

Arkansas Medicaid Sustainability Review Process

Summary of Baseline / Expenditure
Trends

February 5, 2024



Data Workbook Overview

Notes:

1. The following workbook outlines data trends based on data received from DMS and Optum.
2. The main workbook (slides 3-51) includes:
 - Service expenditures based on fee-for-service (FFS) claims data by date of payment (DOP)
 - Capitulations by date of capitation month
 - Day Treatment Transportation and supplemental, cost settlement, and access payment expenditures by DOP
3. The appendix (slides 52-75) includes:
 - Service expenditures based on reported encounters, as reported by managed care organizations (MCOs), by date of service (DOS)
4. Data sources are included on each slide.

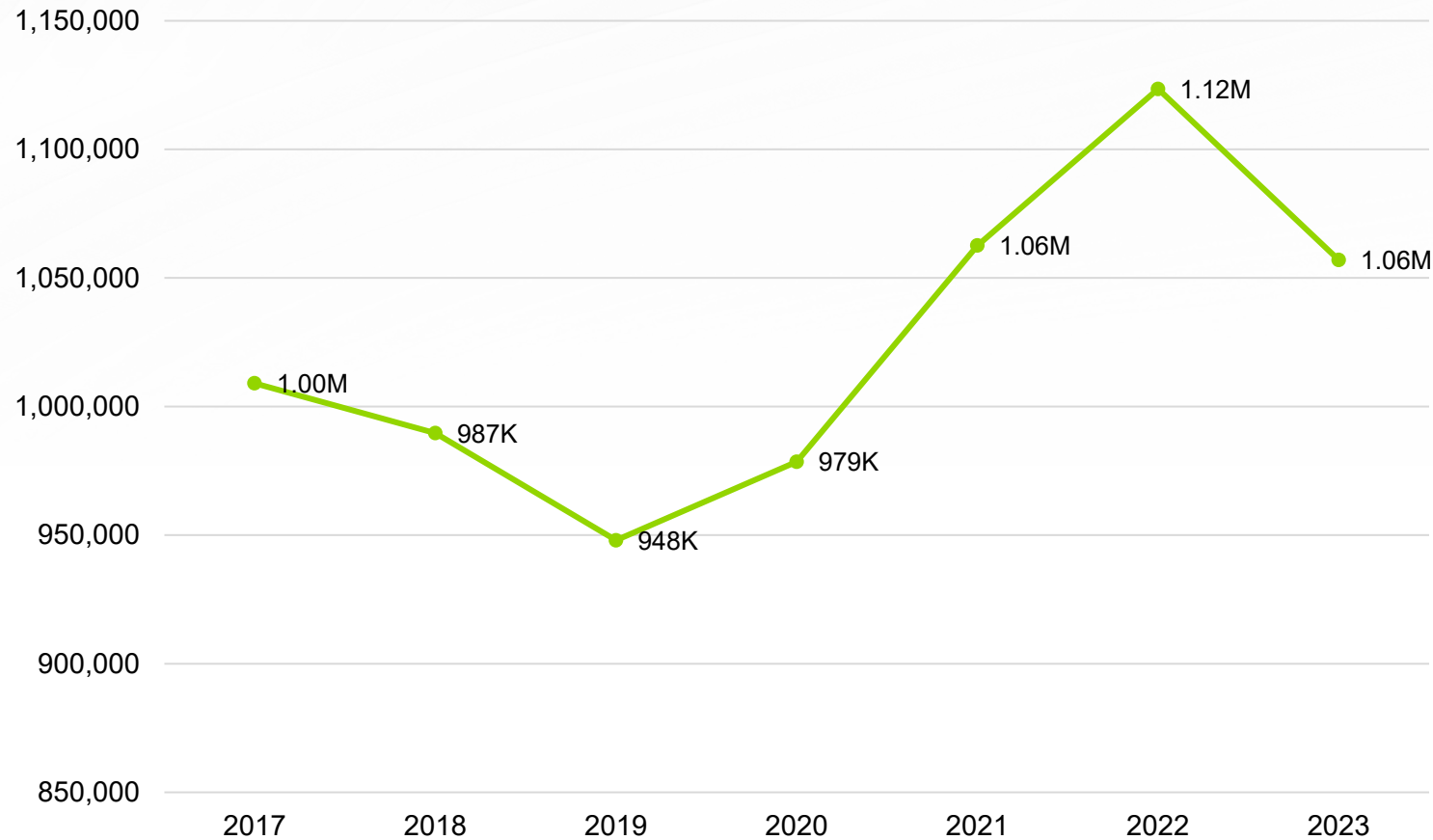
Contents:

1. Overall Enrollment and Expenditure Trends (*Slides 3-7*)
2. Inpatient Psychiatric Services (*Slides 8-9*)
3. Non-Institutional Medical Services (*Slides 10-19*)
4. Long-Term Services and Supports (*Slides 20-25*)
5. Habilitative and Rehabilitative Services (*Slides 26-32*)
6. Pharmacy (*Slides 33-34*)
7. Capitated Payments (*Slides 35-39*)
8. Provider-Led Arkansas Shared Savings Entity (PASSE) Program (*Slides 40-41*)
9. Day Treatment Transportation and Non-Emergency Transportation (*Slides 42-44*)
10. Supplemental, Cost Settlement, and Access Payments (*Slides 45-51*)
11. Appendix (*Slides 52-75*)

Overall Enrollment and Expenditure Trends

Overall Medicaid Enrollment

Overall Medicaid Enrollment, SFY 2017-2023



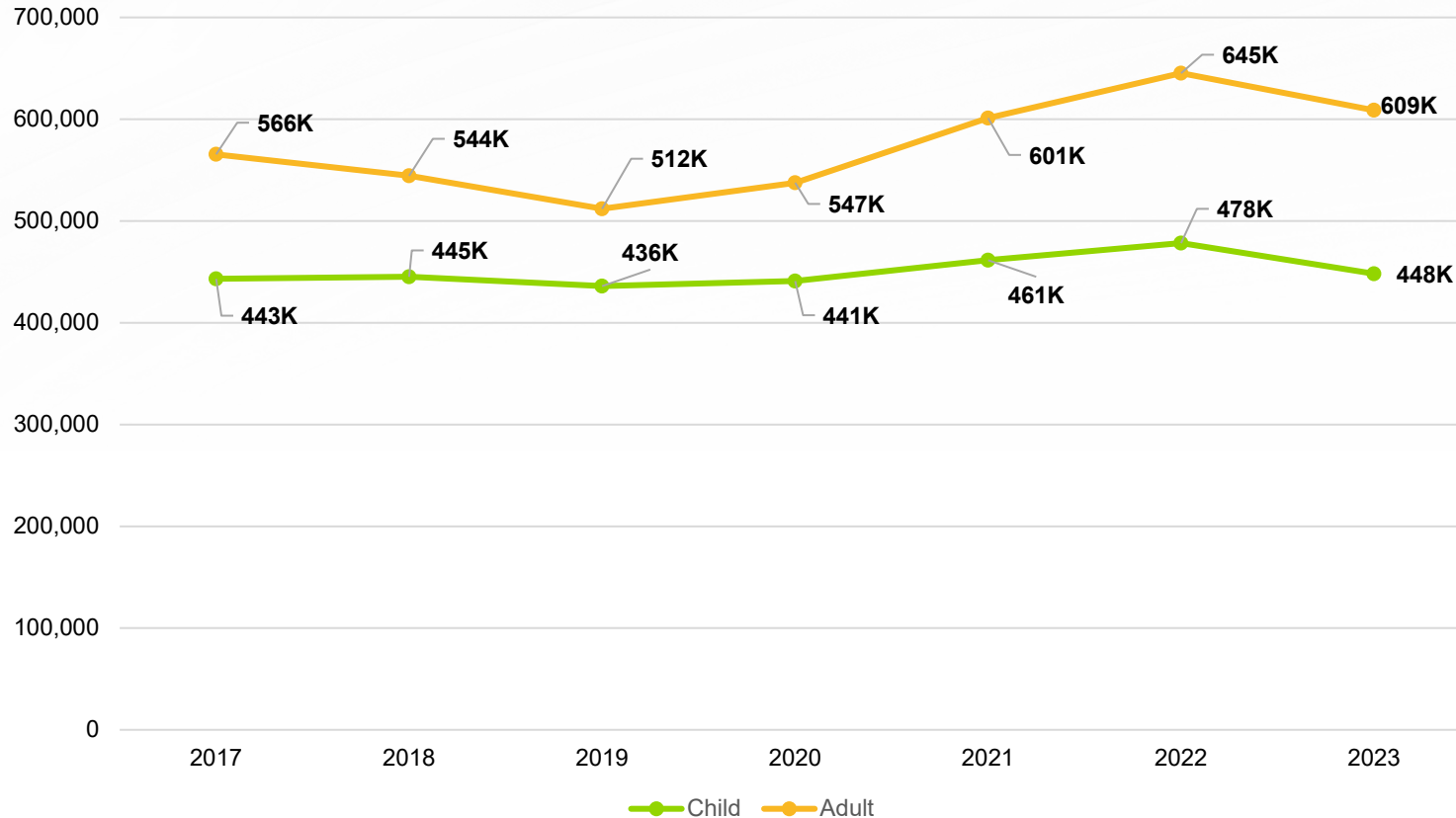
KEY HIGHLIGHTS

- Enrollment increased approximately 24% between SFY 2019 and SFY 2022 due to the Public Health Emergency and maintenance of effort requirements
- Enrollment has begun to decline in SFY 23 due to the end of the maintenance of effort requirements

Source: Data provided by DMS. Point in time eligibility as of June 30 each year.

Overall Medicaid Enrollment by Age Group

Enrollment by Age Group, SFY 2017-2023



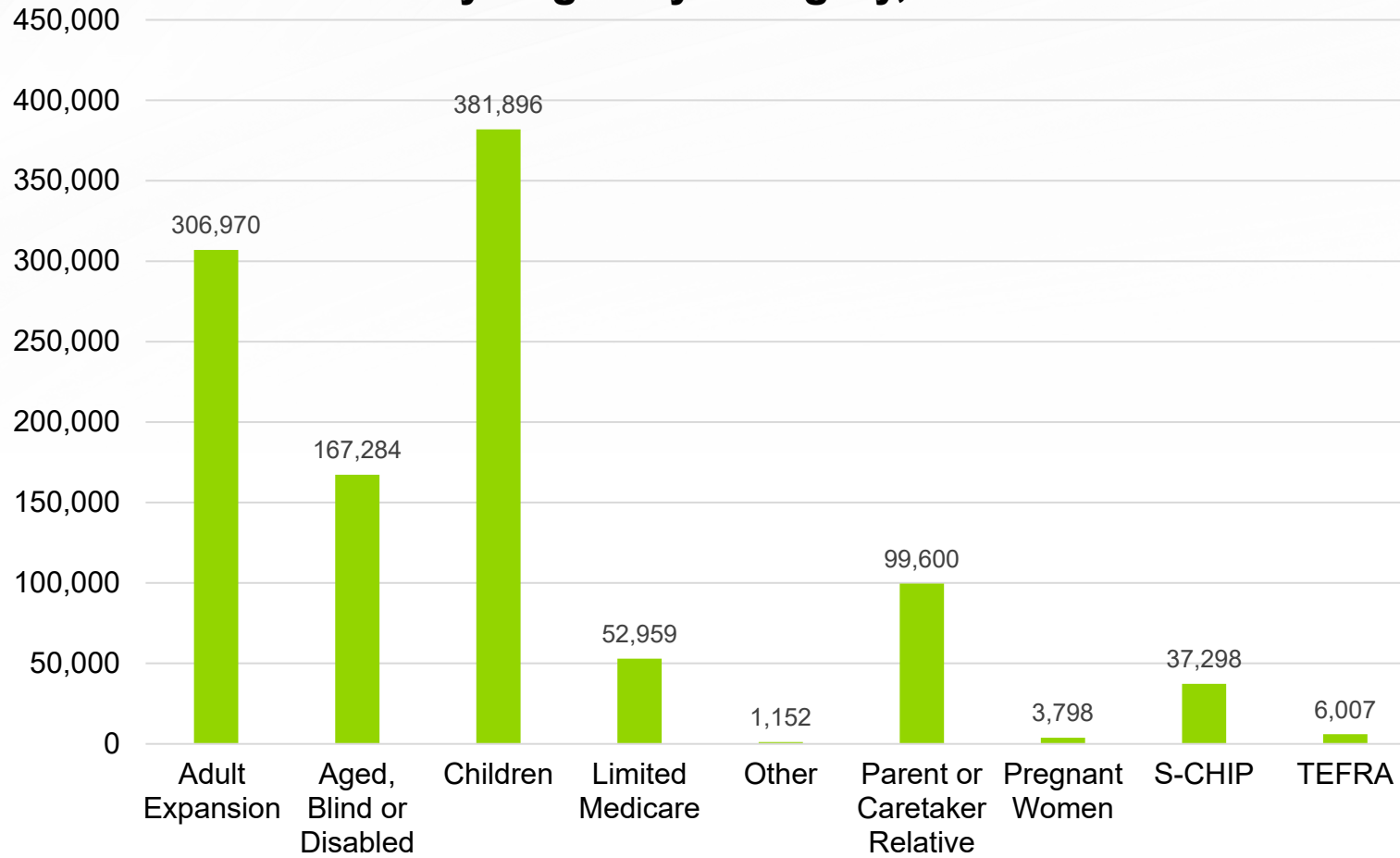
KEY HIGHLIGHTS

- Adult enrollment reached a 5-year high in SFY 2022 at 645,241 beneficiaries
- Child enrollment also reached a 5-year high at nearly 500K beneficiaries in SFY 2022

Source: Data provided by DMS. Point in time eligibility as of June 30 each year.

