

Public Notice

The Arkansas Department of Human Services (DHS), Division of Medical Services (DMS) is providing public notice of its intent to submit to the Centers of Medicare and Medicaid Services (CMS) a written request to amend the Arkansas Works 1115 Demonstration waiver and to hold public hearings to receive comments on the amendments to the Demonstration.

The State will request amendments to the Arkansas Works 1115 Demonstration waiver to: (1) limit income eligibility for individuals in the eligibility group found at Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act (hereinafter “the new adult group”) to less than or equal to 100 percent of the federal poverty level (FPL) as of January 1, 2018; (2) institute work requirements as a condition of Arkansas Works eligibility as of January 1, 2018; (3) eliminate the Arkansas Works employer-sponsored insurance (ESI) premium assistance program on December 31, 2017; and (4) implement its waiver of retroactive eligibility on or after July 1, 2017.

With this amendment, on January 1, 2018, the State will limit income eligibility for individuals in the new adult group to less than or equal to 100 percent of the FPL, including the 5 percent income disregard required for the purposes of determining income eligibility based on modified adjusted gross income (MAGI) standards. The change in the eligibility limit will apply to both Arkansas Works enrollees and medically frail individuals covered under the State’s fee-for-service Medicaid program. When members of the new adult group have their first eligibility redetermination or submit a change in circumstances after January 1, 2018, those determined to have an income above 100 percent of the FPL will no longer be eligible for Arkansas Works or Medicaid fee-for-service coverage. Individuals may enroll in qualified health plans (QHPs) supported by federal tax credits, or, for those individuals with access to ESI, may enroll in ESI.

Beginning on January 1, 2018, the State will institute work requirements as a condition of Arkansas Works eligibility. Once work requirements are fully implemented, all Arkansas Works enrollees who are ages 19-49 must work or engage in specified educational, job training, or job search activities for at least 80 hours per month to remain covered through Arkansas Works, unless they meet exemption criteria established by the State. Arkansas Works enrollees who are subject to work requirements will be required to demonstrate that they are meeting the work requirements on a monthly basis. Arkansas Works enrollees who fail to meet the work requirements for any three months during a plan year will be disenrolled from Arkansas Works and will not be permitted to re-enroll until the following plan year. Individuals who experience a catastrophic event will be exempt from work requirements.

Under this amendment, the State will also eliminate its ESI premium assistance program under the Demonstration on December 31, 2017. As of January 1, 2018, all Arkansas Works beneficiaries who were enrolled in ESI premium assistance and who remain eligible for Arkansas Works will transition to QHP coverage.

Finally, as part of this amendment, the State will modify the terms and conditions associated with implementing its waiver of retroactive eligibility. Beginning on or after July 1, 2017, the State will no longer provide retroactive coverage to the new adult group, including both Arkansas Works enrollees and medically frail individuals covered through the State's fee-for-service Medicaid program. Coverage will be effective as of the first day of the month that an individual applies for coverage.

The State will request the following waivers to implement the changes to the Demonstration:

- § 1902(a)(10)(B): To enable the State to phase out demonstration eligibility for individuals with incomes above 100 percent of the FPL.
- § 1902(a)(3): To enable the State to prohibit re-enrollment for the remainder of the calendar year for individuals disenrolled from coverage for failing to meet work requirements.

In addition, the State will request to modify its existing waivers to reflect that it: will no longer operate an ESI premium assistance program under the Demonstration; will limit income eligibility for the new adult group to 100 percent of the FPL; and plans to implement its waiver of retroactive eligibility by modifying the current terms and conditions to remove language on the enrollment backlog, reasonable opportunity, and hospital presumptive eligibility. Specifically, the State will request the following changes:

- § 1902(a)(23)(A): To enable Arkansas to limit beneficiaries' freedom of choice among providers to the providers participating in the network of the Arkansas Works beneficiary's QHP. No waiver of freedom of choice is authorized for family planning providers.
- § 1902(a)(13) and § 1902(a)(30): To permit Arkansas to provide for payment to providers equal to the market-based rates determined by the QHP.
- § 1902(a)(14) insofar as it incorporates § 1916 and § 1916A: To enable the State to collect monthly premiums for individuals with incomes above 100 percent of the FPL who remain enrolled in the Demonstration.
- § 1902(a)(10)(B): To enable the State to impose targeted cost sharing on individuals in the eligibility group found at § 1902(a)(10)(A)(i)(VIII) of the Act with incomes above 100 percent of the FPL who remain enrolled in the Demonstration.
- § 1902(a)(34): To enable the state to not provide retroactive eligibility for the affected populations; current conditions related to the enrollment backlog, reasonable opportunity, and hospital presumptive eligibility will no longer apply.

