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DHS, Health Care Association Commit to Major Reforms That Will Make Medicaid More Efficient, Increase Access to Services in Rural Arkansas

Arkansas Governor Asa Hutchinson along with the directors of the Arkansas Department of Human Services (DHS) and the Arkansas Health Care Association signed an agreement Friday to work together to improve services available to aging and physically disabled Arkansans. The new initiative is designed to improve quality and availability of long-term care services and supports.

The agreement comes as part of Governor Hutchinson's commitment to reforms that would bring efficiency and cost savings to the state's traditional Medicaid program while improving the quality of care beneficiaries receive and expanding choice and working to ensure there is a trained workforce in place to care for people staying in their homes or communities. With his leadership, the Legislature and the Health Care Reform Task Force set the tone that encouraged DHS and the Health Care Association to sit down at the table and ultimately reach this agreement.

"It's vital to the Medicaid program to bend of the cost curve before the baby boomer generation needs more expensive care," DHS Director Cindy Gillespie said. "Reforms we make today will ensure that the system is sustainable and will be here to help future generations."

By 2025, the number of Arkansans needing long-term services and supports will increase by 25 percent, and these reform efforts are building a foundation to ensure the state can handle what's coming.

Reforms will be made to ensure that the right, high quality resources are available to meet the varying needs of aging and physically disabled Arkansans in a safe and efficient manner.

"This is extraordinary opportunity to improve long-term care and supports available to seniors. We are committed to working with Governor Hutchinson and Director Gillespie and collaborating with the stakeholder community to make these needed reforms a reality," said Rachel Davis, Executive Director of the Arkansas Health Care Association.

As part of the new agreement, both groups have agreed to discontinue the practice of increasing the number of nursing home beds simply because state population increases. Instead, they will focus on modernizing facilities and building out the necessary services and supports, particularly in rural communities. This is critical to expanding the availability of appropriate, high-quality options for seniors whether they would best be served in their home or a facility.

Once in place, these reforms are projected to save Medicaid an estimated \$250 million over five years.

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