Enrollment by Eligibility Category

Enrollment by Eligibility Category, SFY 2023*



KEY HIGHLIGHTS

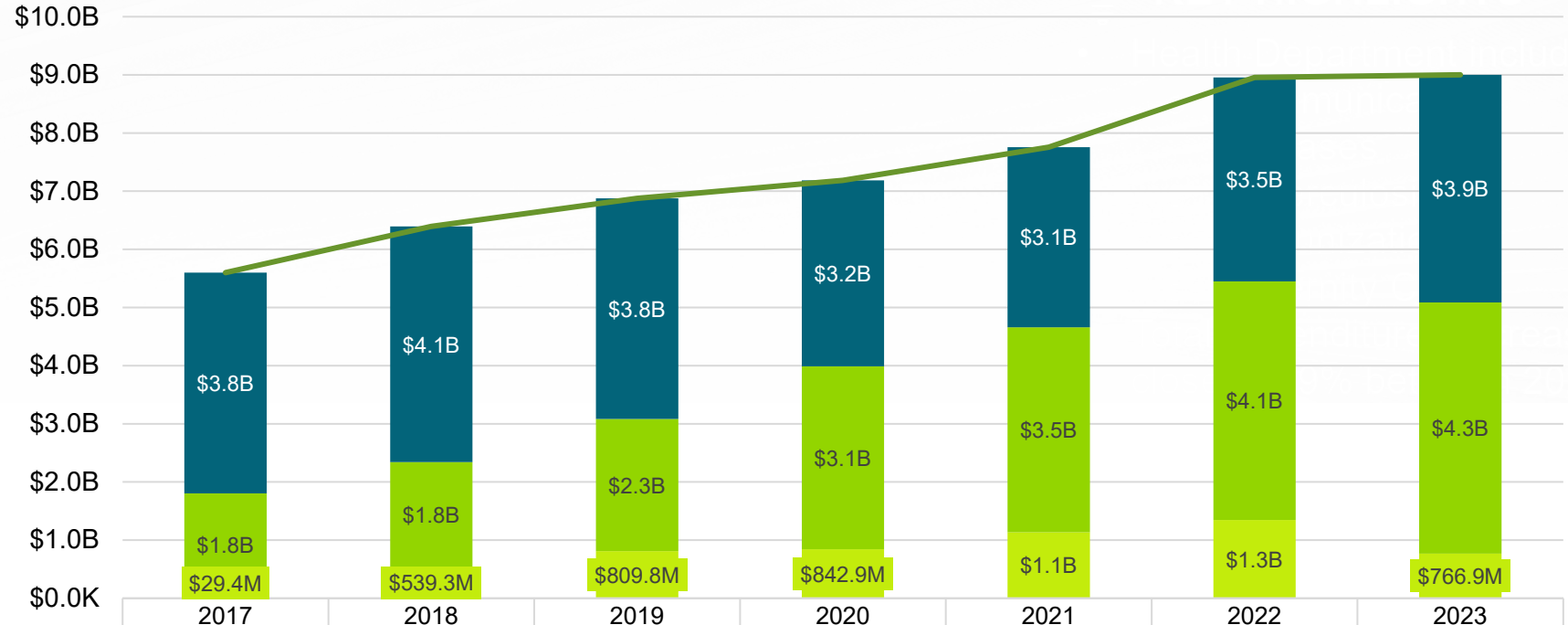
- “Adult Expansion” and “Children” comprise the largest proportions of the Medicaid population

Source: Data provided by DMS. Point in time eligibility as of June 30, 2023.

*Children are also included in other eligibility categories (e.g., S-CHIP, Aged, Blind, or Disabled, TEFRA).

Total Medicaid Expenditures

Total Medicaid Expenditures, SFY 2017-2023



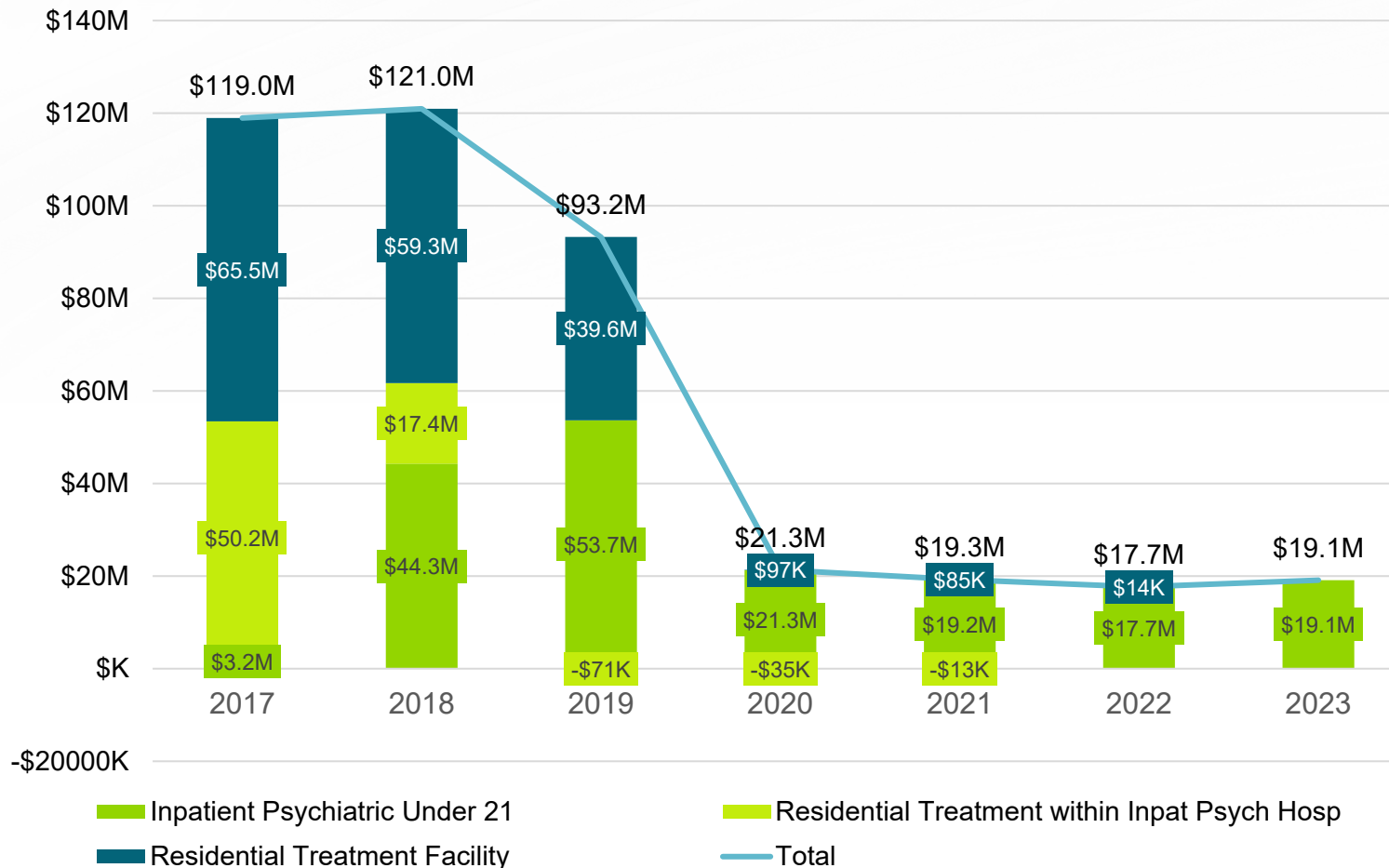
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Fee-for-Service Claims | \$3,797,233,571 | \$4,052,189,055 | \$3,794,479,148 | \$3,198,137,277 | \$3,097,979,553 | \$3,506,351,574 | \$3,912,032,939 |
| Capitated Programs | \$1,773,224,313 | \$1,802,448,879 | \$2,272,424,268 | \$3,145,691,993 | \$3,523,805,073 | \$4,103,088,423 | \$4,320,565,771 |
| Supplementals, Cost Settlements, & Access Payments | \$29,439,067 | \$539,272,916 | \$809,785,778 | \$842,930,479 | \$1,135,313,808 | \$1,345,701,181 | \$766,942,235 |
| Total | \$5,599,896,951 | \$6,393,910,851 | \$6,876,689,195 | \$7,186,759,749 | \$7,757,098,434 | \$8,955,141,178 | \$8,999,540,946 |

Source: Data provided by Optum. File: "14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" received 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23. Capitated programs expenditures provided by DHS on 2/5/24. FFS data summarized by DOP, capitated programs data summarized by date of capitation month, supplementals, cost settlements & access payments summarized by DOP. The amount for supplementals, cost settlements, & access payments for SFY 2017 appears to be incomplete. Non-claim based payments are excluded from the total Medicaid expenditures.

Inpatient Psychiatric Services

Psychiatric Facility - Inpatient

Psychiatric Facility – Inpatient FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



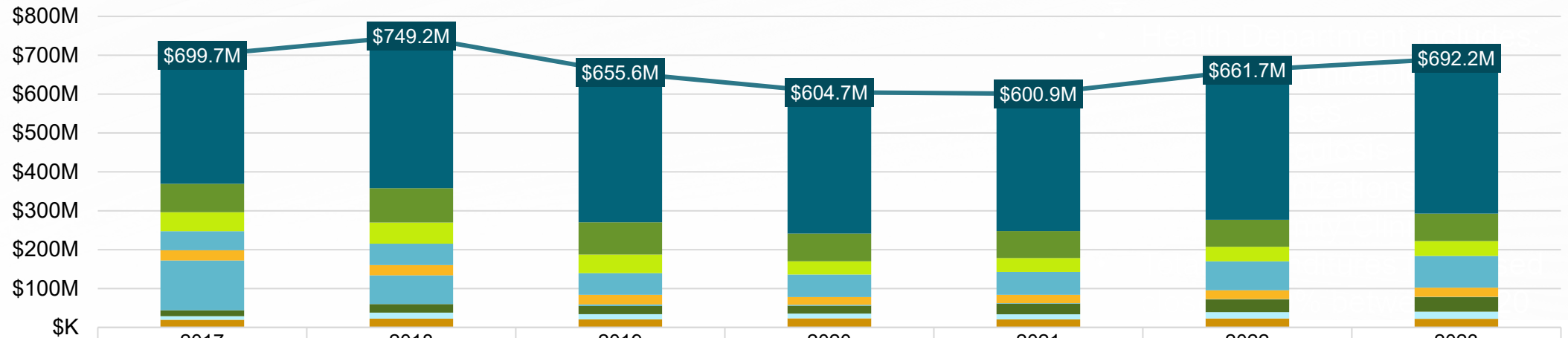
KEY HIGHLIGHTS

- Total FFS expenditures decreased by over 82% from SFY 2019 to SFY 2020, with the transition of many inpatient psychiatric services to the PASSE program.
- The way in which inpatient psychiatric facility expenditures are reported has shifted significantly.
- Residential Treatment Facility and Inpatient Psychiatric Hospital have both decreased significantly, while Inpatient Psychiatric Under 21 is now the contributor of FFS expenditures for Psychiatric Facility – Inpatient in SFY 2023.

Non-Institutional Medical Services

Non-Institutional - Total FFS Expenditures

Non-Institutional Medical Services, Total FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



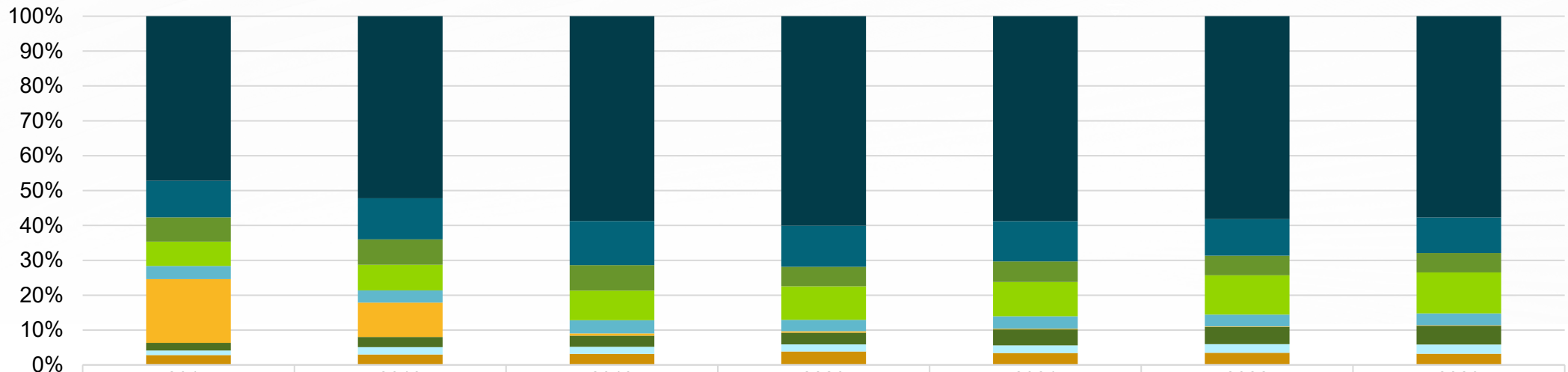
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Physician / NP | \$330.2M | \$391.2M | \$385.2M | \$363.2M | \$353.1M | \$385.0M | \$399.4M |
| DME | \$73.2M | \$88.0M | \$82.9M | \$71.2M | \$69.3M | \$69.2M | \$70.5M |
| Transportation - Ambulance | \$48.8M | \$54.6M | \$47.9M | \$34.0M | \$35.6M | \$37.4M | \$38.5M |
| FQHC / RHC | \$48.8M | \$55.1M | \$55.6M | \$58.1M | \$59.0M | \$74.6M | \$81.4M |
| Optometrist / Optical Dispensing | \$26.4M | \$26.3M | \$24.8M | \$19.7M | \$21.4M | \$22.4M | \$23.5M |
| Dental | \$127.9M | \$73.8M | \$4.2M | \$2.5M | \$1.3M | \$936K | \$853K |
| Radiology / X-Ray / Lab | \$15.3M | \$22.0M | \$21.0M | \$20.4M | \$27.3M | \$32.7M | \$37.3M |
| ASC | \$9.3M | \$15.5M | \$13.3M | \$12.2M | \$13.2M | \$16.3M | \$18.5M |
| Other* | \$19.8M | \$22.7M | \$20.8M | \$23.4M | \$20.6M | \$23.1M | \$22.2M |
| Total | \$699.7M | \$749.2M | \$655.6M | \$604.7M | \$600.9M | \$661.7M | \$692.2M |

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*Other encompasses the following: Medicare Crossovers, School-Based, Case Management, Health Department, and Chiropractor, EPSDT, Audiologist, Nurse Midwife, CRNA, and Podiatry.

