



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

March 26, 2020

The Honorable Alex M. Azar II
Secretary of the U.S. Department of Health and Human Services
200 Independence Avenue, Southwest
Washington, DC 20201

Dear Secretary Azar:

On behalf of the citizens of Arkansas, I am submitting a Medicaid Section 1115 Demonstration Project to enable us to respond to the COVID-19 health emergency and avert the threatening economic crisis. As you know, health care is twenty percent (20%) of our nation's economy. This bold proposal will provide access to necessary health care for the needs of Arkansas's citizens and keep the doors of our health care providers open and their workforce employed.

We recognize that health care cannot be delivered as it was just two weeks ago. Hospitals, physician's clinics, pharmacies, residential facilities, and other licensed health care practitioners must now re-engineer their practices and service delivery patterns to protect the lives of their patients and their employees. The proposed Demonstration Project places a particular emphasis on our rural providers who face even greater challenges due to greater travel distance and less infrastructure compared to more populous areas.

The proposed Demonstration includes several parts including:

- A fixed, time-limited payment to certain hospitals, independent physicians, rural health clinics, and behavioral health agencies for environmental modifications.
- A fixed, time-limited payment for workforce safety and training for providers for whom it is necessary to continue to provide face-to-face services—the payment is flexible to meet the priority needs of the provider.

- Expansion of telemedicine for licensed providers and non-emergency transportation to keep patients connected to their professional providers. At this time when congregate settings must be avoided, the solution is to make “house calls.” Telemedicine and transportation are key to achieving this goal.
- A continuity of care payment to institutional and noninstitutional long-term services and supports (LTSS) providers for direct care workers and parents of children in foster care.
- A COVID-19 “cluster” payment to nursing facilities that care for a disproportion share of individuals being treated for COVID-19.
- Temporary housing for individuals who are homeless. This will be done in partnership with local units of government.
- An all-inclusive payment for screening and testing for COVID-19 for individuals who are uninsured.

These payments will help jumpstart the ability of providers to respond most efficiently and effectively by giving flexibility to use funds in ways Medicaid does not typically finance. Structuring payments in this approach also ensures program integrity as the Department of Human Services (DHS) must approve the request for funding in advance. It provides greater program integrity protection because costs will be directly auditable and is less complex than building increases into rates.

Most importantly, we will pay to deliver needed services rather than reimburse for lost revenue. Through this waiver, Medicaid beneficiaries will continue to receive necessary services during this public health emergency, and it will build the capacity and infrastructure of providers to increase access long after the emergency is over. Additionally, this will keep everyone from the receptionist, to the nurse, to the surgeon fully employed so they can continue to support their families, pay their bills, and keep money in the local economy.

DHS Secretary Cindy Gillespie has assembled a team to work with you to expedite this Demonstration Project. Thank you for your consideration of this request.

Sincerely,



Asa Hutchinson

cc: Seema Verma, Administrator, Centers for Medicare and Medicaid Services