



## Public Notice

### For Proposed Amendment to Medicaid Section 1115 Demonstration Project, Arkansas Health and Opportunity for Me (ARHOME)

**The Arkansas Department of Human Services (DHS), Division of Medical Services (DMS) is providing public notice of its intent to submit to the Centers for Medicare & Medicaid Services (CMS) a written request to amend the Medicaid Arkansas Health and Opportunity for Me (ARHOME) Demonstration Project (Waiver) and to hold public hearings to receive comments on the amendments to the Demonstration.**

In accordance with 42 §CFR 431.408, this notice provides a summary of the waiver amendment request and serves to formally open the 30-day public comment period, which will begin on April 23, 2023 and conclude on May 23, 2023.

Specifically, DHS seeks public comment on its amendment request to include the following enhancements to the current ARHOME demonstration:

- 1) *Opportunities for Success Initiative*. The proposed amendment will provide enhanced access to opportunities to Medicaid beneficiaries, including focused care coordination services from a Success Coach to beneficiaries who are not progressing toward improved health and economic independence. Success Coaches will evaluate the needs of the individuals they serve, including the person's health related social needs, to develop an individualized Action Plan. Individuals who do not engage in their health or the multiple opportunities available to them within three months of Success Coach assignment will transition from coverage through a Qualified Health Plan (QHP) to the Medicaid Fee-for-Service (FFS) delivery system, but will not lose Medicaid eligibility.

Beneficiaries will not be required to report information or participation in opportunities to DHS. DHS will determine an individual's participation in their health improvement and economic independence activities and opportunities through data matching. Beneficiaries will not be required to participate in a minimum number of hours of activities per week/month/quarter as a result of this initiative.

- 2) *Expansion of Success Life360 HOME Eligibility*. The amendment proposes to expand the Success Life360 HOMEs up to age 59 for eligible beneficiaries to provide intensive care coordination services for this subset of ARHOME enrollees. Second, the state seeks to remove the "at risk of homelessness" limitation from the veteran eligibility criteria for Success Life360 HOMEs. This modification better reflects the state's intent to allow any veteran in need to have access to intensive care coordination services.

DHS intends to implement the enhancements proposed in the amendment by January 1, 2024.

### **Program Description & Detailed Summary of Proposed Changes**

Since 2014, Arkansas has provided health care coverage to the Medicaid new adult group primarily through private sector qualified health plans (QHPs) through the authorities granted in a Section 1115 Demonstration Project (the Waiver). The QHPs are private health insurance plans licensed by the Arkansas Insurance Department (AID). The Arkansas Division of Medical



Services (DMS) uses Medicaid funds to purchase coverage from the QHPs for approximately 80% of individuals who are eligible through the new adult group. The remainder are covered in the Medicaid Fee-for-Service (FFS) delivery system. The most recent waiver, the Arkansas Health and Opportunity for Me (ARHOME) program, continues this framework and was approved by the Centers for Medicare & Medicaid Services (CMS) to be effective January 1, 2022, through December 31, 2026. ARHOME is designed to improve the quality of services provided by the QHPs and the health of assigned beneficiaries. It also includes intensive care coordination for targeted populations through Life360 HOME programs.

DHS seeks to amend the waiver to implement the Opportunities for Success Initiative, providing new supports to employed, underemployed, and unemployed adults in ARHOME. Under the Opportunities for Success Initiative, all adult beneficiaries aged 19 to 59 who are enrolled in a QHP will be impacted by the demonstration, as they will be encouraged and supported on their journey to better health and economic independence in targeted ways as described below.

Using household Federal Poverty Level (FPL) as a proxy for assessing current level of engagement, DHS seeks to target services and interventions for adults ages 19 through 59 who are most in need of engagement in their healthcare and community. The amendment request is focused on providing access and opportunity for both health and economic opportunities via specific interventions. The amendment seeks to facilitate improved access to available community opportunities through expanding community partnerships, disseminating information about engagement opportunities, such as jobs, volunteering, education, and training, as well as providing proactive communications and focused care coordination services to those most in need.

The following table summarizes the Opportunities for Success Initiative targeted approach.