Non-Institutional - Distribution of FFS Expenditures

Non-Institutional Medical Services Total FFS Expenditure Percentages (By DOP), SFY 2017-2023 (Claims Only)



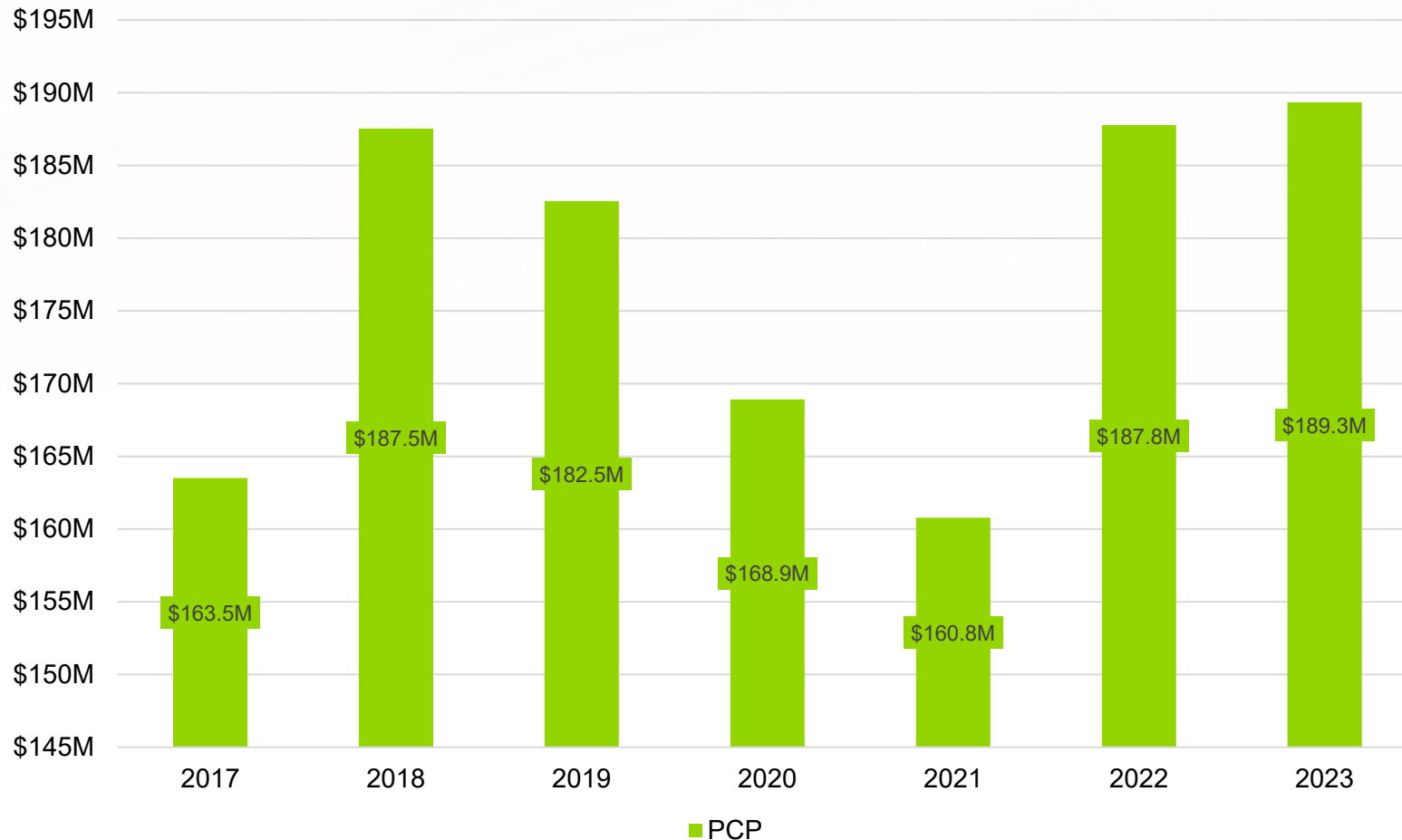
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|------|------|------|------|------|------|------|
| Physician / NP | 47% | 52% | 59% | 60% | 59% | 58% | 58% |
| DME | 10% | 12% | 13% | 12% | 12% | 10% | 10% |
| Transportation - Ambulance | 7% | 7% | 7% | 6% | 6% | 6% | 6% |
| FQHC / RHC | 7% | 7% | 8% | 10% | 10% | 11% | 12% |
| Optometrist / Optical Dispensing | 4% | 4% | 4% | 3% | 4% | 3% | 3% |
| Dental | 18% | 10% | 1% | 0% | 0% | 0% | 0% |
| Radiology / X-Ray / Lab | 2% | 3% | 3% | 3% | 5% | 5% | 5% |
| ASC | 1% | 2% | 2% | 2% | 2% | 2% | 3% |
| Other* | 3% | 3% | 3% | 4% | 3% | 3% | 3% |

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*Other encompasses the following: Medicare Crossovers, School-Based, Case Management, Health Department, and Chiropractor, EPSDT, Audiologist, Nurse Midwife, CRNA, and Podiatry.

Primary Care Physicians (PCP)

PCP FFS Expenditures (By DOP), SFY 2017-2023
(Claims Only)

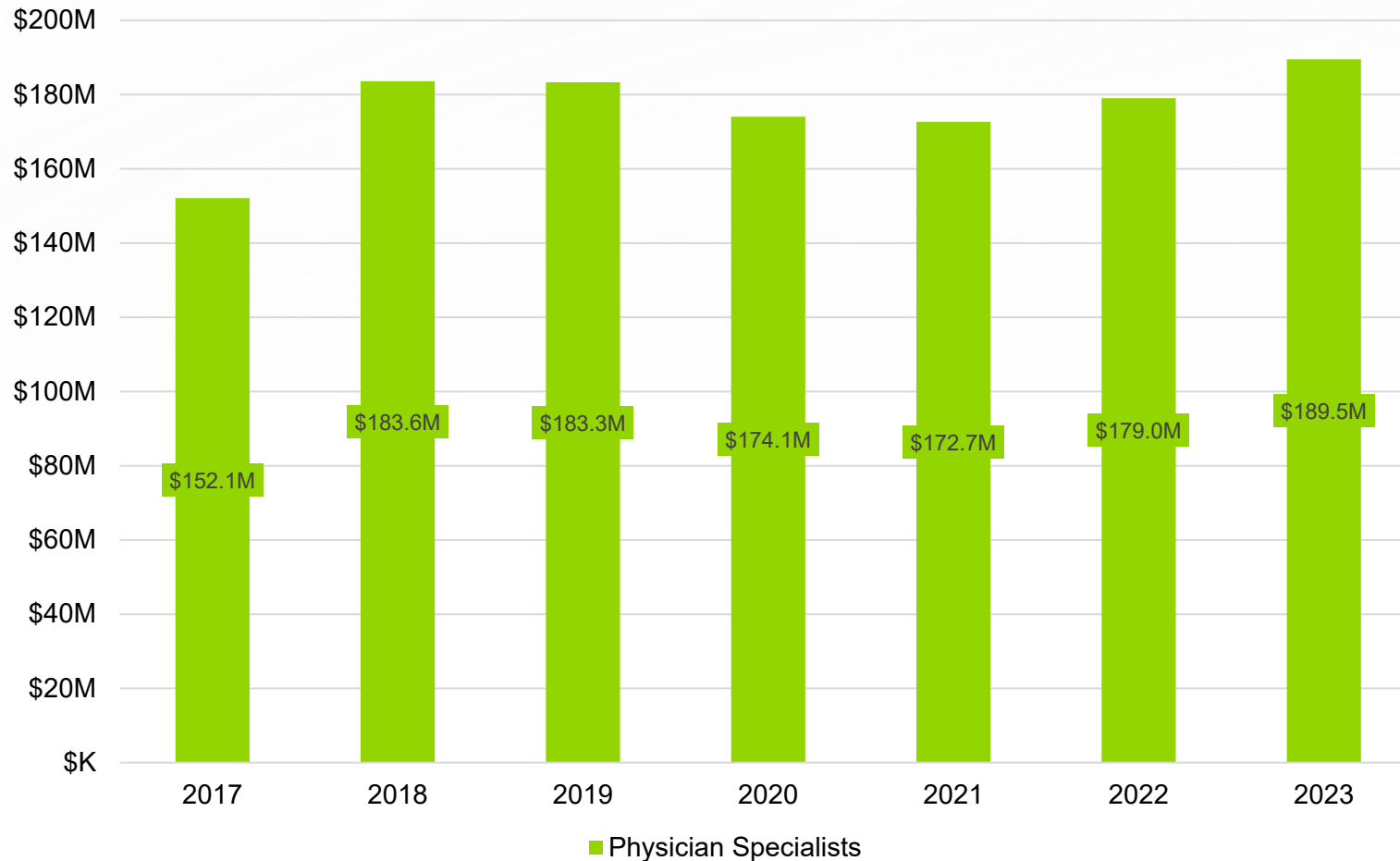


KEY HIGHLIGHTS

- PCPs include the following provider specialty types:
 - EPSDT
 - Family Practice
 - General Practice
 - Internal Medicine
 - Pediatrics

Physician Specialists

Physician Specialist FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



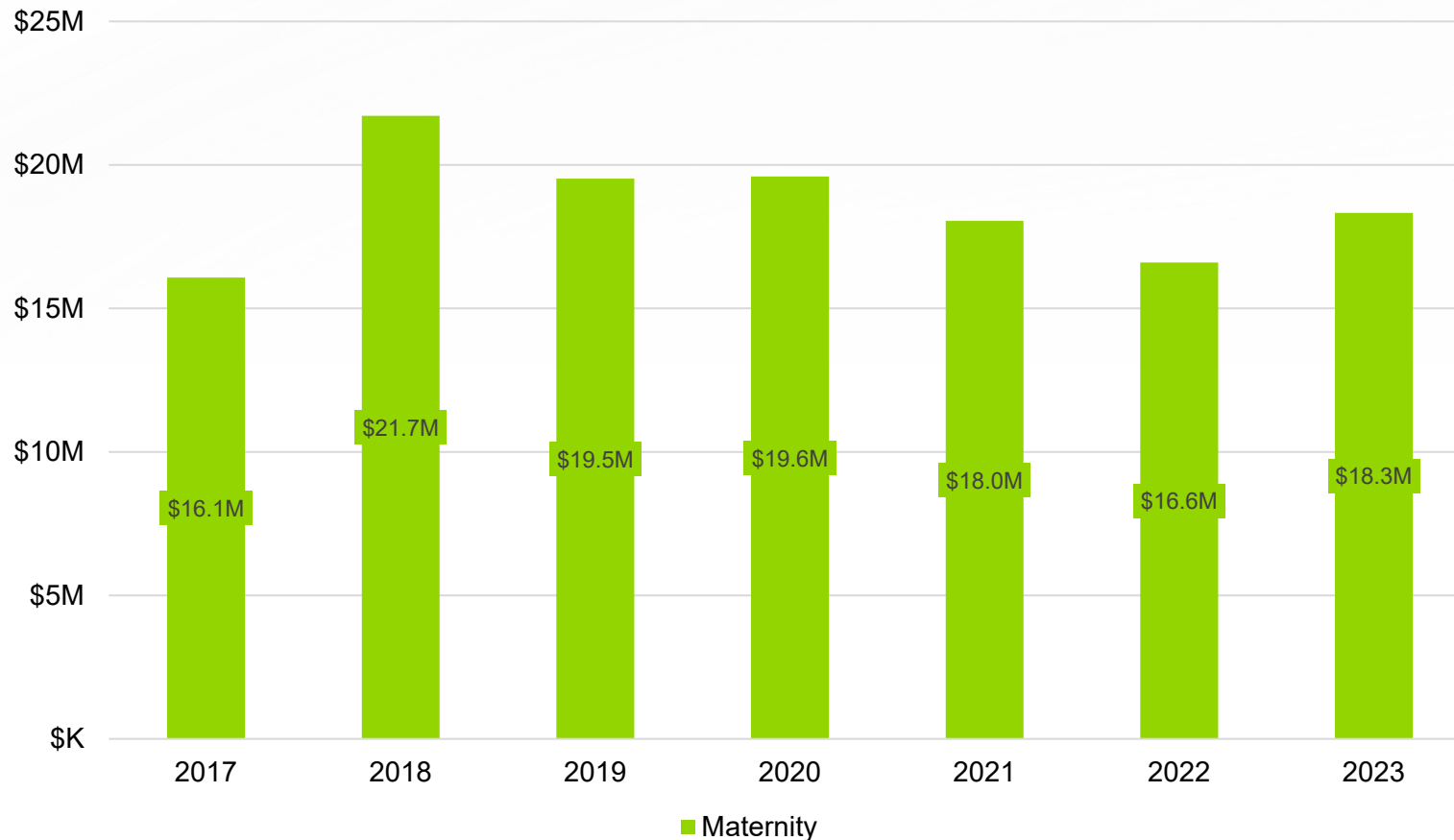
KEY HIGHLIGHTS

- Physician Specialists encompass many billing specialties including but not limited to:
 - Cardiovascular disease
 - Dermatology
 - Geriatrics
 - Nephrology
 - Neurology
 - Surgery
 - Urology

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

Maternity Practitioners

Maternity Practitioners FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)

