is just beginning, there is no data available for the following:

- Total Staff Hired for Data Center (new this quarter and hired to date with grant funds): N/A
- 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

### **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.

## Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

---

### 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	5	21	21	53
Number of products requesting increase in premiums	2	4	16	19	41
Number of products reviewed for approval, denial, acceptance etc.	11	5	1	21	38
Number of products approved	11	3	1	16	31
Number of products denied	0	1	0	5	6
Number of products deferred	0	1	0	0	1

**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	0	0	0	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	0	0	0	7

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

## Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

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

---

## Enclosures/Attachments

Identify by title any attachments along with a brief description of what information the documents contain.

- Attachment 1 Timeline
- Attachment 2 Operating Budget Cycle II 9.30.14
- Attachment 3 SF-425 Cycle II
- Attachment 4 Operating Budget Cycle III 9.30.14
- Attachment 5 SF-425 Cycle III
- Attachment 6 APCD Status Report
- Attachment 7 Cycle IV Notice of Award
- Attachment 8 Newspaper article - Cycle IV
- Attachment 9 Newspaper article - Website rate postings
- Attachment 10 iRATE Status Report

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

---

## Attachment 1: Timeline

### September 2014

- 09.20.14 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.
- 09.19.14 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 temporarily taken down.
- 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.arhealthpremys.com](http://www.arhealthpremys.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 III Quarterly 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 1<sup>st</sup> Qtr Report

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

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

## ATTACHMENT 2: OPERATION BUDGET CYCLE II

**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/Contract	1,105,048	1,535,751	430,703
Supplies and Other Office Expense	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
<b>Total</b>	<b>2,097,657</b>	<b>3,874,098</b>	<b>1,776,441</b>

	January-14	February-14	March-14	April-14	May 2014	June 2014	July 2014	August 2014	September 2014	Dec 2014 to Sept 2014	Budgeted Amount	Remaining Balance
<b>Monthly Totals</b>	24,173	25,765	27,503	33,963	36,545	30,707	31,708	43,569	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
<b>Total Office Supplies and Other</b>	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
<b>Total Other</b>										-	336,675	336,675

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

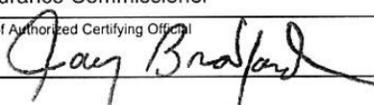
	<u>Professional Services Detail</u>									
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
Actuarial Services										
L&E Actuaries	2,283		3,640	6,270	3,360		2,240	13,855	4,095	35,743
HealthBridge - Consulting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

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

## ATTACHMENT 3: SF-425 CYCLE II

### FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted <b>DHHS-CC110</b>		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) <b>6PRPPR120006-01-01</b>		Page <b>1</b>	of  			
3. Recipient Organization (Name and complete address including Zip code) <b>ARKANSAS INSURANCE DEPARTMENT 1200 WEST THIRD STREET, LITTLE ROCK, ARKANSAS 72201</b>								
4a. DUNS Number <b>810501558</b>	4b. EIN <b>71-0847443</b>	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) <b>10/01/2011</b>		To: (Month, Day, Year) <b>09/30/2015</b>		9. Reporting Period End Date (Month, Day, Year) <b>09/30/2014</b>				
10. Transactions					Cumulative			
<i>(Use lines a-c for single or multiple grant reporting)</i>								
<b>Federal Cash (To report multiple grants, also use FFR Attachment):</b>								
a. Cash Receipts					<b>2,295,733.87</b>			
b. Cash Disbursements					<b>2,079,604.02</b>			
c. Cash on Hand (line a minus b)					<b>216,129.85</b>			
<i>(Use lines d-o for single grant reporting)</i>								
<b>Federal Expenditures and Unobligated Balance:</b>								
d. Total Federal funds authorized					<b>3,874,098.00</b>			
e. Federal share of expenditures					<b>2,079,604.02</b>			
f. Federal share of unliquidated obligations								
g. Total Federal share (sum of lines e and f)					<b>2,079,604.02</b>			
h. Unobligated balance of Federal funds (line d minus g)					<b>1,794,493.98</b>			
<b>Recipient Share:</b>								
i. Total recipient share required								
j. Recipient share of expenditures								
k. Remaining recipient share to be provided (line i minus j)					<b>0.00</b>			
<b>Program Income:</b>								
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)					<b>0.00</b>			
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 <b>Jay Bradford State Insurance Commissioner</b>				c. Telephone (Area code, number and extension) <b>501-371-2621</b>				
				d. Email address <b>jay.bradford@arkansas.gov</b>				
b. Signature of Authorized Certifying Official 				e. Date Report Submitted (Month, Day, Year) <b>10/28/2014</b>				
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 III Quarterly Report Template

