

**STATE INSURANCE DEPARTMENT –
ARKANSAS HEALTH INSURANCE MARKETPLACE**

Agreed-Upon Procedures Report

June 30, 2019



Arkansas

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Senate Chair
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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

State Insurance Department – Arkansas Health Insurance Marketplace
Legislative Joint Auditing Committee

We have performed the procedures enumerated below, which were agreed to by the management of the State Insurance Department – Arkansas Health Insurance Marketplace (SID-AHIM) and Arkansas Legislative Audit for the year ended June 30, 2019. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of SID-AHIM. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this engagement has been requested or for any other purpose.

The procedures we performed were as follows:

45 CFR part 155.200 – Functions of an exchange

- Discuss the federal requirements in 45 CFR 155 with SID-AHIM in order to gain an understanding of the Exchange's operations and the applicability of the requirements.
- Review the Memorandum of Understanding (MOU) in place between the Exchange and SID-AHIM that provides details on the responsibilities of the two entities.

45 CFR part 155.205 – Consumer assistance tools and programs of an Exchange

- Discuss the federal requirements of 45 CFR 155.205 with SID-AHIM to determine if they have an adequate understanding of the related requirements and if the Exchange-required information was available to consumers.
- View the MyARInsurance website maintained by the Exchange and observe if a toll-free hotline number is displayed.
- Observe personnel working the toll-free hotline and review the call center scripts that convey how consumers are directed to the appropriate support entities for enrollment.

45 CFR part 155.220 – Ability of States to permit agents and brokers to assist qualified individuals, qualified employers, or qualified employees enrolling in QHPs

- Discuss the federal requirements of 45 CFR 155.220 with SID-AHIM to determine if they have adequate overall knowledge of the related requirements.
- Obtain and read training materials related to privacy, security, and compliance to determine that the Exchange has training materials available to train and register agents or brokers assisting in enrolling others in QHPs.

45 CFR part 155.1000 – Certification standards for QHPs

- Discuss the federal requirements of 45 CFR 155.1000 with SID-AHIM and document their understanding of the certification standards and responsibilities for ensuring compliance.
- Obtain and read the MOU in place between the Exchange and SID-AHIM that provides details on the responsibilities of the two entities.
- Obtain and read the Arkansas Health Insurance Marketplace Act to determine that it provides for the implementation of procedures and criteria for the certification of health benefit plans.
- Determine if the notice of benefit and payment parameters, the SID-AHIM bulletin, and the letter to issuers are all available online.

45 CFR part 155.1010 – Certification process for QHPs

- Discuss the federal requirements of 45 CFR 155.1010 with SID-AHIM and determine if they have an understanding of the certification process and responsibilities for ensuring compliance.
- View the Health Insurance Rate Review (HIRR) and the SID-AHIM websites for certified QHPs.
- View the timeline outlined by SID-AHIM to become certified and the checklist to assist issuers in the submission of a QHP.

45 CFR part 155.1020 – QHP issuer rate and benefit information

- Discuss the federal requirements of 45 CFR 155.1020 with SID-AHIM and determine if they have an understanding of the process for handling and updating rate and benefit information.
- Select one rate increase (if any) that was processed and posted on the website and view the documentation that evidences review and approval by SID-AHIM of the requested increase.
- Obtain and read the Rating Filing Summary and Summary of Benefits and Coverage and determine if they included rates, covered benefits, and cost-sharing requirements (co-pays or co-insurance).

45 CFR part 155.1030 – QHP certification standards related to advance payments of the premium tax credit and cost-sharing reductions

- Discuss the federal requirements of 45 CFR 155.1030 with SID-AHIM and determine if they have an understanding of the processes in place to achieve compliance with the related requirements.
- View the System for Electronic Rate and Form Filing (SERFF) website for exchange of rate allocation information between SID-AHIM and CMS/Health and Human Services (HHS) to determine if an exchange process is in place to administer advance payments of the premium tax credit and cost-sharing reductions.

45 CFR part 155.1040 – Transparency in coverage

- Inquire of SID-AHIM and document SID-AHIM's process for collecting information from QHP issuers.
- Read the Arkansas version of the Individual Form Review QHP Checklist and determine if the checklist covers the following specific items related to the regulations: plan enrollment, rates, coverage of benefits, cost-sharing information, premiums, reporting, and transparency requirements.
- View a Rate Filing Summary and Summary of Benefits and Coverage for one QHP on the Health Insurance Rate Review (HIRR) website and determine if the QHP issuer has made cost-sharing information available.

45 CFR part 155.1050 – Establishment of Exchange network adequacy standards

- Discuss the federal requirements of 45 CFR 155.1050 with SID-AHIM and determine if they have an understanding of the review process in place to ensure that QHP network adequacy standards are met.
- View the Arkansas version of the Individual Form Review QHP Checklist and determine if the Exchange has a process in place to monitor whether the provider network of each QHP meets the standards specified in Section 156.230.

45 CFR part 155.1055 – Service area of a QHP

- Discuss the federal requirements of 45 CFR 155.1055 with SID-AHIM and document SID-AHIM's processes for evaluating service area adequacy.
- Obtain and read the Arkansas version of the Individual Form Review QHP Checklist and determine if it addresses service areas.

45 CFR part 155.1065 – Stand-alone dental plans

- Inquire of SID-AHIM and document the dental plans offered through the Exchange.
- Compare the plan designs to the general requirements in Section 155.1065(a) and determine if dental plans offered through the Exchange were allowable under federal regulations.
- View the Summary of Benefits and Coverage for QHPs on the Exchange website using the Anonymous Shopping tool and determine if dental plans offered are consistent with our documentation of stand-alone dental plans offered through the Exchange.

45 CFR part 155.1075 – Recertification of QHPs

- Inquire of SID-AHIM and document the recertification process.
- Obtain and read the Arkansas version of the Individual Form Review QHP Checklist used for the certification/recertification process and determine if the Exchange has established a process for recertification of QHPs.
- Randomly select one recertification and view the QHP recertification on the HIRR website.
- Determine if the Exchange has established a process for recertification of QHPs by verifying that an Excel-based plan certification template is available to carriers on the SERFF website.
- Determine if the recertification selected above was approved and processed prior to the September 15 deadline.

45 CFR part 155.1080 – Decertification of QHPs

- Inquire of SID-AHIM and document the decertification and appeals process and required notices.
- Inquire of SID-AHIM and determine if there were any decertifications of QHPs by SID-AHIM during FY2019.

We found no exceptions as a result of the above procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, Agency management, the State Insurance Department – Arkansas Health Insurance Marketplace, and other parties as required by Arkansas Code and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



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Little Rock, Arkansas
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