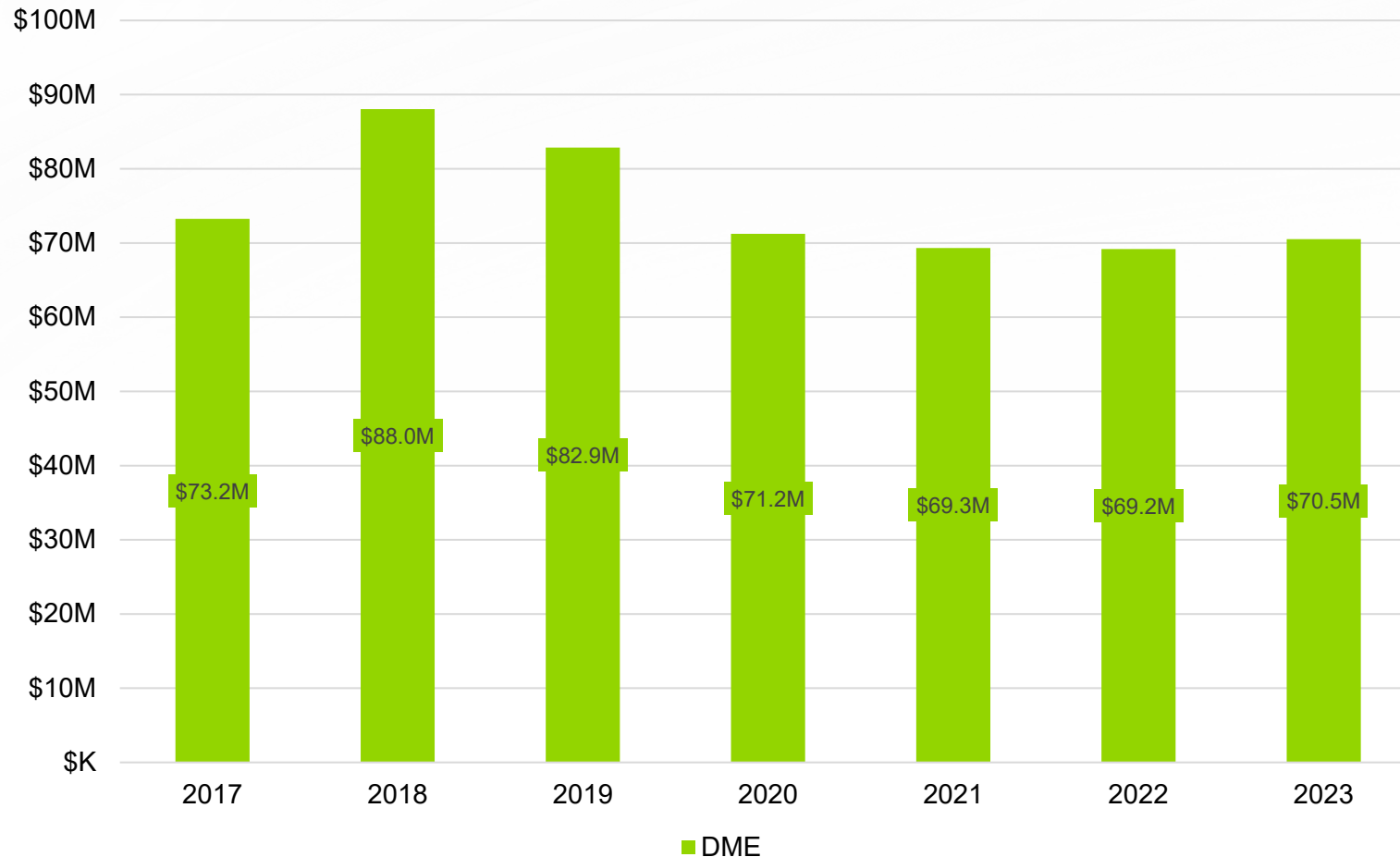


KEY HIGHLIGHTS

- Maternity practitioners include:
 - Gynecology Obstetrics
 - Family Planning
 - Nurse Midwife
- Total FFS expenditures were on a downward trend from SFY 2018 to SFY 2022, decreasing approximately 24%. The spend increased approximately 10% from SFY 2022 to SFY 2023.

Durable Medical Equipment (DME)

**DME FFS Expenditures (By DOP), SFY 2017-2023
(Claims Only)**



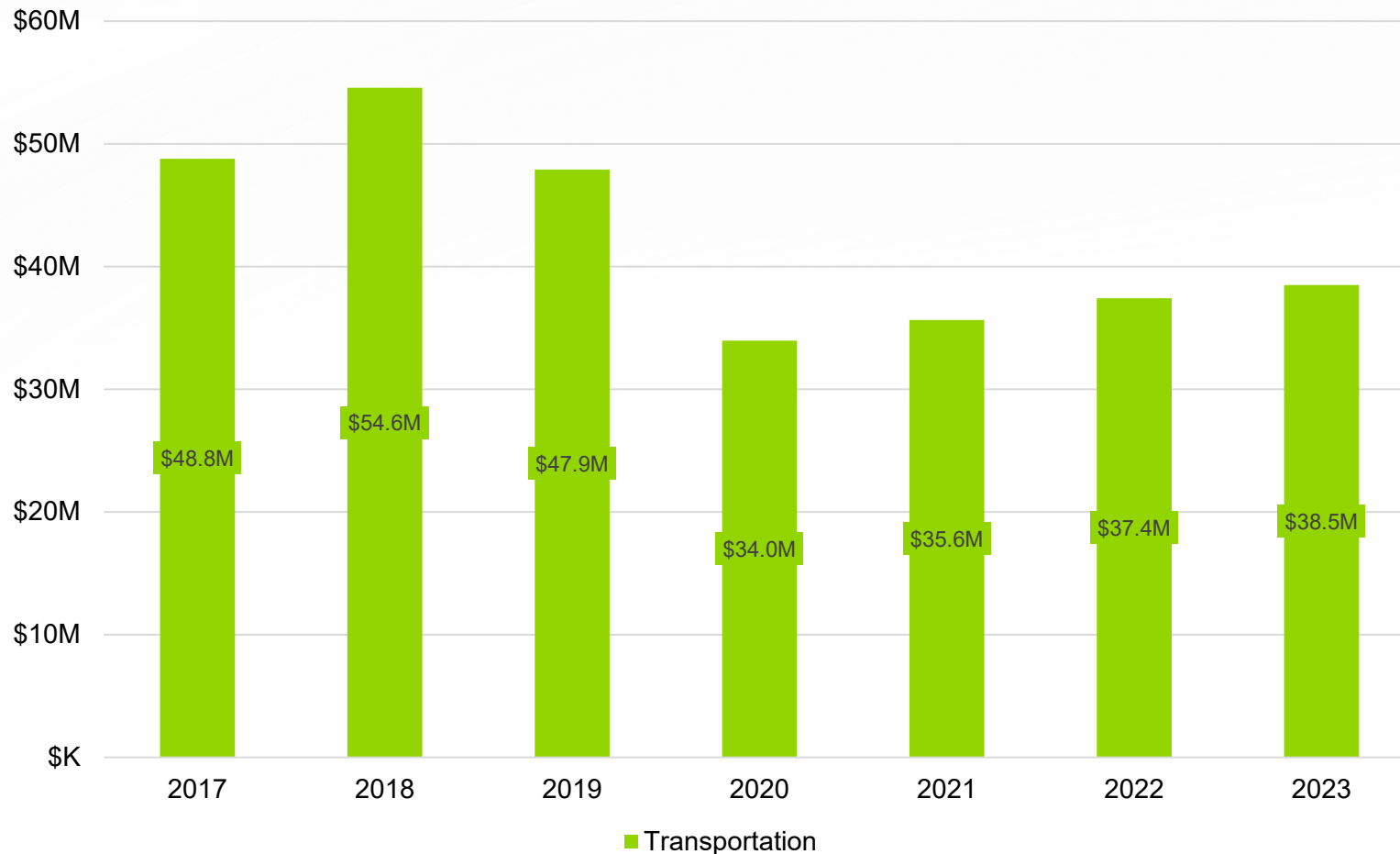
KEY HIGHLIGHTS

- DME includes:
 - Prosthetic Devices
 - DME Oxygen
 - Orthotic Appliances
 - Denture Laboratory

- Total DME expenditures decreased approximately 4% between SFY 2017 and SFY 2023.

Transportation - Ambulance

Transportation FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



KEY HIGHLIGHTS



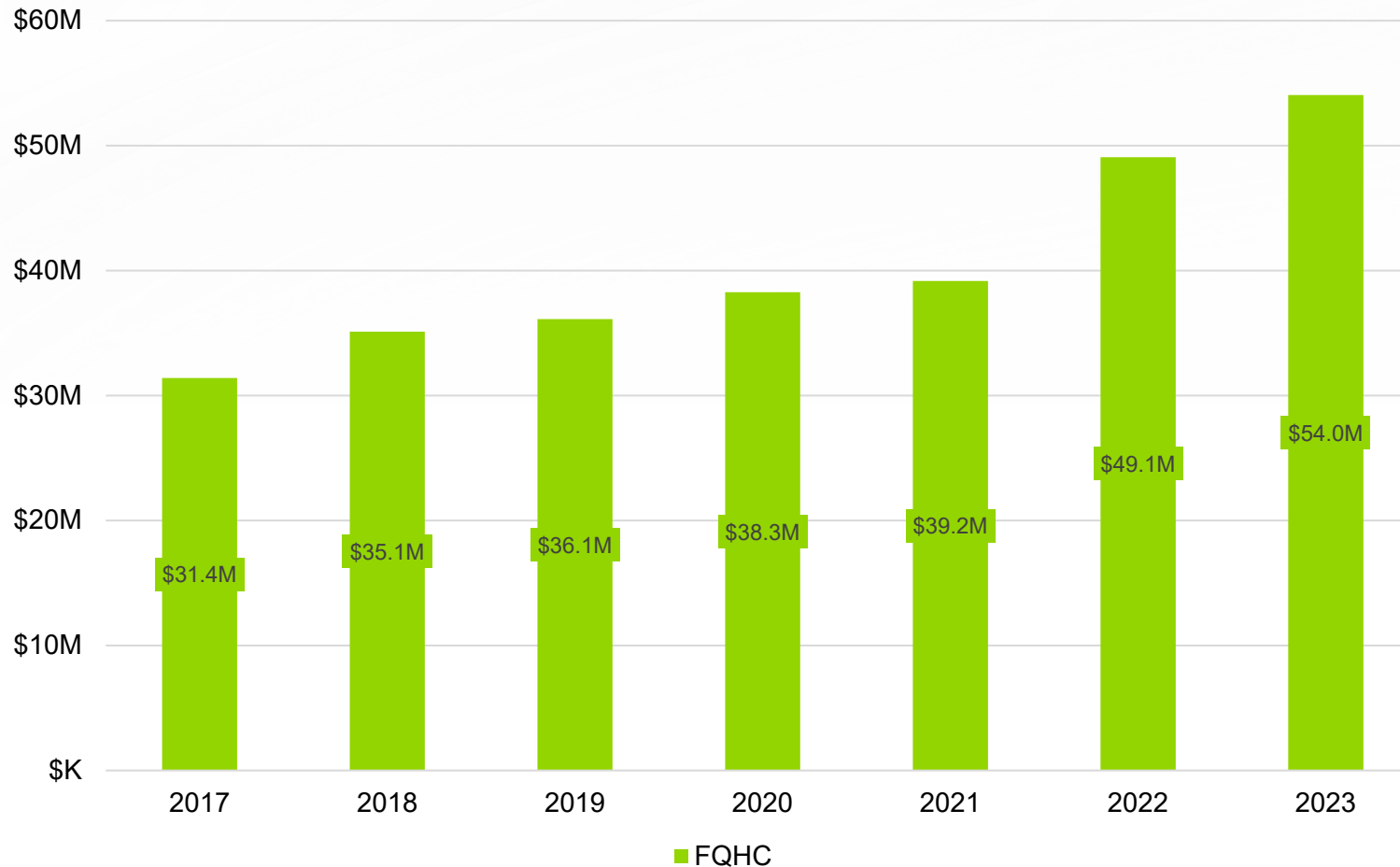
Transportation includes:

- Ambulance, emergency
- Ambulance, non-emergency
- Advanced Life Support with EKG
- Advanced Life Support without EKG
- Ambulance, helicopter
- Ambulance, fixed wing
- Nonprofit
- Non-Public

- Total FFS transportation expenditures have decreased nearly 21% since SFY 2017, the largest contributor being a decrease in Non-Public ambulance expenditures.

Federally Qualified Health Centers (FQHC)

FQHC FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)

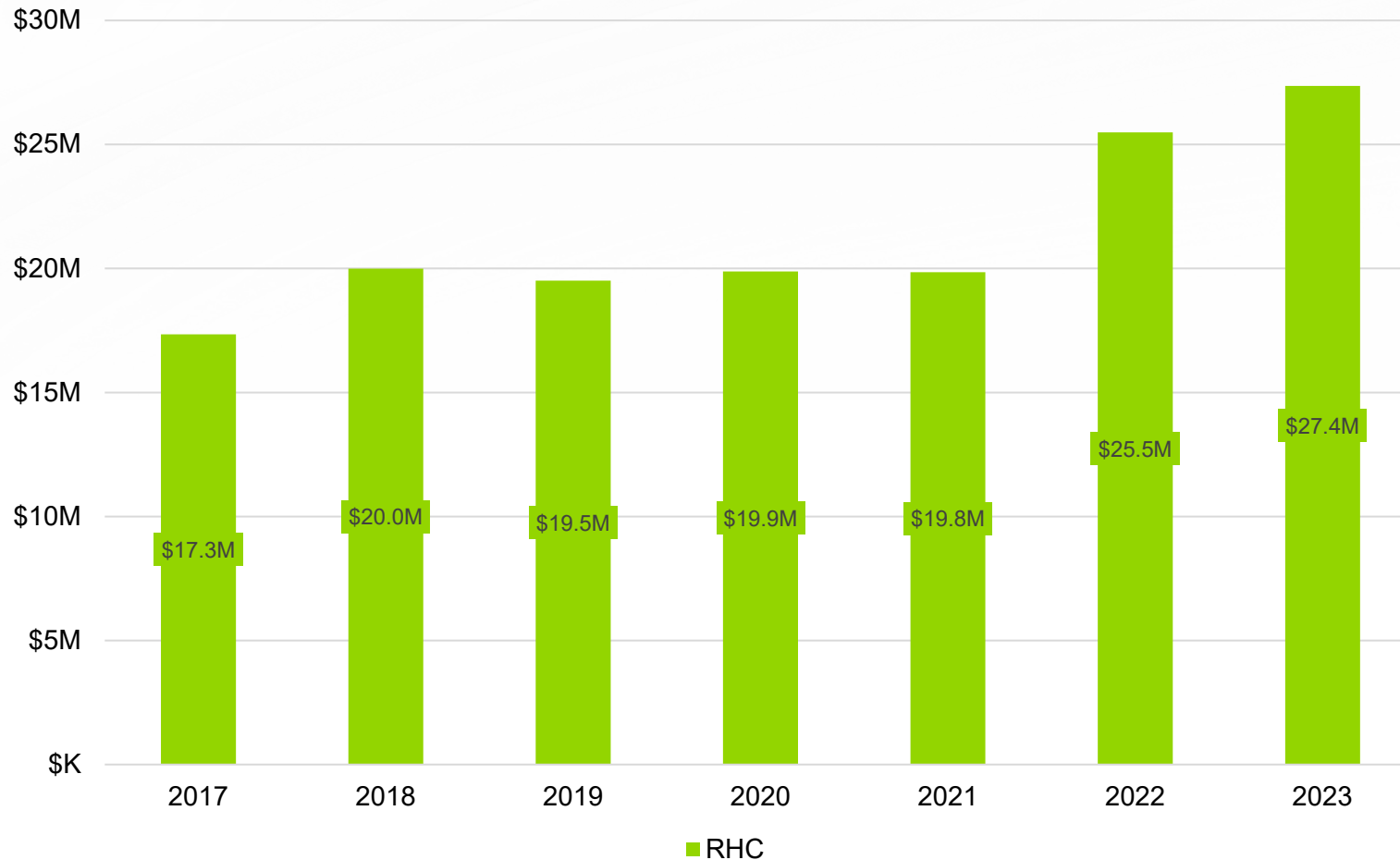


KEY HIGHLIGHTS

- Total FQHC FFS expenditures have increased close to 72% between SFY 2017 and SFY 2023.