## ATTACHMENT 4: OPERATION BUDGET CYCLE III

**RATE REVIEW GRANT  
Twelve Months (SEPTEMBER 2014) Cycle III**

Category	Spent/Projected	Budgeted	Variance
Salary	-	299,301	299,301
Fringe Benefits	-	92,661	92,661
Professional Services/Contract	344,705	2,626,200	2,281,495
Supplies & Other Office Expense	-	52,432	52,432
Travel	-	-	-
Rental	-	35,400	35,400
Capital	-	4,800	4,800
Other	-	24,000	24,000
<b>Total</b>	<b>344,705</b>	<b>3,134,794</b>	<b>2,790,089</b>

Category	Actual												Budgeted Amount	Remaining Balance
	January-14	February-14	March-14	April-14	May-14	June-14	July-14	August-14	September-14	Oct-2013 to Sept-2015				
<b>Monthly Totals</b>	-	-	1,250	5,889	-	39,333	-	252,657	45,396	344,705	3,134,794	2,790,089		
Regular Salary	-	-	-	-	-	-	-	-	-	-	299,301	299,301		
Total Fringe Benefits	-	-	-	-	-	-	-	-	-	-	92,661	92,661		
Total Professional/Contract Ser	-	-	1,250	5,889	-	39,333	-	252,657	45,396	344,705	2,626,200	2,281,495		
<b>Total Office Supplies and Other</b>	-	-	-	-	-	-	-	-	-	-	52,432	52,432		
Total Travel	-	-	-	-	-	-	-	-	-	-	-	-		
Total Rental	-	-	-	-	-	-	-	-	-	-	35,400	35,400		
Capital	-	-	-	-	-	-	-	-	-	-	4,800	4,800		
<b>Total Other</b>	-	-	-	-	-	-	-	-	-	-	24,000	24,000		

## Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

	<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										.
HealthBridge - Consulting										.
AFMCI/RATE						39,333			39,333	78,667
PCG										.
ACHII/APCD							242,857			242,857
DIS										.
Freedman Healthcare				5,869				10,000	6,063	21,931
Other			1,250							1,250
<b>Total</b>	-	-	1,250	5,869	-	39,333	-	252,857	45,396	344,705

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

## ATTACHMENT 5: SF-425 CYCLE III

### FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted <b>DHHS-CC110</b>		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) <b>1 PRPPR140042-01-00</b>		Page <b>1</b>	of  pages			
3. Recipient Organization (Name and complete address including Zip code) <b>ARKANSAS INSURANCE DEPARTMENT 1200 WEST THIRD STREET, LITTLE ROCK, ARKANSAS 72201</b>								
4a. DUNS Number <b>810501558</b>	4b. EIN <b>71-0847443</b>	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) <b>10/01/2013</b>			To: (Month, Day, Year) <b>09/30/2015</b>	9. Reporting Period End Date (Month, Day, Year) <b>09/30/2014</b>				
10. Transactions					Cumulative			
<i>(Use lines a-c for single or multiple grant reporting)</i>								
<b>Federal Cash (To report multiple grants, also use FFR Attachment):</b>								
a. Cash Receipts					<b>298,252.97</b>			
b. Cash Disbursements					<b>298,252.97</b>			
c. Cash on Hand (line a minus b)					<b>0.00</b>			
<i>(Use lines d-o for single grant reporting)</i>								
<b>Federal Expenditures and Unobligated Balance:</b>								
d. Total Federal funds authorized					<b>3,134,794.00</b>			
e. Federal share of expenditures					<b>344,705.05</b>			
f. Federal share of unliquidated obligations								
g. Total Federal share (sum of lines e and f)					<b>344,705.05</b>			
h. Unobligated balance of Federal funds (line d minus g)					<b>2,790,088.95</b>			
<b>Recipient Share:</b>								
i. Total recipient share required								
j. Recipient share of expenditures								
k. Remaining recipient share to be provided (line i minus j)					<b>0.00</b>			
<b>Program Income:</b>								
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)					<b>0.00</b>			
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 <b>Jay Bradford State Insurance Commissioner</b>				c. Telephone (Area code, number and extension) <b>501-371-2621</b>				
b. Signature of Authorized Certifying Official 				d. Email address <b>jay.bradford@arkansas.gov</b>				
				e. Date Report Submitted (Month, Day, Year) <b>10/28/2014</b>				
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 (0348-0061), Washington, DC 20503.