Target Population	Federal Poverty Level (FPL)	Engagement	Primary Intervention	
			Timing of Intervention	Type of Intervention
Employed	Between 81%-138% FPL	Presumed to be engaged in the workforce based on FPL for up to 36 months	Immediate	<ul style="list-style-type: none"> <li>Access to information on opportunities</li> </ul>
			After 12 Months of Enrollment	<ul style="list-style-type: none"> <li>Proactive outreach</li> </ul>
			After 36 months of Enrollment	<ul style="list-style-type: none"> <li>Focused care coordination services via Success Coach for unengaged beneficiaries</li> </ul>
Under-Employed	Between 21%- 80% FPL	Presumed to be engaged in the workforce based on FPL for up to 24 months	Immediate	<ul style="list-style-type: none"> <li>Proactive outreach with opportunities</li> <li>Access to information on opportunities</li> </ul>
			After 24 Months of Enrollment	<ul style="list-style-type: none"> <li>Focused care coordination services via a Success coach for unengaged beneficiaries</li> </ul>



<b>Unemployed</b>	At or below 20% FPL	Must demonstrate engagement via activities described below	Immediate	<ul style="list-style-type: none"> <li>• Access to information on opportunities</li> <li>• Proactive outreach with opportunities</li> <li>• Focused care coordination services via a Success Coach for unengaged beneficiaries</li> </ul>
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*\*Beneficiaries newly enrolled in a QHP will have six months prior to their engagement level assessment.*

Employed and underemployed beneficiaries will initially be presumed to be engaged in the workforce by virtue of their household income. The state recognizes that these individuals are most likely participating in the workforce or their communities in some capacity and will not immediately be identified as needing additional care coordination services. However, if an underemployed individual has remained enrolled in Medicaid for more than 24 months or an employed individual has remained enrolled in Medicaid for more than 36 months, this may signal that the individual could benefit from more intensive engagement to help them take advantage of opportunities to improve their employment. After the 24- or 36-month period, the individual will receive focused coaching services to identify and act on additional opportunities available to them.

Unlike employed and underemployed, beneficiaries at or below 20% FPL will be presumed to be unemployed and in need of additional support. Beneficiaries who are determined to not be “on track” in their engagement with their health or wellbeing will be assigned a Success Coach.

Using data matching rather than beneficiary monthly reporting, DHS will determine whether an individual is otherwise engaged and on track toward achieving economic independence based on their participation in other engagement opportunities. If an individual participates in one of the following activities, they will not be assessed for further engagement.

<b>Activities that Demonstrate Engagement</b>
Enrolled in a Life360 HOME
A parent/caregiver relative of a dependent under the age of six
A pregnant woman (including 12-months postpartum)
An unpaid caregiver of an individual with a disability or an elderly individual
Enrolled in SNAP/TEA, which already have engagement requirements
Receiving unemployment benefits
Participating in a WIOA sponsored workforce training program
Enrolled in formal education
Actively participating in one’s own healthcare or with one’s health plan, for example, as demonstrated by: <ul style="list-style-type: none"> <li>• Documented participation in an approved QHP value-added health incentive program or economic incentive program;</li> <li>• Receiving recommended preventive services; or</li> <li>• Active treatment for a serious life-threatening disease such as substance use disorder (SUD), serious mental illness (SMI), or cancer.</li> </ul>



Beneficiaries who are determined to not be engaged through data matching will be assigned a Success Coach. The Success Coach will assess the strengths of these individuals (education level, employment experience, problem-solving skills) and the barriers they may face (chronic health conditions, housing instability, reentry from prison). The Success Coach assigned to them will provide focused care coordination services and connections to local resources to address their Health-Related Social Needs (HRSN).

Focused care coordination will include the development of an individualized Action Plan to help the beneficiary achieve their health and economic goals. Success Coaches will connect with beneficiaries on a regular basis to engage them in accessing health and economic independence opportunities.

