

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Arkansas Insurance Department
DIVISION Legal Division
DIVISION DIRECTOR Suzanne Tipton, Deputy Commissioner & General Counsel
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NAME OF PRESENTER AT COMMITTEE MEETING Booth Rand, Managing Attorney
PRESENTER E-MAIL booth.rand@arkansas.gov

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question **completely** using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201

1. What is the short title of this rule? Rule 100: Arkansas Healthcare Transparency Initiative Standards

2. What is the subject of the proposed rule? The proposed Rule addresses the collection of healthcare data required to be submitted to the Arkansas Insurance Department by healthcare plans in this State under Act 1233 of 2015, under the "Arkansas Healthcare Transparency Initiative."

3. Is this rule required to comply with a federal statute, rule, or regulation? Yes No
If yes, please provide the federal rule, regulation, and/or statute citation. _____

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes No
If yes, what is the effective date of the emergency rule? _____

When does the emergency rule _____

expire?

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes No

5. Is this a new rule? Yes No
If yes, please provide a brief summary explaining the regulation. See attached Summary.

Does this repeal an existing rule? Yes No
If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. N/A

Is this an amendment to an existing rule? Yes No
If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. Ark. Code Ann. § 23-61-905(b)(D) states that the Arkansas Insurance Department has authority under Act 1233 of 2015 under the Arkansas Healthcare Transparency Initiative to adopt any rules necessary to implement the Arkansas Healthcare Transparency Initiative subchapter.

7. What is the purpose of this proposed rule? Why is it necessary? The purpose of the proposed rule is to provide standards related to the submission, timing and format of healthcare data required to be submitted to the Arkansas Insurance Department after January 1, 2016 by various healthcare plans subject to Act 1233 of 2015, under the Arkansas Healthcare Transparency Initiative.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b). <http://www.insurance.arkansas.gov/prop-rules.htm>

9. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: September 14, 2015

Time: 10:00 A.M.

Arkansas Insurance Department, 1200
West Third Street, Little Rock,

Place: Arkansas

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)
After the hearing ends on September 14, 2015 unless the Commissioner decides to keep the record open longer to receive comments.

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

At this time, our goal effective date is November 2, 2015

12. Do you expect this rule to be controversial? Yes No

Unknown at this time. We will update and advise the Bureau and Legislative Council of adverse comments or objections we receive to the proposed Rule in the public comments period, hearing, or at any time during the rule-making

If yes, please explain. process.

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules?

Please provide their position (for or against) if known.

We do not know of these persons or groups at this time, but will update this information in public comment summaries after the public hearing on September 14, 2015.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Insurance Department
DIVISION Legal Division
PERSON COMPLETING THIS STATEMENT Booth Rand, Managing Attorney
TELEPHONE NO. 501-519-0484 **FAX NO.** 501-371-2618 **EMAIL:** booth.rand@arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Rule 100:Arkansas Healthcare Transparency Initiative Standards

- 1. Does this proposed, amended, or repealed rule have a financial impact? Yes No
- 2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes No
- 3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost;

- (b) The reason for adoption of the more costly rule;

- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

- (d) Whether the reason is within the scope of the agency’s statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

- (a) What is the cost to implement the federal rule or regulation?

<u>Current Fiscal Year</u>		<u>Next Fiscal Year</u>	
General Revenue	<u>N/A</u>	General Revenue	_____
Federal Funds	<u>N/A</u>	Federal Funds	_____
Cash Funds	<u>N/A</u>	Cash Funds	_____
Special Revenue	<u>N/A</u>	Special Revenue	_____
Other (Identify)	<u>N/A</u>	Other (Identify)	_____

Total _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

Next Fiscal Year

General Revenue	<u>N/A</u>
Federal Funds	<u>SEE ANSWER TO #6 BELOW</u>
Cash Funds	<u>N/A</u>
Special Revenue	<u>N/A</u>
Other (Identify)	<u>N/A</u>
Total	<u>N/A</u>

General Revenue	_____
Federal Funds	<u>SEE ANSWER TO #6</u>
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	_____

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

Next Fiscal Year

ACHI
\$ CONTRACT

\$ _____

We do not know right now what the exact cost impact to insurers and health benefit plans for any compliance costs that will be imposed on health insurers and health plan administrators to comply with this proposed Rule and Healthcare Transparency Initiative, but will update this information as soon as available.

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

Next Fiscal Year

ACHI
\$ CONTRACT

\$ _____

As described previously, the Arkansas Center for Health Improvement ("ACHI") was awarded vendor contract by AID to administer an all-payer claims database program via awarded cycle contracts from federal grant funds. In terms of AID staff, we will review and process the data with already existing AID staff. In terms of federal grant funds which were awarded by the State (AID) to ACHI to administer the program: AID, through its Health Insurance Rate Review Division has two federally funded contracts addressing an all-payer claims database program. Cycle III contract for \$1,700,000 runs from June 2014 through December 2015. Cycle IV contract runs from March 2015 through June 2016. Both of these contracts were awarded to ACHI have been approved by the appropriate legislative committees and are funded by HHS grants which have been legislatively appropriated. Cycle III contract date: June 20, 2014 - December 31, 2015 amount \$1,700,000.00. The Cycle IV contract date March 24, 2015 – June 30, 2016 amount \$1,050,000.00.

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.