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 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.

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

## ATTACHMENT 6: APCD STATUS REPORT

### HIRRD APCD Status Report

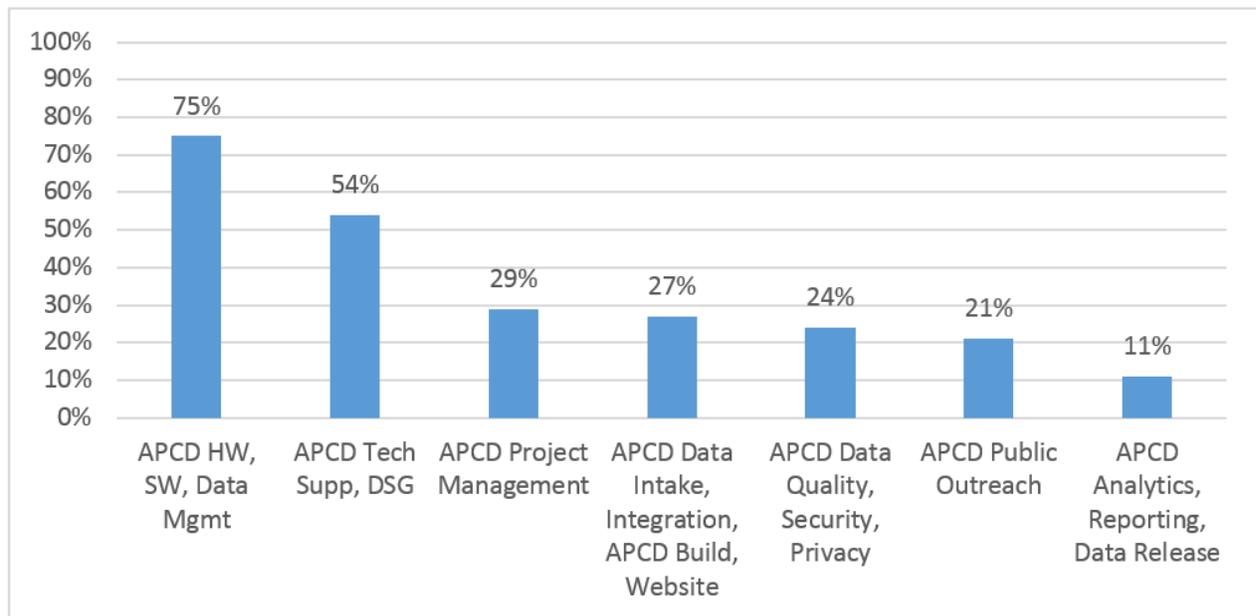
**Date:** October 3<sup>rd</sup>, 2014

**Reporting period:** September 26<sup>th</sup>, 2014—October 3<sup>rd</sup>, 2014

#### **Executive Summary:**

Received feedback from HIRRD/Linda Green on Attachment A changes, updating final timeline now. Continued progress in technical development. Second APCD Advisory Council held. Voluntary Submission Plan submitted.