Rural Health Clinics (RHC)

RHC FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



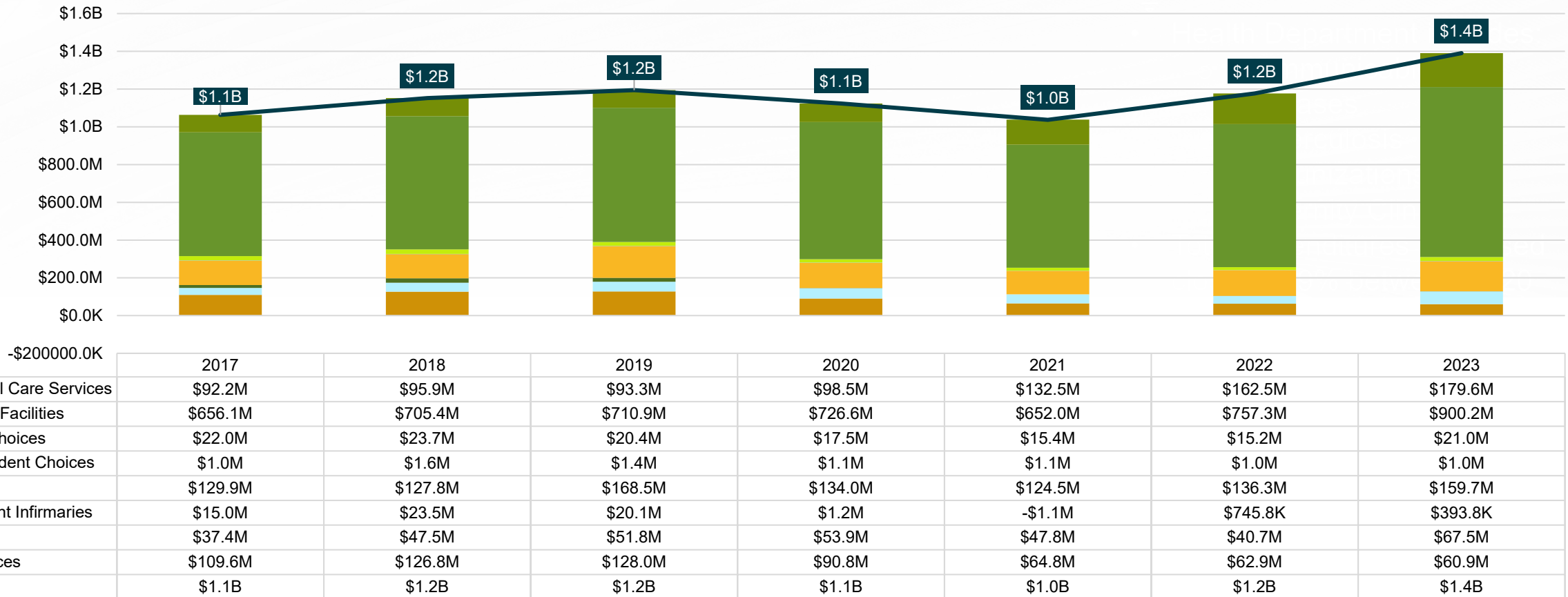
KEY HIGHLIGHTS

- Similar to FQHCs, total RHC FFS expenditures have been on an upward trend, with expenditures increasing close to 58% between SFY 2017 and SFY 2023.

Long-Term Services and Supports

Long-Term Services and Supports - Total FFS Expenditures

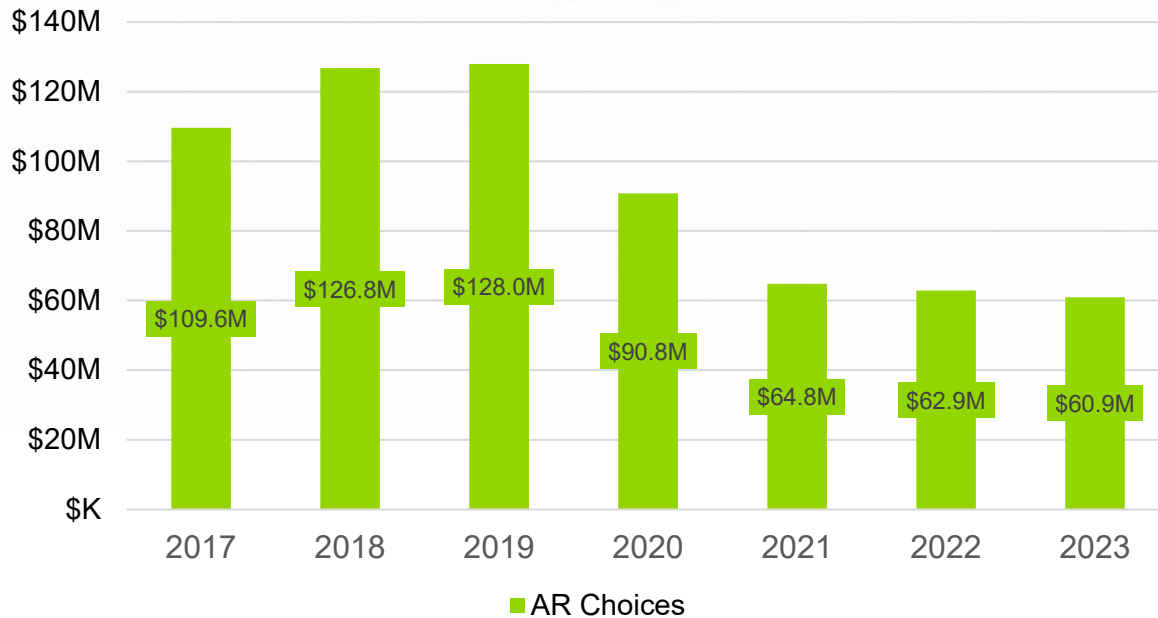
Long-Term Services and Supports FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



Source: Data provided by Optum. File: "14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

HCBS Waivers for Aging & Adult Expenditures

AR Choices FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



Living Choices FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



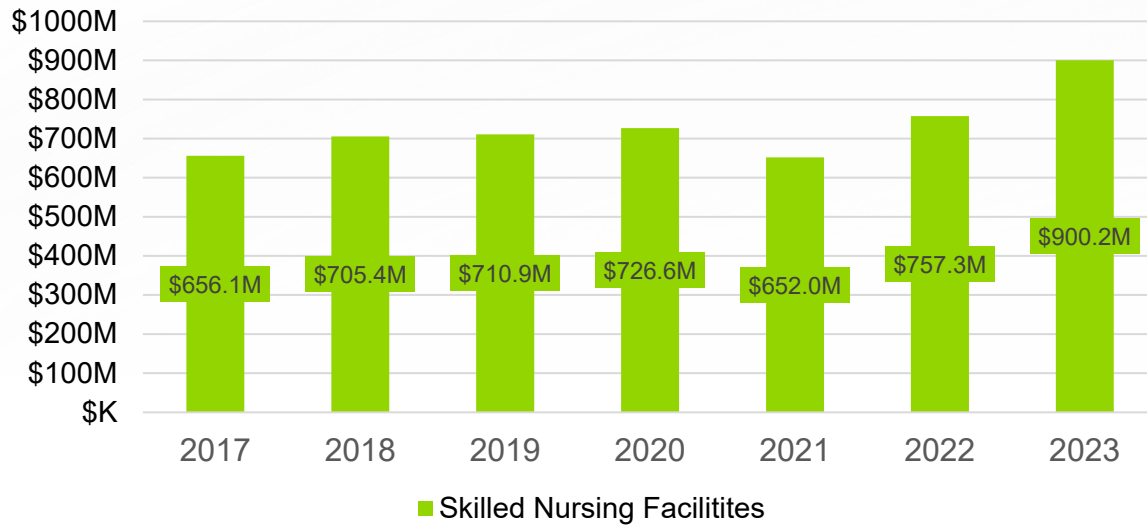
- The AR Choices waiver expenditures have been decreasing since SFY 2019 and expenditures have nearly halved between SFY 2017 and SFY 2023.
- The Living Choices waiver had a decrease in expenditures during SFY 2020-2022 (during COVID-19 pandemic years), but expenditures in SFY 2023 returned to pre-pandemic years.

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

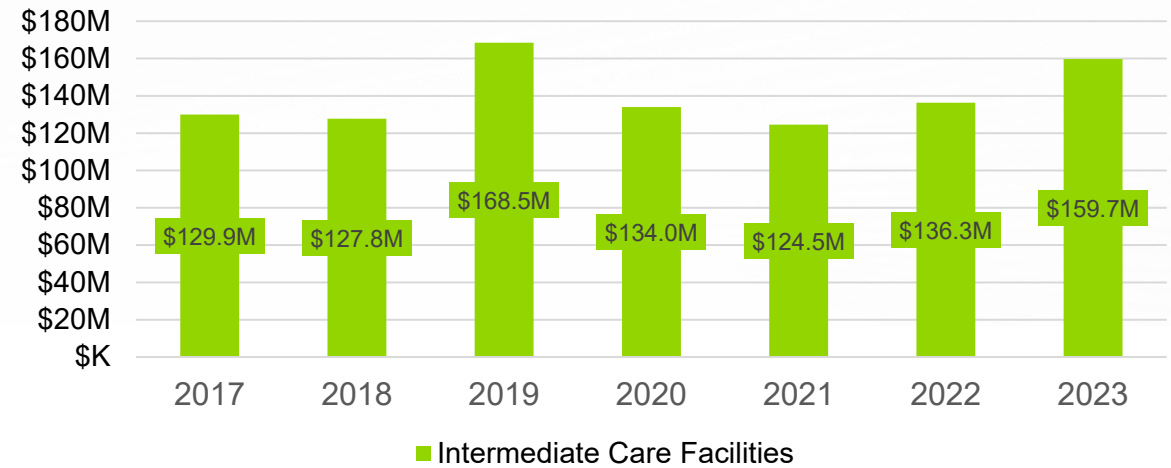
*AR Choices includes data across all service provider types. Services labeled as "APD" were mapped to AR Choices.

Long Term Care Facilities Expenditures

Skilled Nursing Facilities FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



Intermediate Care Facilities for Individuals with Intellectual Disabilities FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



- Skilled Nursing Facilities experienced a 37% increase and Intermediate Care Facilities for Individuals with Intellectual Disabilities experienced a 23% increase in expenditures between SFY 2017 and SFY 2023.

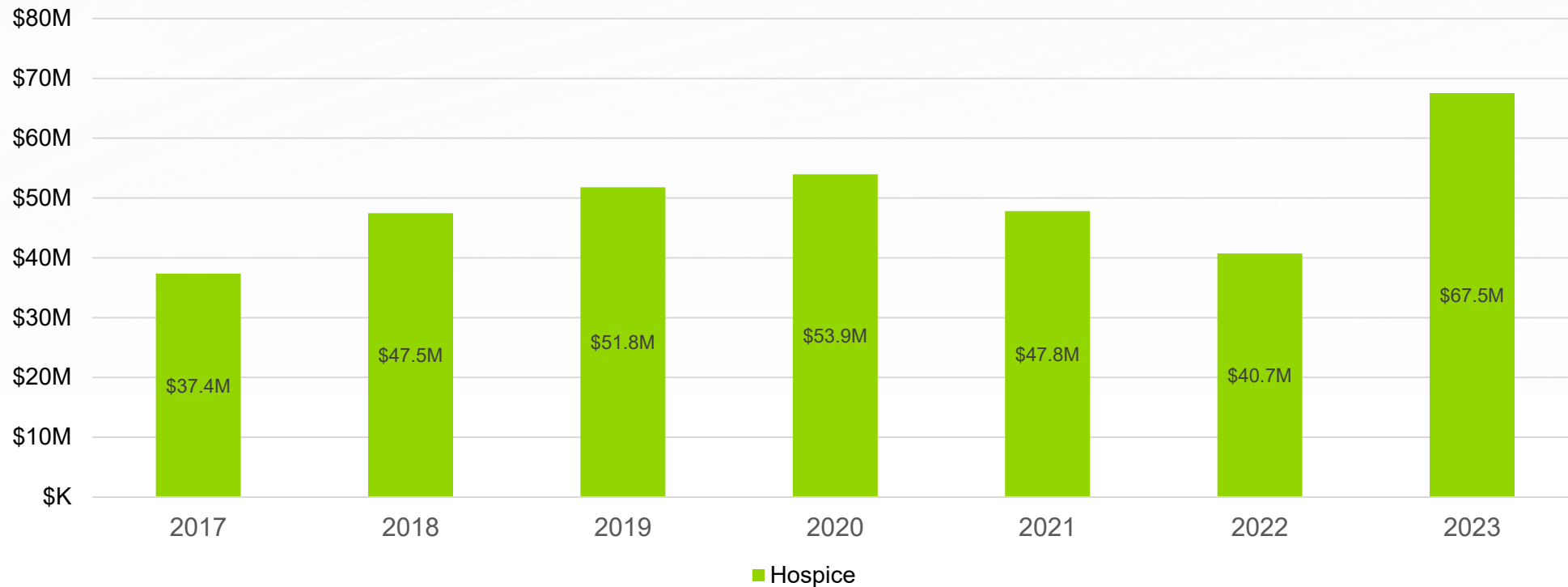
Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*SNF includes SNF provider type and the following provider specialty types: Skilled Nursing Facility, Skilled Nursing Facility - Special Services, General Practice, Family Practice, Internal Medicine, Emergency Medicine.