If beneficiaries have not participated in any of the engagement activities outlined in the table above or are not engaged with their Success Coach after being assigned to one, they will be moved from their qualified health plan (QHP) to the fee-for-service (FFS) delivery system, as the health care needs of these beneficiaries may be better served in the traditional Medicaid FFS delivery system. Currently, beneficiaries who are “medically frail” are not enrolled in QHPs, but rather maintain Medicaid FFS coverage, as they have more intensive needs that are more aligned with the traditional Medicaid benefits structure than with commercial QHPs. Beneficiaries will remain in FFS until the annual QHP open enrollment period, during which they will have the option to transfer back to a QHP by demonstrating their engagement.

In addition to the Opportunities for Success Initiative, the state seeks to utilize this Amendment to make two changes to Success Life360 HOME eligibility. First, given the long-term effects of these indicators on health and poverty, the Amendment proposes to expand the Success Life360 HOMEs up to age 59 for these beneficiaries to provide more comprehensive care coordination services for this subset of ARHOME enrollees. Second, the state seeks to remove the “at risk of homelessness” limitation from the veteran eligibility criteria for Success Life360 HOMEs. This modification better reflects the state’s intent to allow any veteran in need to have access to intensive care coordination services

## **Goals and Objectives**

The ARHOME waiver seeks to achieve the following goals:

- Providing continuity of coverage for individuals;
- Improving access to providers;
- Improving continuity of care across the continuum of coverage;
- Furthering quality improvement and delivery system reform initiatives that are successful across population groups;
- Improving health outcomes among Arkansans, especially in maternal and infant health, rural health, behavioral health, and those with chronic diseases;
- Providing supports to assist beneficiaries, especially young adults in target populations, to move out of poverty; and
- Slowing the rate of growth in federal and state spending on the program so the demonstration will be financially sustainable.

This Amendment is directly aligned to the goals of ARHOME. The Amendment seeks to improve continuity of care by supporting beneficiaries through new focused care coordination services



that will help beneficiaries navigate both their healthcare and obtain access to community resources to address HRSN. In providing these new care coordination services, the Amendment seeks to support beneficiaries as they move out of poverty.

In addition to building toward the ARHOME goals, the Opportunities for Success Initiative also seeks to specifically:

- Improve the health and well-being of individuals experiencing poverty; and
- Support those individuals on their path to economic independence and obtaining health insurance coverage through employers or the individual market.

### **Eligibility, Cost Sharing, Delivery Systems, and Benefits**

**Eligibility.** The ARHOME program provides health care coverage to more than 348,000 beneficiaries (as of the end of February 2023), between the ages of 19 and 64 who are not enrolled in Medicare and who are either (1) childless adults with household income at or below 138% of the federal poverty level (FPL) or (2) parents with dependent children and income between roughly 14% and 138% FPL.

The Amendment will not impact Medicaid eligibility. The Opportunities for Success Initiative will impact all beneficiaries through creating new access to information on opportunities, providing focused care coordination services to those eligible for a Success Coach, and expanding the number of beneficiaries eligible to participate in Life360 HOMEs. However, these proposals have no impact to one's underlying Medicaid eligibility.

**Cost Sharing.** The Amendment will not impact cost sharing. The current benefit packages will remain the same.

**Delivery Systems.** The state is requesting to continue the current adult eligibility group, including the same benefit packages and service delivery systems (Qualified Health Plans (QHPs) and Fee for Service (FFS)). Beneficiaries who are not engaged in their healthcare by not participating in opportunities through their QHP or Success Coach services will be moved from a QHP to FFS. These beneficiaries may move back to a QHP during the annual enrollment period if they are back "on track" and choose a QHP.

**Benefits.** The Amendment proposes to add a new service, focused care coordination, and expands access to existing intensive care coordination services for additional beneficiaries.

- (1) **Focused Care Coordination.** A new care coordination service provided through Success Coaches for beneficiaries aged 19 through 59 enrolled in a QHP but not otherwise engaged in their healthcare or other economic opportunities and:
  - a. With household income at or below 20% FPL;
  - b. With household income between 21% and 80% FPL who have been enrolled in ARHOME for more than 24 months;
  - c. With household income between 81% and 138% FPL who have been enrolled in ARHOME for more than 36 months.
- (2) **Intensive Care Coordination.** Intensive care coordination services available to adults enrolled in Success Life360 HOMEs will be expanded to age 59, as well as to qualifying veterans, regardless of housing status.