#### **Percent Complete Status by Scope Group:**



# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

APCD Project Milestones; Sep, Oct, Nov 2014	Planned	Actual
Technical Support Plan	Tue 9/2/14	Tue 9/2/14
Publish Data Submission Guide v1.0	Wed 9/8/14	Wed 9/8/14
Conduct APCD Policy Workgroup	Tue 9/9/14	Tue 9/9/14
Conduct APCD Technical Workgroup	Fri 9/12/14	Fri 9/12/14
Data Security Plan	Mon 9/15/14	Mon 9/15/14
Website Design Document	Wed 9/17/14	Wed 9/17/14
September APCD Advisory Committee meeting	Mon 9/29/14	Mon 9/29/14
Voluntary Data Submission Plan	Wed 9/30/14	Wed 9/30/14
Hardware/Software Installation complete	Mon 10/13/14	
Conduct October APCD Workgroup	Mon 10/13/14	
Conduct October APCD Advisory Committee meeting	Mon 10/27/14	
Best Practices Report	Fri 10/31/14	
Data Intake Submission available	Mon 11/3/14	
Technical Support GO LIVE	Mon 11/3/14	
Publish Data Quality Plan	Wed 11/12/14	

## Accomplishments:

- Contract and Project Management Plan (PMP) reconciliation in progress:
  - Attachment A modifications submitted by HIRRD on 10/1/2014. Under review.
- **Scope Group Progress:**
- Public Outreach
  - APCD Advisory Council meeting held Monday, 9/29/2014
  - Voluntary Submission Plan delivered Tuesday, 9/30/2014
  - October meetings scheduled as follows:
    - Combined Policy and Technical Workgroup, 10/13/2014
    - AAC Meeting, 10/27/2014
- Analytics and Reporting
  - Mac Bird working with Judy Bennett to review EBD data and determine top procedures
    - Will have results available by next Workgroup meeting
  - Next A&R meeting scheduled for 10/8/2014
    - Dr. Arlo Kahn will continue participating as medical subject-matter-expert
- Project Support
  - Supporting Documents Delivered/Upcoming to HIRRD:
    - Voluntary Submission Plan to be delivered Tuesday, 9/30/2014
    - Next deliverable will be the Best Practice Report due 10/31/2014
  - APCD Applications Analyst Sr. begins 10/13/2014
- Technical Build Update
  - Ongoing progress in Data Intake

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

- Worked on installing software, developing data intake components, and assisting with server maintenance
- Data Intake submission process in beta testing.
- Website Development
  - Met with Justin Mauck, 10/3/2014, on web development status
    - Progress made in wireframe development
- Data Submission
  - OHIT DUA in signature process; signature acquired from OHIT and ACHI. At UAMS for final signature.
    - OHIT will be able to provide Master Provider Index upon DUA completion
- Technical Development
  - Procedure clinical classification table, diagnosis clinical classification, and diagnosis related group (DRG) tables developed
  - Exploring procurement of NDC tables to match GPI codes for pharmacy claims data

### **Risks and Issues:**

- Updating project management plan with HIRRD's direction
- Onboarding database analysts to begin technical build/design
- Agenda for October workgroup meeting, collapsing two workgroups into one

### **Action Items:**

- Items pending feedback from HIRRD:
  - Success Criteria (additional notes were forwarded after 9/3/2014 discussion with Linda; needed final round of clarification)
  - The following deliverables:
    - Project Management Plan
    - Data Management Plan
    - SHARE Integration Plan
    - Data Submission Guide
    - Technical Support Plan
    - Data Security Plan
    - Web Design Document

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

## ATTACHMENT 7: CYCLE IV NOTICE OF AWARD

1. DATE ISSUED MM/DD/YYYY 09/19/2014	2. CFDA NO. 93.511	3. ASSISTANCE TYPE Project Grant
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 MM/DD/YYYY 09/19/2014	Through MM/DD/YYYY 09/18/2016	
7. BUDGET PERIOD From MM/DD/YYYY 09/19/2014	Through MM/DD/YYYY 09/18/2016	