*ICF includes ICF for Individuals with Intellectual Disabilities provider type and the following provider specialty types: Intermediate Care Facil- Intellectual Disabilities, Intermediate Care Facil - Infant Infirmaries, General Practice.

Hospice Expenditures

Hospice FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



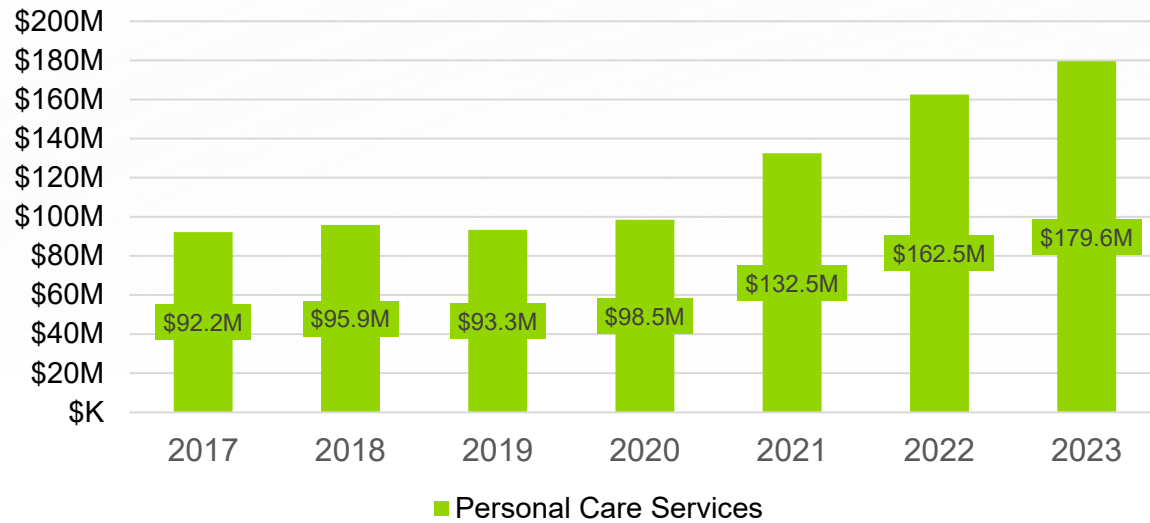
- Hospice costs have increased approximately 80% between SFY 2017 and SFY 2023.
- Nursing home hospice accounts for 87% of the total hospice expenditures.*

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

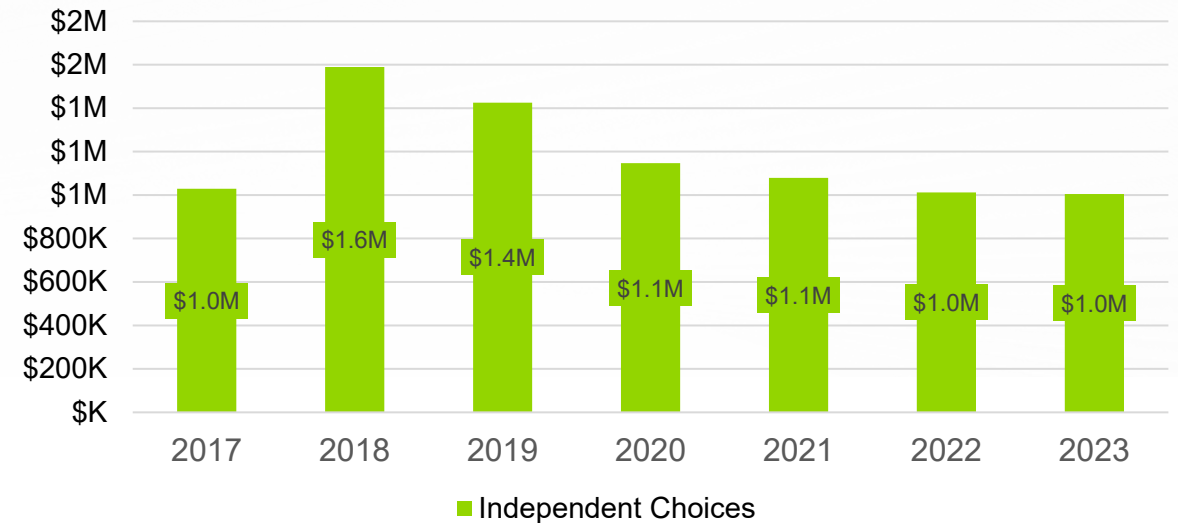
*Based on DHS's Legislative Monthly Medicaid Financial Report SFY23 (SFY 2023 YTD June).

Additional Services Expenditures

Personal Care Services FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



Independent Choices FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



- Expenditures for personal care services have almost doubled from SFY 2017 to SFY 2023.
- Independent Choices expenditures have remained relatively stable between SFY 2017 and SFY 2023, with SFY 2018 and SFY 2019 experiencing increased expenditures.

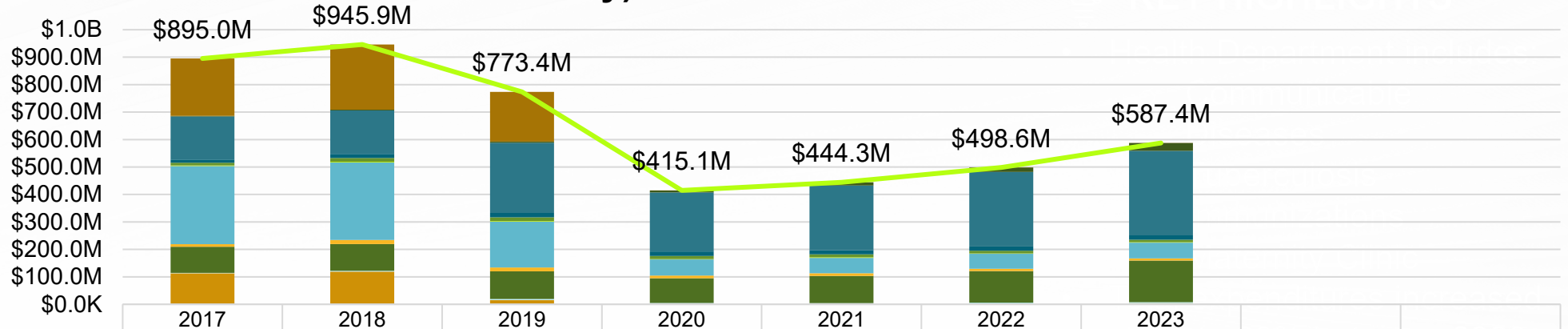
Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

Personal care includes all provider specialty types: Personal Care, Personal Care AAA, Personal Care DDS, Personal Care Weekend, Personal Care Level I Assisted Living, Personal Care Level II Assisted Living, Personal Care Svcs Public School or Ed Svcs, Residential Care Facility Personal Care Svcs

Habilitative & Rehabilitative

Habilitative & Rehabilitative – Total FFS Expenditures

Habilitative & Rehabilitative Total FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



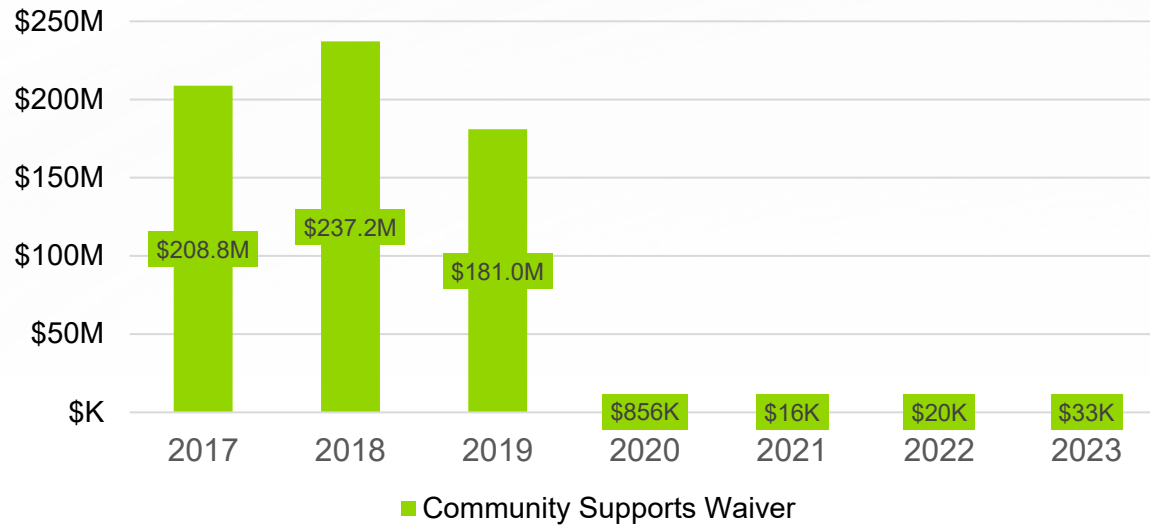
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| AR Community & Employment Support Waiver | \$208.8M | \$237.2M | \$181.0M | \$856.4K | \$16.2K | \$20.4K | \$32.7K |
| Autism Services | \$2.2M | \$2.7M | \$3.9M | \$6.7M | \$11.6M | \$16.4M | \$28.5M |
| Day Treatment Services | \$156.7M | \$158.4M | \$255.7M | \$215.0M | \$235.9M | \$271.5M | \$307.5M |
| Hemodialysis | \$11.5M | \$14.5M | \$16.0M | \$16.2M | \$14.8M | \$15.5M | \$15.7M |
| Home Health Services | \$10.0M | \$13.7M | \$13.2M | \$11.3M | \$10.6M | \$9.5M | \$9.0M |
| Hyperalimentation | \$2.4M | \$2.9M | \$2.5M | \$1.6M | \$2.1M | \$1.6M | \$2.0M |
| Outpatient Behavioral Health | \$284.4M | \$281.9M | \$166.9M | \$58.5M | \$56.0M | \$54.7M | \$57.1M |
| Private Duty Nursing | \$9.2M | \$15.0M | \$14.0M | \$10.1M | \$10.1M | \$8.3M | \$8.1M |
| Therapy | \$95.2M | \$97.5M | \$100.7M | \$89.9M | \$98.6M | \$115.3M | \$151.7M |
| Ventilator | \$1.6M | \$2.9M | \$3.7M | \$3.4M | \$3.5M | \$3.1M | \$3.2M |
| Other | \$113.0M | \$119.2M | \$15.8M | \$1.4M | \$1.1M | \$2.6M | \$4.4M |
| Total | \$895.0M | \$945.9M | \$773.4M | \$415.1M | \$444.3M | \$498.6M | \$587.4M |

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

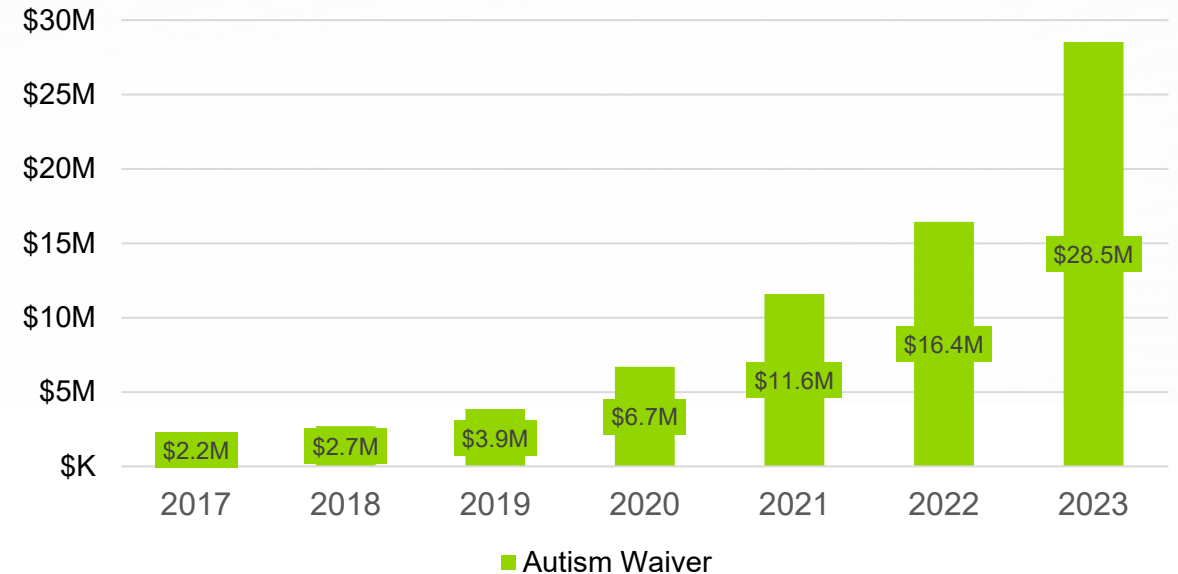
*Other encompasses the following: Child Health Management Services; Child Health Management Svcs-foster Care(CF); Community Support Systems Provider Enhanced; DDS Non-Medicaid; Developmental Rehabilitation Service

HCBS Waivers Expenditures

Community & Employment Support Waiver FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



