

Facts About Arkansas's Health Care Independence Program

The Health Care Independence Act of 2013¹ is a novel approach to improving health in Arkansas through meaningful transformation of the state's health care system using federal Medicaid funding to pay private market premiums. It has received bipartisan legislative support, three times achieving the supermajority vote required in Arkansas to authorize the necessary appropriation. The Act's implementation—called the Health Care Independence Program (HCIP), or "Private Option"—provides a new coverage option for low-income Arkansans. It also supports the state's broader health care system transformation efforts by requiring insurers that offer plans through the federally-facilitated Health Insurance Marketplace (HIM) to participate in the Arkansas Health Care Payment Improvement Initiative (AHCPII) in 2015. For more information on the AHCPII, visit www.achi.net.

IMPACT ON ARKANSAS'S ECONOMY

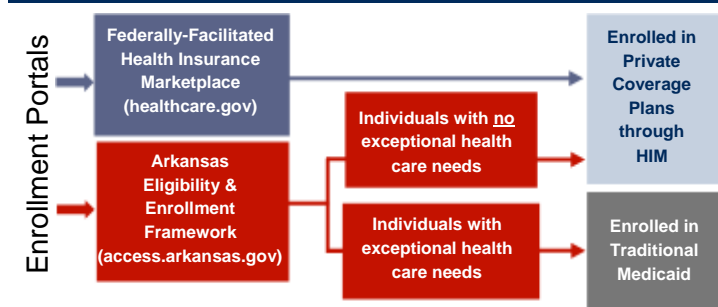
Federal funding will allow Arkansas to recapture **\$1.1 billion** annually to off-set new federal taxes and Medicare payment reductions that are leaving the state.²

Arkansas's total annual gross domestic product (GDP) is estimated to increase by **\$550 million**.²

The per capita impact for Arkansas counties is **\$28-\$373**.³

6,200 jobs are projected to be created.²

ENROLLMENT PROCESS*



* Individuals may enter the process via either enrollment portal and are directed to the appropriate path depending on income (i.e., ≤138% of Federal Poverty Level (FPL) or >138% of FPL).

ENROLLMENT TRENDS

- 242,103 Arkansans have been deemed eligible for the HCIP.⁴
- According to an August 2014 Gallup poll, Arkansas has had the greatest reduction in its uninsured population compared with all other states in the country.⁵
- The majority of HCIP-eligible individuals (81 percent) are at the lowest income level, earning at or below 100 percent of FPL,⁴ or \$11,670 per year (see Figure 1).⁴
- HCIP enrollees reduce the average age of the HIM risk pool by nearly 10 years (see Figure 2).⁶
- Women are enrolling in greater percentages than men, and in greater percentages when compared to the state population with earnings at ≤138% FPL.^{4,7}
- Some individuals who were previously eligible for coverage through Medicaid or Medicaid-subsidized programs (ARHealthNetworks) have transitioned into the HCIP.

Figure 1: HCIP Eligibility by FPL⁴

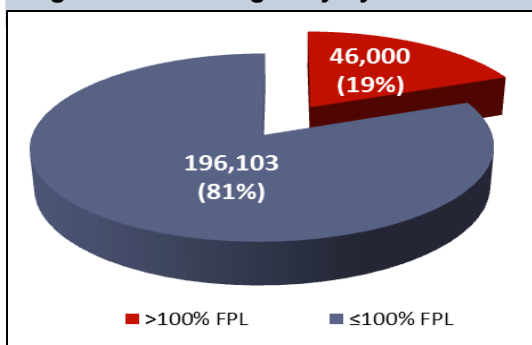
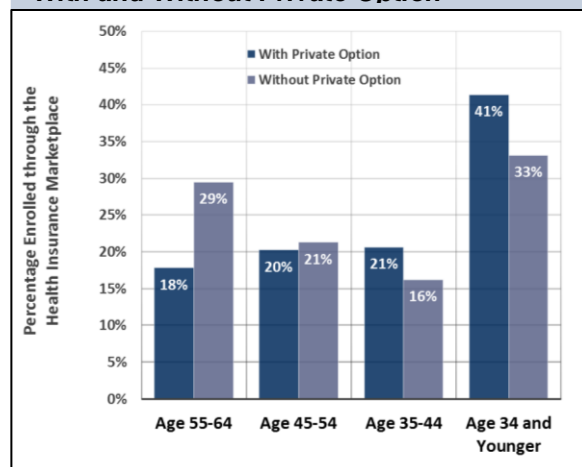