### Hypotheses and Evaluation Parameters

Arkansas proposes to utilize the current evaluation design and performance measures that have been approved for Life 360 HOMEs and are relevant to the addition of care coordination under the Amendment. Arkansas intends to build its approach off the following framework.

Goal #	Goal Description	#	Hypothesis Description	Measure #	Measure	Comparison Group
1	Increasing household income	A	Beneficiaries engaged with their Success Coach will experience an increase in household income	1.A.	Change in earnings reported for those who are unemployed (<21% FPL)	Beneficiaries not engaged with a Success Coach
		B	Beneficiaries engaged with their Success Coach will experience an increase in household income	1.B	Change in earnings reported for those who are underemployed (<81% FPL) and enrolled for at least 24 months	Beneficiaries not engaged with a Success Coach
		C	Beneficiaries engaged with their Success Coach will experience an increase in household income	1.C.	Change in earnings reported for those who are above 100% FPL and enrolled for at least 36 months	Beneficiaries not engaged with a Success Coach
2	Improving utilization of services and appropriateness of care	A	Beneficiaries engaged with their Success Coach will have greater use of preventive and other primary care services	2.A.1	CCS, CHL, SPD, CDC, AAP, AMR, CCW	Beneficiaries not engaged with a Success Coach
				2.A.2	PCP Assigned, PCP Visits	Beneficiaries not engaged with a Success Coach
				2.A.3	PCAP Milestone Achievement	Beneficiaries not engaged with a Success Coach
		B	Beneficiaries engaged with their Success Coach will have lower non-emergent use of emergency department services	2.B.1	Non-Emergent ED Visits	Beneficiaries not engaged with a Success Coach
				2.B.2	Emergent ED Visits	Beneficiaries not engaged with a Success Coach



		C Beneficiaries engaged with their Success Coach will have lower use of potentially preventable emergency department services and lower incidence of preventable hospital admissions and readmissions	2.C.1	Preventable ED Visits	Beneficiaries not engaged with a Success Coach
			2.C.2	PCR-AD Plan All-Cause Readmissions	Beneficiaries not engaged with a Success Coach
			2.C.3	FMC Follow-Up After Emergency Department Visit for People with Multiple High-Risk Chronic Conditions	Beneficiaries not engaged with a Success Coach
3	Reducing health-related social needs (HRSN) through intervention	A Beneficiaries engaged with their Success Coach will have fewer health-related social needs and improved HRSN compared to similar beneficiaries who are not engaged with a Success Coach	3.A.1	HRSN Population Comparisons	Beneficiaries not engaged with a Success Coach
		B Beneficiaries engaged with their Success Coach will be screened for unmet HRSN and receive a corresponding intervention if they screen positive	3.B.1	HRSN Screening/Intervention	Beneficiaries not engaged with a Success Coach

### Enrollment and Expenditures

In the aggregate, there is an estimated total reduction of approximately \$60 million to the current budget neutrality limits over the five-year waiver period due to the changes in the amendment. While there will be increased expenditures related to the new focused care coordination services, these costs will be offset by savings generated as unengaged individuals from QHPs move to FFS coverage and as individuals in QHP move to employer sponsored insurance or individually purchased insurance on the Marketplace due to higher income. Detailed enrollment and expenditure data for the waiver can be found in the table below.



<b>Enrollment and Expenditure Impact of Proposed Amendment</b>					
	<b>DY01 (2022)</b>	<b>DY02 (2023)</b>	<b>DY03 (2024)</b>	<b>DY04 (2025)</b>	<b>DY05 (2026)</b>
<b>Current Demonstration</b>					
Current Limit (PMPM)	\$717.25	\$758.85	\$802.86	\$849.43	\$898.69
Original Enrollment	2,970,000	2,787,600	2,815,476	2,843,631	2,872,067
Original Aggregate Expenditures	\$2,130,232,500	\$2,115,370,260	\$2,260,433,061	\$2,415,465,276	\$2,581,097,953
<b>Proposed Amended Demonstration</b>					
Proposed Limit (PMPM)	\$717.25	\$758.85	\$801.08	\$841.99	\$889.95
Proposed Enrollment	2,970,000	2,787,600	2,815,476	2,843,631	2,829,467
Proposed Aggregate Expenditures	\$2,130,232,500	\$2,115,370,260	\$2,255,434,127	\$2,394,309,682	\$2,518,075,266

### Waiver and Expenditure Authorities

Except as otherwise noted below, Arkansas is seeking to continue all existing waiver and expenditure authorities currently documented in the approved special terms and conditions. In addition, the state is requesting the following waiver and expenditure authorities to implement the new initiatives in the amendment request.