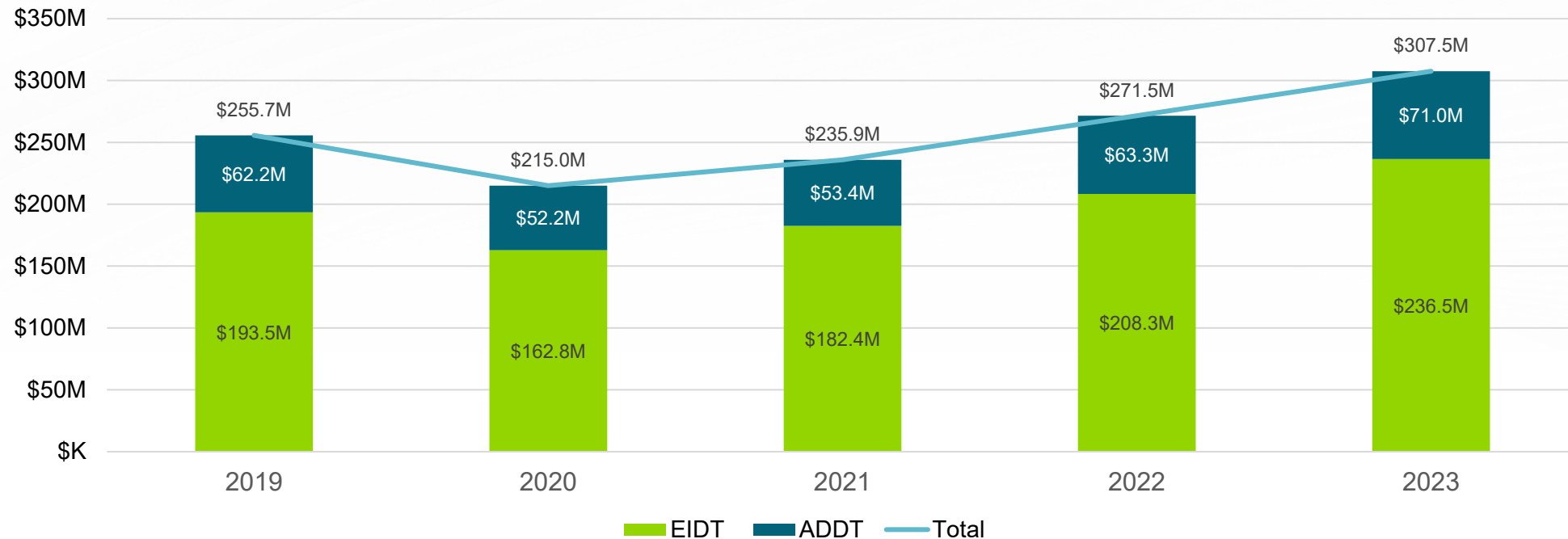
Autism Services FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



- Community & Employment Support waiver FFS expenditures declined significantly starting in SFY 2020, with the transition of these waiver services to the PASSE program.
- FFS expenditures for autism services began increasing significantly in SFY 2020, when expenditures associated with the Board Certified Behavior Analyst Group began.

Day Treatment Services Expenditures

Day Treatment Services FFS Expenditures (By DOP), SFY 2019-2023 (Claims Only)



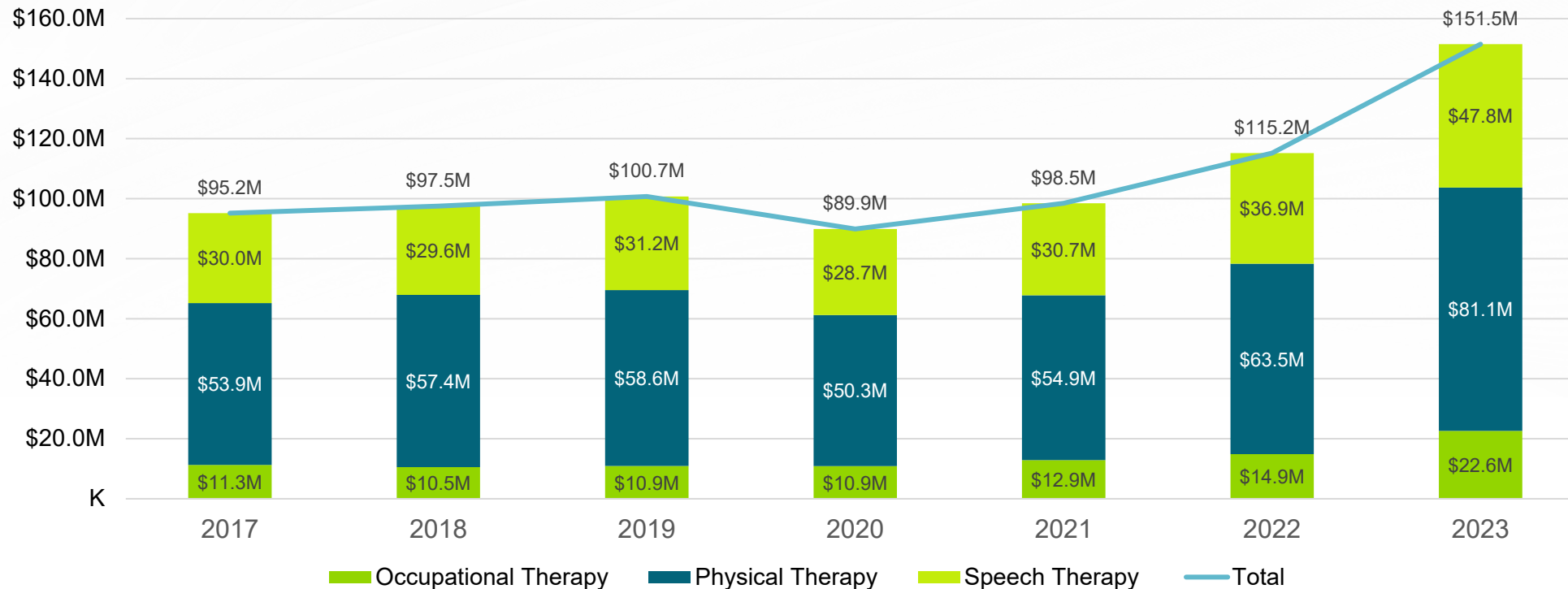
- Day treatment services FFS expenditures (adult developmental day treatment [ADDT] and early intervention day treatment [EIDT]) have increased 20% between SFY 2019 and SFY 2023.
- EIDT comprises most day treatment FFS expenditures.

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*ADDT and EIDT programs began in 2018; these services were previously child health management services and developmental day treatment center.

Therapy Expenditures

Therapy FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)

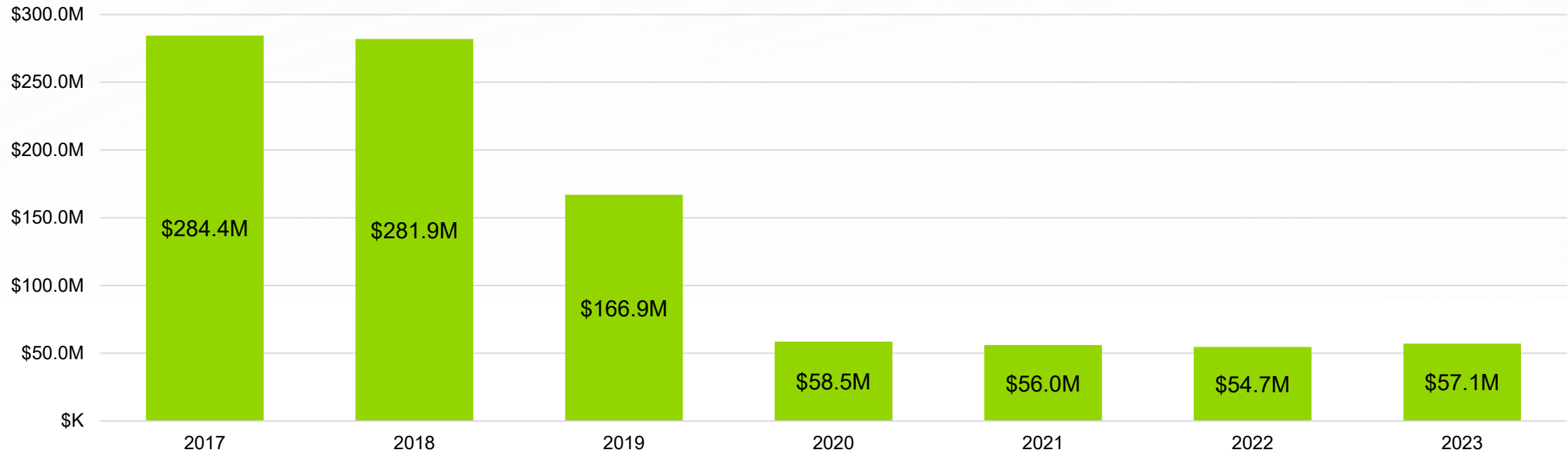


- Therapy services FFS expenditures increased 59% between SFY 2017-2023, with physical therapy accounting for the largest increase (50% increase).

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.
Does not include therapy expenditures with the EPSDT provider specialty.

Outpatient Behavioral Health Expenditures

Outpatient Behavioral Health FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)

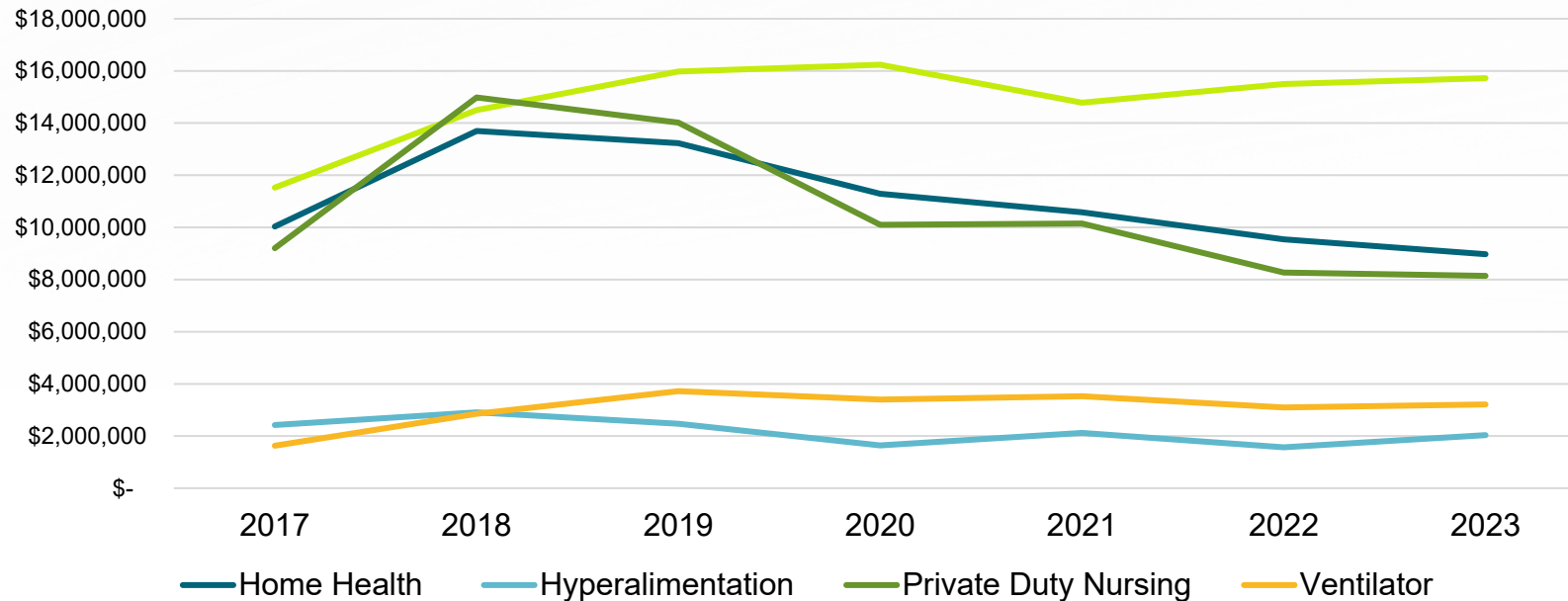


- Outpatient behavioral health FFS expenditures decreased by about 80% since SFY 2017, in part due to the transition of some outpatient behavioral health services to the PASSE program.