Figure 2: Enrollment Age Demographics With and Without Private Option⁶

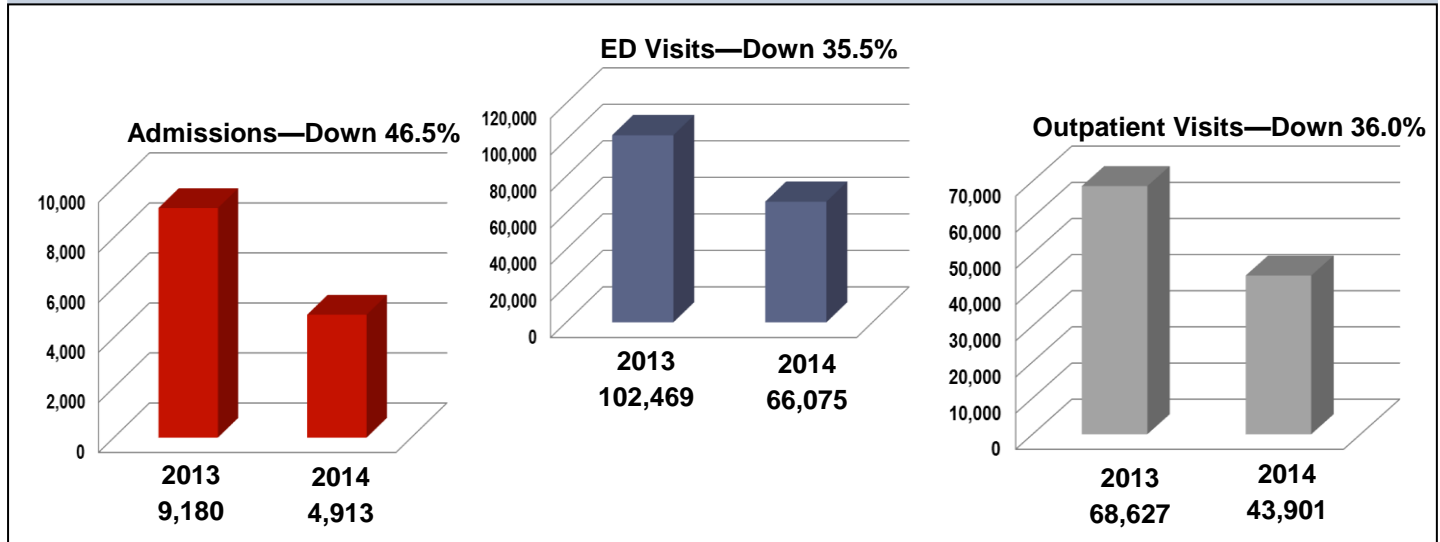


Note: This chart reflects the shift in age range percentages for the HIM when all HCIP-eligible individuals are included in the risk pool.

ARKANSAS HOSPITAL DATA⁸

Compared to the first two quarters of 2013, Arkansas hospitals have seen considerable reductions for the same period in 2014 in volume of uninsured admissions, emergency department (ED) visits, and outpatient visits (see Figure 3). Hospitals caring for low income Arkansans reported a 56.4 percent cost reduction in uncompensated care losses totaling **\$69 million** compared to losses from the first two quarters of 2013.⁸ Data illustrated here are derived from recent survey responses from Arkansas hospitals representing approximately 80 percent of statewide hospital volume and revenue.

Figure 3: Hospital Reductions in Uninsured Volumes⁸



HEALTH CARE INDEPENDENCE PROGRAM DEVELOPMENTS

- As a result of the HCIP transition to market, some plans offered in the first year included benefits beyond the required “essential health benefits.” In year two of the program, individuals will be able to select plans that include only established “essential health benefits.”
- HCIP-eligible individuals with exceptional health care needs have been diverted into the traditional Medicaid program in order to provide for more effective care coordination, stabilize the private plan risk pools, and promote competition.
- Premiums for health insurance plans offered through the HIM in 2015 dropped an average of 2 percent based on rates released by the Arkansas Insurance Department.⁹
- For 2015, the state has added a Health Independence Account component to the program intended to educate consumers, promote personal responsibility, and incentivize appropriate use of health care services.

COUNTY-LEVEL ENROLLMENT

The tables on the following pages display county-level enrollment data in Arkansas for the Health Care Independence Program (HCIP) and Health Insurance Marketplace (HIM). Most recent enrollment data indicate that 205,252 with incomes at or less than 138 percent FPL have enrolled in HIM private plans through the HCIP, while another 68,131 with incomes greater than 138 percent FPL have enrolled in HIM private plans.^{4,10} A total of 273,383 individuals at all income levels have enrolled in HIM private plans since the beginning of open enrollment on October 1, 2013.^{4,10,11} 229,599 individuals have obtained coverage through the HCIP, including 24,347 with exceptional health care needs who have enrolled in traditional Medicaid.^{4,10}

