

## Plan Management Frequently Asked Questions-Plan Year 2021

Q1. Will Arkansas Works Program eligible individuals be able to enroll in any Silver Level Qualified Health Plan (QHP)?

A1. Per requirements specified in Arkansas Insurance Department (AID) guidance, all issuers must offer an Essential Health Benefits (EHB)-only silver plan in order to offer QHPs in the Marketplace. The Arkansas Department of Human Services (DHS) does not plan to accept enrollment limitations on Arkansas Works participation in a QHP unless enrollment is similarly limited for non-Arkansas Works purchasers of Marketplace plans.

For the 2021 coverage year, DHS intends to implement the following purchasing requirements for the Section 1115 Demonstration Project, Arkansas Works.

A. For plan year 2021, DHS intends to purchase within a service area:

- (1) (a) The lowest cost qualifying EHB-only silver-level plan offered in the service area;  
  
(b)The next lowest cost qualifying EHB-only silver-level plan offered in the service area that is offered by a different carrier than the lowest cost EHB-only silver-level plan (referenced in item #1 above);
- (2) (c) Any other carrier's lowest cost qualifying EHB-only silver-level plan, so long as such plan's cost falls within 10% of the lowest cost qualifying EHB-only silver-level plan available to Arkansas Works Program eligibles in the service area; or
- (3) (d) Plans which include the availability of assistance to individuals insured under the plan to assist in management of chronic conditions including obesity, prevention of low-birthweight babies, management of Substance Abuse Disorders, and proper utilization of health care services including maintaining health insurance coverage.

(2) Plans which meet the criteria in 1(a), 1(b), 1(c), or 1(d) above and for which a Memorandum of Understanding between DHS and the issuer for Calendar Year 2021 has been signed by both parties. For a plan to be purchased by DHS for beneficiary coverage beginning January 1, 2021, the MOU must be completed between the parties no later than September 15, 2020. Plans that enter the market during calendar year 2021 and meet one of the criteria in 1 above will be purchased to cover beneficiaries beginning on the first of the month that begins a minimum of thirty-days after the MOU has been completed.

B. For plans meeting all the requirements in (A) above, DHS will purchase those QHPs for which the total per member per month cost does not exceed an upper limit amount of \$685.56, including:

- 1) The premium;

- 2) The monthly average cost of “wrap around” benefits (\$4.06 per member per month for purposes of this guidance); and
  - 3) The monthly average cost sharing reduction (CSR) payment less the individual’s cost-sharing obligation if income exceeds 100% FPL and which is subject to the annual reconciliation process.
- C. The issuers will provide the following to DHS: actual copayments and coinsurance payments paid by carrier on behalf of the member during the rate year; and the actual deductibles paid by the carrier on behalf of the member during the rate year. These amounts will constitute the actual cost sharing reductions for the reconciliation. If advanced cost sharing reductions exceed the actual cost sharing reductions, the issuers will be liable to DHS for repayment of excessive advanced cost sharing reductions. If the actual cost sharing reductions exceed the advanced cost sharing reductions, DHS will compensate the issuers the difference in the amounts.

Q2. What is the auto-assignment methodology for Arkansas Works eligibles who do not select a plan?

A2. Arkansas Works eligibles have 42 days from the date of eligibility determination to select a plan. For those individuals who do not select a plan, DHS will auto-assign them only to those plans that meet the purchasing guidelines described above. Individuals will be auto-assigned to the lowest cost qualifying EHB-only silver-level plan for each carrier in their service area.

Auto-assignments will be distributed among qualifying issuers offering AID-certified, EHB-only, silver-level QHPs with the aim of achieving a target minimum market share of Arkansas Works Program enrollees for each issuer in a service area. The target minimum market share in a service area will vary based on the number of competing issuers as follows:

Two issuers: 33% of Arkansas Works Program participants in that service area;  
Three issuers: 25% of Arkansas Works Program participants in that service area;  
Four issuers: 20% of Arkansas Works Program participants in that service area; More than four issuers: 10% of Arkansas Works Program participants in that service area.

Issuers will be auto-assigned individuals until they enroll the lesser of the number of individuals needed to hit the target minimum market share or the maximum number of enrollees permitted by the Insurance Department. If a carrier is no longer permitted to enroll additional individuals, the carrier will not count as an Arkansas Works participant for the purposes of establishing the target minimum market share in the region.

Q3. Do QHPs have to be statewide to serve the Arkansas Works Program?

A3. As noted in the Issuer Bulletin, Arkansas’s policy goal is for issuers to compete on a statewide basis. For the 2021 plan year, the State will allow QHP issuers to choose their service areas, based on the rating regions established in the Issuer Bulletin and Insurance Commissioner approval.

Q4. Is cost sharing allowed for the 100% AV plan?

A4. The 100% AV plan may not use cost sharing.