**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)

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																																													
<b>11. APPROVED BUDGET (Excludes Direct Assistance)</b> I. Financial Assistance from the Federal Awarding Agency Only II Total project costs including grant funds and all other financial participation <span style="border: 1px solid black; padding: 2px;">II</span> <table style="width: 100%; border-collapse: collapse;"> <tr><td>a. Salaries and Wages</td><td style="text-align: right;">0.00</td></tr> <tr><td>b. Fringe Benefits</td><td style="text-align: right;">0.00</td></tr> <tr><td>c. Total Personnel Costs</td><td style="text-align: right;">0.00</td></tr> <tr><td>d. Equipment</td><td style="text-align: right;">0.00</td></tr> <tr><td>e. Supplies</td><td style="text-align: right;">0.00</td></tr> <tr><td>f. Travel</td><td style="text-align: right;">0.00</td></tr> <tr><td>g. Construction</td><td style="text-align: right;">0.00</td></tr> <tr><td>h. Other</td><td style="text-align: right;">0.00</td></tr> <tr><td>i. Contractual</td><td style="text-align: right;">1,179,000.00</td></tr> <tr><td><b>j. TOTAL DIRECT COSTS</b></td><td style="text-align: right;"><b>1,179,000.00</b></td></tr> <tr><td>k. INDIRECT COSTS</td><td style="text-align: right;">0.00</td></tr> <tr><td><b>l. TOTAL APPROVED BUDGET</b></td><td style="text-align: right;"><b>1,179,000.00</b></td></tr> <tr><td>m. Federal Share</td><td style="text-align: right;">1,179,000.00</td></tr> <tr><td>n. Non-Federal Share</td><td style="text-align: right;">0.00</td></tr> </table>	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	<b>j. TOTAL DIRECT COSTS</b>	<b>1,179,000.00</b>	k. INDIRECT COSTS	0.00	<b>l. TOTAL APPROVED BUDGET</b>	<b>1,179,000.00</b>	m. Federal Share	1,179,000.00	n. Non-Federal Share	0.00	<b>12. AWARD COMPUTATION</b> 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. <b>AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION</b> 1,179,000.00 <b>13. Total Federal Funds Awarded to Date for Project Period</b> 1,179,000.00  <b>14. RECOMMENDED FUTURE SUPPORT</b> <i>(Subject to the availability of funds and satisfactory progress of the project):</i> <table 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	
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																																												
<b>j. TOTAL DIRECT COSTS</b>	<b>1,179,000.00</b>																																												
k. INDIRECT COSTS	0.00																																												
<b>l. TOTAL APPROVED BUDGET</b>	<b>1,179,000.00</b>																																												
m. Federal Share	1,179,000.00																																												
n. Non-Federal Share	0.00																																												
YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS																																										
a. 2		d. 5																																											
b. 3		e. 6																																											
c. 4		f. 7																																											
<b>15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">                     a. DEDUCTION                      b. ADDITIONAL COSTS                      c. MATCHING                      d. OTHER RESEARCH (Add / Deduct Option)                      e. OTHER (See REMARKS)                 </td> <td style="width: 20%; text-align: center; vertical-align: middle;"><span style="border: 1px solid black; padding: 5px;">b</span></td> </tr> </table>		a. DEDUCTION b. ADDITIONAL COSTS c. MATCHING d. OTHER RESEARCH (Add / Deduct Option) e. OTHER (See REMARKS)	<span style="border: 1px solid black; padding: 5px;">b</span>																																										
a. DEDUCTION b. ADDITIONAL COSTS c. MATCHING d. OTHER RESEARCH (Add / Deduct Option) e. OTHER (See REMARKS)	<span style="border: 1px solid black; padding: 5px;">b</span>																																												
<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:</b> 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 Peagins, Grants Management Officer

17. OBJ CLASS 4115	18a. VENDOR CODE 1716006766A1	18b. EIN 710847443	19. DUNS 081501558	20. CONG. DIST. 02
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.

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.

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

### **ATTACHMENT 8: NEWSPAPER ARTICLE: CYCLE IV**

*Arkansas Democrat-Gazette (Little Rock, AR) - Wednesday, August 20, 2014*

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

By [Andy Davis](#)

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 III Quarterly Report Template

---

## **ATTACHMENT 9: NEWSPAPER ARTICLE: WEBSITE RATE POSTINGS**

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

### **Insurers' '15 rates go online in slip-up**

By [Andy Davis](#)

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

# Health Insurance Rate Review Grant Program

## Cycle III Quarterly Report Template

---

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" 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."

# Health Insurance Rate Review Grant Program Cycle III Quarterly Report Template

---

## ATTACHMENT 10: iRATE Status Report