County-Level Enrollment Data					
Region or County	Number of Individuals Covered via the Health Care Independence Program ^{4,10}			Total Enrolled in the Health Insurance Marketplace** Earning >138% FPL ¹¹	Total Enrolled in Private Plans through the Health Insurance Marketplace ^{4,10,11}
	Enrolled in Private Plans	Enrolled in Traditional Medicaid*	Total Enrolled via the Health Care Independence Program		
State	205,252	24,347	229,599	68,131	273,383
Arkansas	1,624	198	1,822	453	2,077
Ashley	1,999	209	2,208	571	2,570
Baxter	2,811	385	3,196	1,252	4,063
Benton	9,196	1,144	10,340	5,970	15,166
Boone	2,984	311	3,295	1,067	4,051
Bradley	1,009	95	1,104	239	1,248
Calhoun	366	31	397	99	465
Carroll	2,107	169	2,276	895	3,002
Chicot	1,291	138	1,429	255	1,546
Clark	1,667	180	1,847	440	2,107
Clay	1,251	239	1,490	355	1,606
Cleburne	1,758	278	2,036	741	2,499
Cleveland	588	70	658	153	741
Columbia	1,960	184	2,144	376	2,336
Conway	1,634	200	1,834	507	2,141
Craighead	6,989	938	7,927	2,218	9,207
Crawford	3,859	565	4,424	1,273	5,132
Crittenden	5,445	431	5,876	1,058	6,503
Cross	1,611	182	1,793	414	2,025
Dallas	675	90	765	141	816
Desha	1,599	159	1,758	348	1,947
Drew	1,611	174	1,785	505	2,116
Faulkner	6,665	763	7,428	2,754	9,419
Franklin	1,401	167	1,568	316	1,717
Fulton	1,068	131	1,199	239	1,307
Garland	8,143	961	9,104	2,978	11,121
Grant	1,108	143	1,251	432	1,540
Greene	3,032	550	3,582	886	3,918
Hempstead	1,785	199	1,984	356	2,141
Hot Spring	2,235	268	2,503	752	2,987
Howard	1,184	121	1,305	284	1,468
Independence	2,552	341	2,893	888	3,440
Izard	1,035	181	1,216	274	1,309
Jackson	1,690	222	1,912	348	2,038
Jefferson	6,869	630	7,499	1,260	8,129
Johnson	1,776	251	2,027	482	2,258
Lafayette	624	95	719	134	758
Lawrence	1,524	247	1,771	396	1,920

*Based on exceptional health care needs

**Total number of HIM enrollees actively covered (i.e., excluding enrollment cancellations) as reported by the Arkansas Insurance Department as of April 1, 2015

County-Level Enrollment Data Continued

Region or County	Number of Individuals Covered via the Health Care Independence Program ^{4,10}			Total Enrolled in the Health Insurance Marketplace** Earning >138% FPL ¹¹	Total Enrolled in Private Plans through the Health Insurance Marketplace ^{4,10,11}
	Enrolled in Private Plans	Enrolled in Traditional Medicaid*	Total Enrolled via the Health Care Independence Program		
State	205,252	24,347	229,599	68,131	273,383
Lee	1,101	93	1,194	178	1,279
Lincoln	963	98	1,061	261	1,224
Little River	767	87	854	213	980
Logan	1,477	148	1,625	486	1,963
Lonoke	3,693	538	4,231	1,485	5,178
Madison	1,123	115	1,238	419	1,542
Marion	1,194	205	1,399	428	1,622
Miller	3,202	373	3,575	844	4,046
Mississippi	3,888	461	4,349	861	4,749
Monroe	837	83	920	183	1,020
Montgomery	861	97	958	279	1,140
Nevada	727	89	816	154	881
Newton	779	63	842	230	1,009
Ouachita	2,340	256	2,596	493	2,833
Perry	784	115	899	266	1,050
Phillips	2,725	225	2,950	432	3,157
Pike	990	122	1,112	260	1,250
Poinsett	2,288	342	2,630	513	2,801
Polk	1,552	205	1,757	466	2,018
Pope	3,922	505	4,427	1,365	5,287
Prairie	638	69	707	186	824
Pulaski	28,103	3,019	31,122	9,139	37,242
Randolph	1,730	216	1,946	450	2,180
Saline	4,854	626	5,480	2,360	7,214
Scott	888	106	994	182	1,070
Searcy	831	84	915	246	1,077
Sebastian	7,526	923	8,449	2,663	10,189
Sevier	1,023	112	1,135	298	1,321
Sharp	1,688	167	1,855	431	2,119
St Francis	2,727	206	2,933	398	3,125
Stone	1,229	127	1,356	335	1,564
Union	3,256	305	3,561	884	4,140
Van Buren	1,207	175	1,382	466	1,673
Washington	10,346	1,346	11,692	5,775	16,121
White	5,297	766	6,063	1,783	7,080
Woodruff	708	101	809	185	893
Yell	1,263	139	1,402	425	1,688

*Based on exceptional health care needs

**Total number of HIM enrollees actively covered (i.e., excluding enrollment cancellations) as reported by the Arkansas Insurance Department as of April 1, 2015

REFERENCES

1. The Arkansas Health Care Independence Act of 2013, engrossed as Act 1497 and Act 1498.
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5. Witters D; Gallup Well-Being. "Arkansas, Kentucky Report Sharpest Drops in Uninsured Rate: Medicaid Expansion, State Exchanges Linked to Faster Reduction Uninsured Rate." Washington, DC: *Gallup, Inc.*, August 2014.
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11. Arkansas Insurance Department. "Federal Health Insurance Marketplace Enrollment Data for Arkansas (As of April 1, 2015)." Little Rock, AR: *AID*, April 2015. Retrieved on April 16, 2015 from <https://ipa.arhealthconnector.arkansas.gov/index.html>.