The State will seek to eliminate the following waiver and expenditure authorities related to its ESI premium assistance program:

Waiver

- § 1902(a)(4) insofar as it incorporates 42 CFR 431.53: To relieve the State of its obligation to provide non-emergency medical transportation to and from providers for

individuals who are enrolled in employer-sponsored insurance and have not demonstrated a need for such transportation.

Expenditure Authorities

- Premium Assistance Payments for Employer-Sponsored Insurance. Expenditures for the employee share of cost-effective small group employer-sponsored insurance when the employer contributes at least 25 percent of the overall cost of the coverage for individuals enrolled in the new adult group described in Section 1902(a)(10)(A)(i)(VIII) of the Act, that would not meet the requirements for premium assistance under the state plan.
- Employer Incentives for New Or Expanded Employer-Sponsored Insurance: Expenditures for the employer share of cost-effective small group employer-sponsored insurance attributable to individuals receiving premium assistance under Demonstration expenditure authority #2 [Premium Assistance Payments for Employer-Sponsored Insurance], to the extent that the remaining employer contribution is no less than 25 percent of the overall cost of the coverage, limited to a three year period per employer and only for employers who either (1) offer coverage effective on or after January 1, 2017 and had not offered coverage in calendar year 2016 or (2) offer non-grandfathered small group coverage effective on or after January 1, 2017 and had previously offered only grandfathered coverage.

The State continues to evaluate whether it will request other waivers or expenditure authorities.

The amendments to the Demonstration will further the objectives of Title XIX by providing continuity and smoothing the “seams” across the continuum of coverage, improving provider access, and promoting independence through employment.

These amendments will be statewide and will operate from calendar years 2018 through 2021, with the exception of the waiver of retroactive eligibility that will be implemented on or after July 1, 2017. The State anticipates that this amendment will affect most of the approximately 280,000 individuals covered under the Demonstration.

The Demonstration, including the proposed amendments, will test hypotheses related to access to care, quality of care, churning, cost-comparability, the elimination of retroactive coverage, and the impact of work requirements. The State expects that, over the life of the Demonstration, covering Arkansas Works enrollees will be comparable to what the costs would have been for covering the same group of Arkansas adults using traditional Medicaid. The State does not anticipate that the amendments to the Demonstration will affect its current waiver trend rate or per capita cost estimates, which can be found below.

Mandatory Enrollment Group	Trend	Demonstration Year (DY) 4 (2017) - Per Member Per Month (PMPM)	DY 5 (2018) - PMPM	DY 6 (2019) - PMPM	DY 7 (2020) - PMPM	DY 8 (2021) - PMPM
New Adult Group	4.7%	\$570.50	\$597.32	\$625.39	\$654.79	\$685.56

The complete version of the current draft of the Demonstration application will be available for public review as of Friday, May 19, at <https://medicaid.mmis.arkansas.gov/General/comment/demowaivers.aspx>. The Demonstration application may also be viewed from 8 AM – 4:30 PM Monday through Friday at:

Arkansas Department of Human Services
700 Main Street
Little Rock, AR 72201
Contacts: Becky Murphy

Public comments may be submitted until midnight on Sunday, June 18, 2017. Comments may be submitted by email to hciw@arkansas.gov or by regular mail to PO Box 1437, S-295, Little Rock, AR 72203-1437.

To view comments that others have submitted, please visit <https://medicaid.mmis.arkansas.gov/general/comment/comment.aspx>. Comments may also be viewed from 8 AM – 4:30 PM Monday through Friday at:

Arkansas Department of Human Services
700 Main Street
Little Rock, AR 72201
Contact: Becky Murphy

The State will host two public hearings during the public comment period.

1. Arkansas Works Waiver Amendment Public Hearing
Date: May 25, 2017
Time: 5:30 pm – 7:30 pm CDT
Location: Central Arkansas Main Library in Little Rock, Darragh Center Auditorium
Address: 100 S. Rock St, Little Rock, AR 72201

You may also join by webinar on May 25, 2017 at 5:30 pm CDT.
<https://attendee.gotowebinar.com/register/474930032278317569>

After registering, you will receive a confirmation email containing information about joining the webinar.

2. Arkansas Works Waiver Amendment Public Hearing

Date: June 06, 2017

Time: 5:30 pm – 7:30 pm CDT

Location: Arkansas State University in Jonesboro, Cooper Alumni Center

Address: 2600 Alumni Blvd., Jonesboro, AR 72401

You may also join by webinar on June 6, 2017 at 5:30 pm CDT.

<https://attendee.gotowebinar.com/register/3155727397286233858>

After registering, you will receive a confirmation email containing information about joining the webinar.