



Media Release

Contact:

**Amy Webb, Director of Communications
(501) 682-8650**

For Immediate Release

February 21, 2013

Arkansas Awarded \$42 Million Grant to Support Payment Improvement Initiative

Arkansas has been chosen as one of six states seen as leading the country in efforts to dramatically improve the quality of patient care and rein in rapidly rising health care costs. The state has been awarded a \$42 million State Innovation Model grant by the U.S. Department of Health and Human Services.

In announcing the competitive grant award, the CMS Center for Medicare and Medicaid Innovation noted that Arkansas already is well on its way to changing the way the state pays for health care as part of a larger health systems reform effort.

Arkansas Surgeon General Dr. Joe Thompson and the Department of Human Services (DHS), which oversees Medicaid, began work on its initiative two years ago after Governor Mike Beebe suggested the state move away from paying doctors and other providers for individual services rather than for how well their patients were doing. The result is the Arkansas Health Care Payment Improvement Initiative.

Some of the state's largest private insurance companies joined the initiative, which launched last July. In September, DHS submitted an application for the model testing grant that included details about the work done so far and letters of support from both the medical and business communities.

"Patients, doctors and other providers know the system has not been working well. The approach we are taking helps support doctors and hospitals to deliver the care patients expect. We have early indications that many providers are engaging to help make these changes happen," Thompson said. "This grant will allow us to build on that momentum as we move the initiative forward."

The initiative has two complimentary strategies: paying providers for certain episodes of care and working to ensure that almost all Arkansans have a "medical home" that will focus on prevention and management of chronic conditions.

"The award signifies that the federal government believes in what we are doing, thinks it could be a model for other states and is willing to provide financial support to ensure the initiative's continued success," DHS Director John Selig said.

The grant money will help Medicaid support providers as they transition to the new payment model. It also will help cover costs required to implement the new payment model, along with technical analysis, infrastructure and contractors. For more information on the initiative, go to <http://www.paymentinitiative.org>. There you will the full grant application, along with a [project narrative](#) and other materials.