<b>Waiver Authorities</b>	
Amount, Duration, and Scope of Services and Comparability (Section 1902(a)(10)(B) and 1902(a)(17))	<ul style="list-style-type: none"> <li>To the extent necessary to enable DHS to offer focused care coordination services and LIFE360 HOME services to the populations as described in this Amendment, which may vary and not otherwise be available to all beneficiaries in the same eligibility group.</li> <li>To the extent necessary to enable DHS to permit differences in delivery system for beneficiaries who are not engaging in their QHP health plan.</li> </ul>
Statewideness (Section 1902(a)(1))	<ul style="list-style-type: none"> <li>To the extent necessary to enable DHS to provide focused care coordination services and LIFE360 HOME services on a less than statewide basis.</li> </ul>
Freedom of Choice (Section 1902(a)(23)(A))	<ul style="list-style-type: none"> <li>To the extent necessary to enable DHS to limit beneficiaries' freedom of choice with respect to Life360 HOME Services.</li> <li>To the extent necessary to enable Arkansas to limit the freedom of choice of providers for Focused Care Coordination services to staff employed by the Arkansas Department of Human Services or other entities, including state agencies, under contract for such services.</li> </ul>





Expenditure Authorities	
Expenditures for Care Coordination and Life360 HOMES Services	<ul style="list-style-type: none"> <li>Expenditure authority is requested for the focused care coordination services provided by Success Coaches under this Amendment request and the services provided by Success Life360 HOMES to beneficiaries in the expanded targeted age group.</li> </ul>

**Public Notice and Comment Process**

The proposed amendment request is available for public review on the DHS website at <https://humanservices.arkansas.gov/rules/arhome/>.

In addition, the draft documents are also available for hard copy review at the Department of Human Services (DHS) Office of Rules Promulgation, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P.O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437.

During the 30-day public comment period which runs from April 23, 2023 to May 23, 2023, the public is invited to provide written comments to DHS via US postal service or electronic mail, as well as make comments verbally during the two public hearings.

DHS will hold two public hearings on the following dates, times, and locations:

Public Hearing #1 ARHOME Advisory Panel	Public Hearing #2 General Public Forum
April 27, 2023 9:00 a.m. CST Department of Human Services (DHS) Donaghey Plaza South Building 700 Main Street Little Rock, Arkansas 72203  <b>Also available for virtual participation:</b> Zoom Link: <a href="https://us02web.zoom.us/j/81546218866">https://us02web.zoom.us/j/81546218866</a> Zoom Dial-In: +1 312 626 6799 Meeting ID: 815 4621 8866	May 5, 2023 11:00 a.m. CST Mercy Physicians Plaza MPP Board Room 2708 Rife Medical Lane Rogers, Arkansas 72758  <b>Also available for virtual participation:</b> Zoom Link: <a href="https://us02web.zoom.us/j/88581818690">https://us02web.zoom.us/j/88581818690</a> Zoom Dial-In: +1 312 626 6799 Meeting ID: 885 8181 8690

Interested persons should submit all written comments to DHS on the proposed amendment on or before **May 23, 2023**.

Comments can be submitted via email to [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov) or by mail to Department of Human Services (DHS) Office of Rules Promulgation, 2nd Floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437.

Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter’s name and any personal information contained within the public comment, will be made publicly available.



STATE OF ARKANSAS  
Department of Human Services

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated and managed and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color or national origin.

If you need a copy of the draft amendment or public notice documents in a different format, such as large print or in hard copy, contact the Office of Rules Promulgation at 501-320-6428.