



# Media Release

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**For Immediate Release**

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**Request for Federal Approval of Arkansas Works Formally Submitted**

*New program would encourage healthy behaviors, expand work opportunities for enrollees*

The Department of Human Services (DHS) submitted its request for federal approval of the Arkansas Works program to the Centers for Medicare and Medicaid Services (CMS) today, marking one of the last steps before the new program can be implemented in January 2017.

Arkansas Works replaces the Health Care Independence Program (commonly called the Private Option), which is a three-year demonstration waiver project that ends Dec. 31 and uses Medicaid expansion funding to buy private health insurance plans for enrolled Arkansans. An independent evaluation of that program showed that enrolling people in private plans instead of Medicaid increased their access to doctors and increased the rates providers received while still keeping program costs within the budget neutrality cap set by the federal government.

“The Private Option used the commercial insurance market to ensure people could go see their doctor, but it wasn’t perfect because it gave enrollees no incentive to work,” Governor Asa Hutchinson said. “As part of our reform, we want to do more than provide access to health care – we want to provide greater opportunity for Arkansans to move up the economic ladder.”

The waiver application submitted Thursday notes that Arkansas Works, too, will use federal Medicaid expansion funding to buy private health insurance plans but also proposes to:

- Incentivize work by referring unemployed or very low-income enrollees to job training and job search programs and educating all enrollees about work-training opportunities;
- End the 90-day retroactive eligibility for enrollees;
- Support participating small businesses by paying a portion of the premiums for their employees who would have otherwise qualified for Arkansas Works;
- Incentivize healthy behaviors by offering additional benefits, such as dental care, for enrollees who pay their premiums;

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- Require enrollees with incomes between 100 and 138 percent of the federal poverty level to pay a premium of no more than 2 percent of their household income;
- Account for an average annual increase in health care spending of 5.5 percent over the life of this waiver; and
- Expire Dec. 21, 2021.

DHS Director Cindy Gillespie said CMS officials have been briefed on the details of Arkansas Works and have offered positive feedback. DHS expects to receive approval by this fall. Because of this first-in-the-nation public/private partnership, Gillespie also met this week with the private insurance carriers offering coverage to Arkansas Works enrollees.

“DHS and the carriers are committed to working closely together to manage costs so that health care remains affordable for enrollees and sustainable for the state, taxpayers and small businesses,” she said.