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23. OBH includes: Independently Lic Practitioner (ILP) – LCSW; Independently Lic Practitioner (ILP) – LMFT; Independently Lic Practitioner (ILP) – LPC; Independently Lic Practitioner (ILP) - LPE-I, LP; NON ILP - LPC, LCSW, LMFT; NON ILP - LPE-I, LPE, LP; Rehabilitation Hospital; Rehabilitative Services For Mental Illness; RSPD-residential Rehab Center; Substance Abuse; Substance Abuse Clinic

Additional Services Expenditures

Additional Services FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)

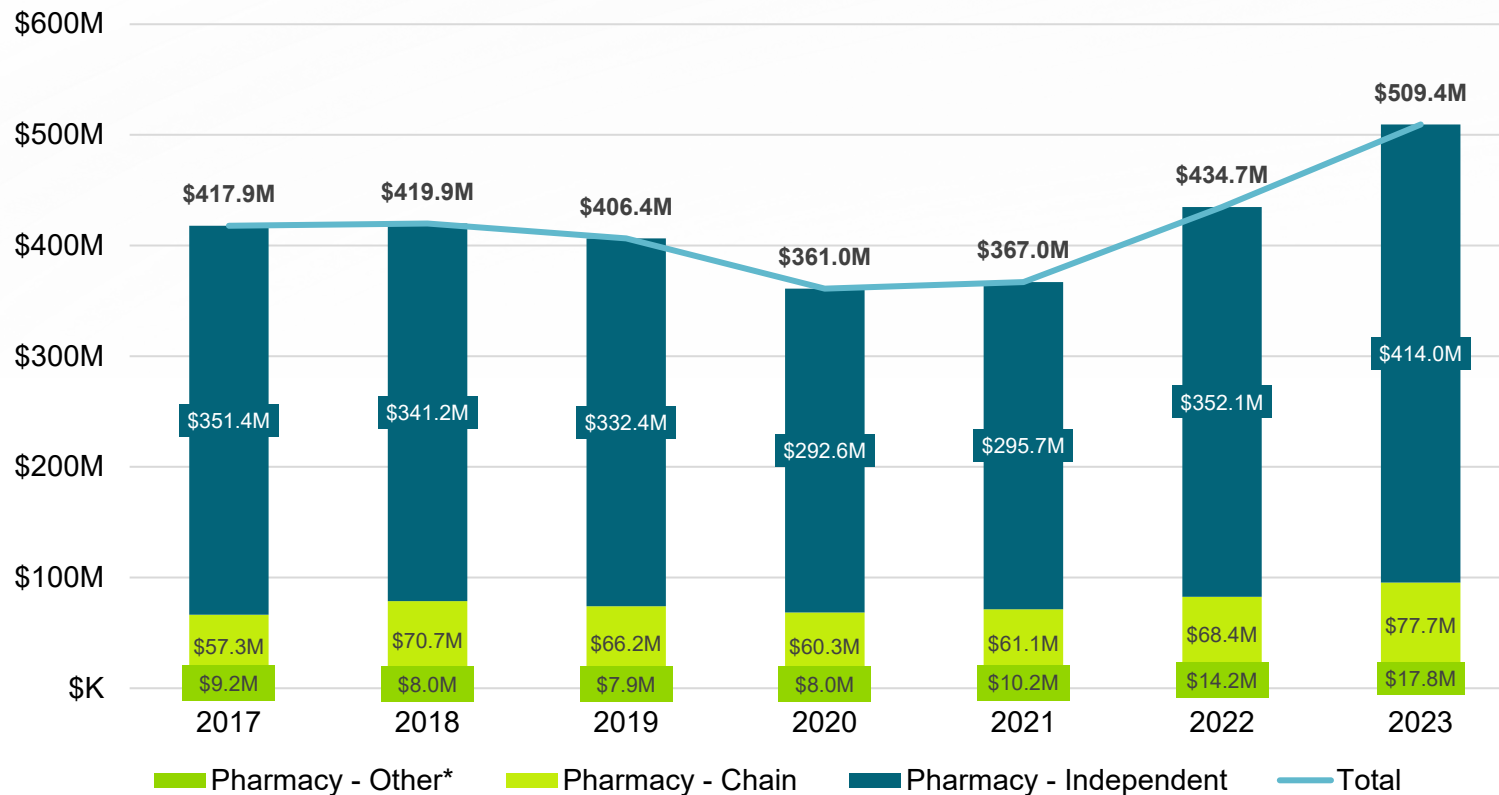


- Overall, hemodialysis and ventilator equipment expenditures increased between SFY 2017 and SFY 2023.
- Overall, home health services, hyperalimentation, and private duty nursing expenditures decreased between SFY 2017 and SFY 2023.

Pharmacy

Pharmacy Expenditures

Pharmacy FFS Expenditures (By DOP), SFY 2017-2023 (Claims Only)



KEY HIGHLIGHTS

- Total paid Year-over-Year (YoY) increase in 2023 of 17% far exceeds prior YoY increases.
- 2023 YoY increase largely driven by:
 - Specialty Drug Utilization
 - Increase in Patients Served
 - Increase in prescription fills dispensed
 - Conversion of therapies from Medical Benefit Plan to Pharmacy Benefit Plan
 - Growth in compounding and home infusion

Source: Data provided by Optum. File: "14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*Pharmacy – Other encompasses the following: Anti Hemophilic, Pharmacy – Compounding, Pharmacy – Home Infusion, Pharmacy – Long Term Care – Closed Door, and Pharmacy Administered Vaccines

Capitated Payments

Capitated Programs Summary

Enrollment and Prospective Capitations (PMPM) as of June 30, 2023

| Program | ARHOME | Dental | NET | PASSE | PCCM/PCMH |
|--------------------------|-----------|---------|-----------|------------|--|
| Unique Beneficiary Count | 334,224 | 809,179 | 1,104,569 | 66,313 | 576,154 |
| PMPM | \$690.59* | \$18.39 | \$3.57** | \$2,264.51 | PCCM \$3.00 PCMH pays \$1 to \$35 depending on the beneficiary's risk score |

*ARHOME capitation average; varies based on each beneficiary's monthly age-based rate cell.

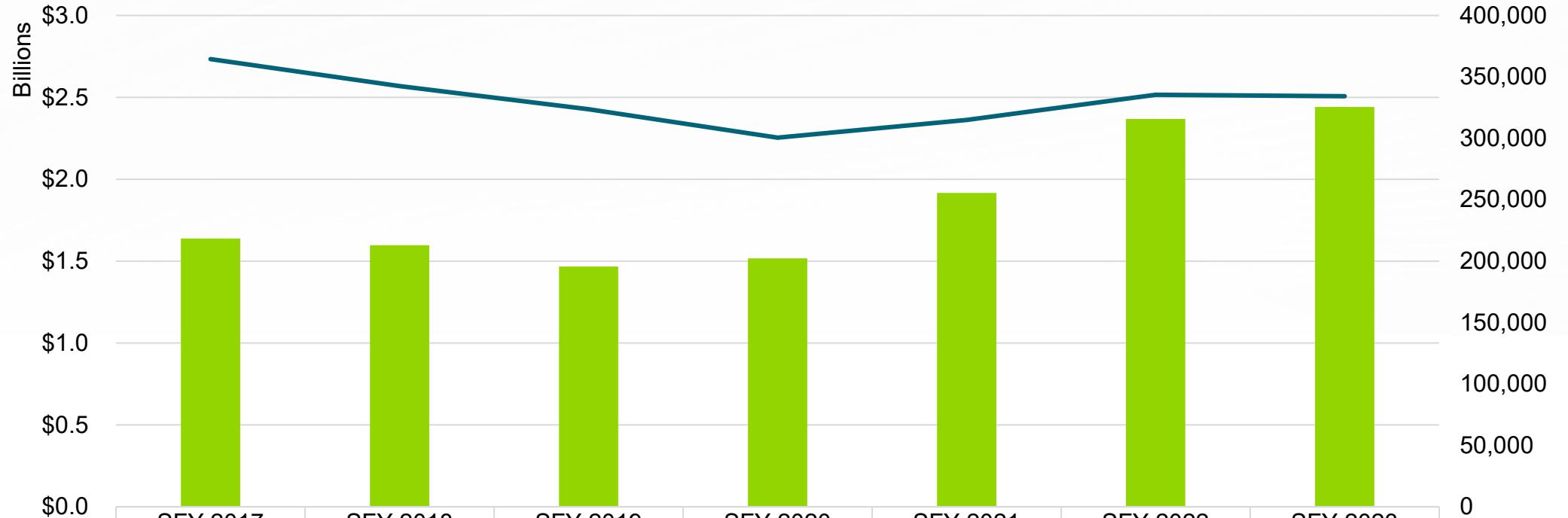
**NET capitation average; varies based on each beneficiary's assigned region.

Note: Beneficiary counts above include some overlap. For example, ARHOME and PASSE beneficiaries are also NET beneficiaries, and the Dental program covers almost all Arkansas Medicaid beneficiaries.

Source: Data provided by DHS on 2/5/24 for capitation spend and beneficiary count. Capitation dates between 7/1/22 and 6/30/23.

ARHOME (Capitation)

**AR Works / ARHOME Capitation (PMPM) Spend (by date of capitation month)
SFY 2017-2023**



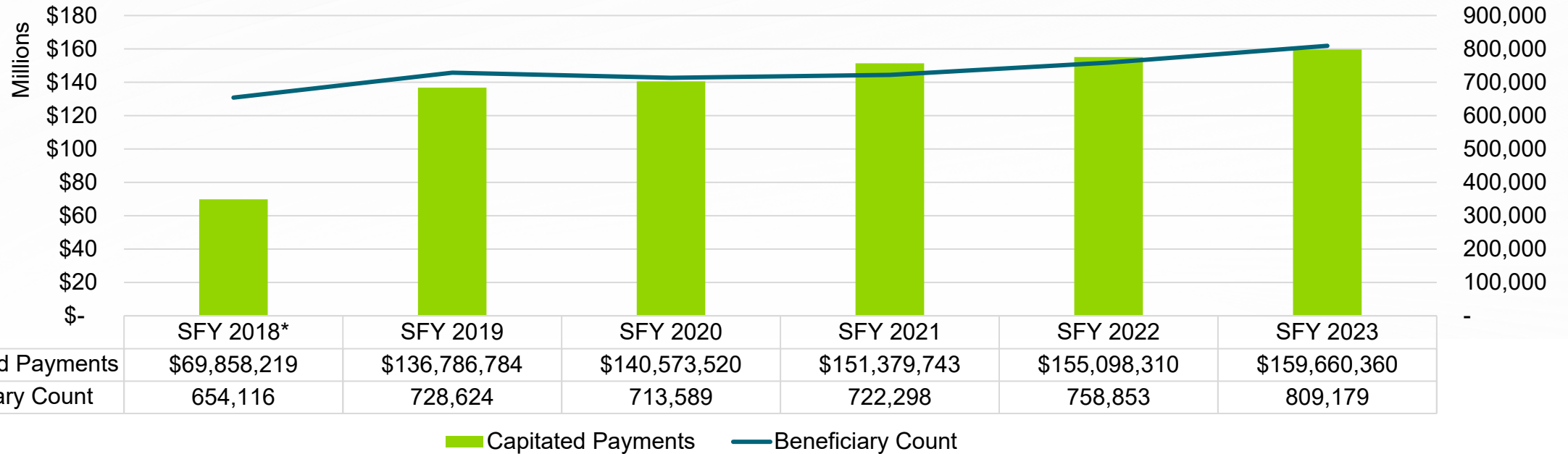
| | | | | | | | |
|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Capitated Payments | \$1,638,597,631 | \$1,597,041,703 | \$1,466,744,823 | \$1,516,609,465 | \$1,916,358,955 | \$2,367,902,888 | \$2,441,508,037 |
| Beneficiary Count | 364,486 | 342,532 | 323,633 | 300,537 | 314,960 | 335,451 | 334,224 |

Capitated Payments Beneficiary Count

Source: Data provided by DHS on 2/5/24 for capitation spend and beneficiary count. Capitation dates between 7/1/17 and 6/30/23.

Dental (Capitation)

Dental Capitation (PMPM) Spend (by date of capitation month)
SFY 2018-2023

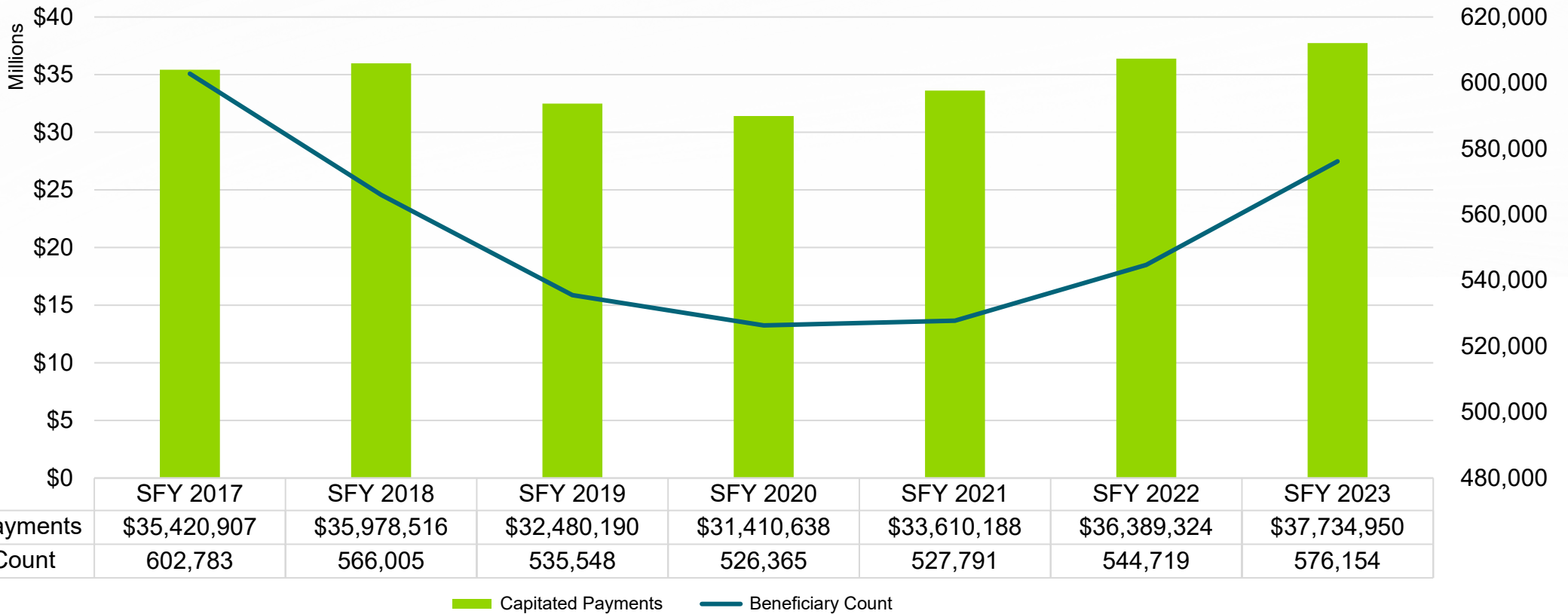


- Dental managed care (capitated) program began January 2018 and covers
 - All Arkansas children under age 21 in Medicaid, ARKids First-A, and ARKids First-B
 - Adults *except* the following individuals covered through the FFS program:
 - Residents of Human Development Centers
 - Enrollees of the Program for All Inclusive Care for the Elderly
 - Those eligible for Medicaid only after incurring medical expenses that cause them to “spend down” to Medicaid eligibility levels

Source: Data provided by DHS on 2/5/24 for capitation spend and beneficiary count. Capitation dates between 7/1/17 and 6/30/23.

Primary Care Case Management (PCCM) & Patient Centered Medical Home (PCMH)

**PCCM & PCMH Combined Capitation (PMPM) Spend
(by date of capitation month)
SFY 2017-2023**

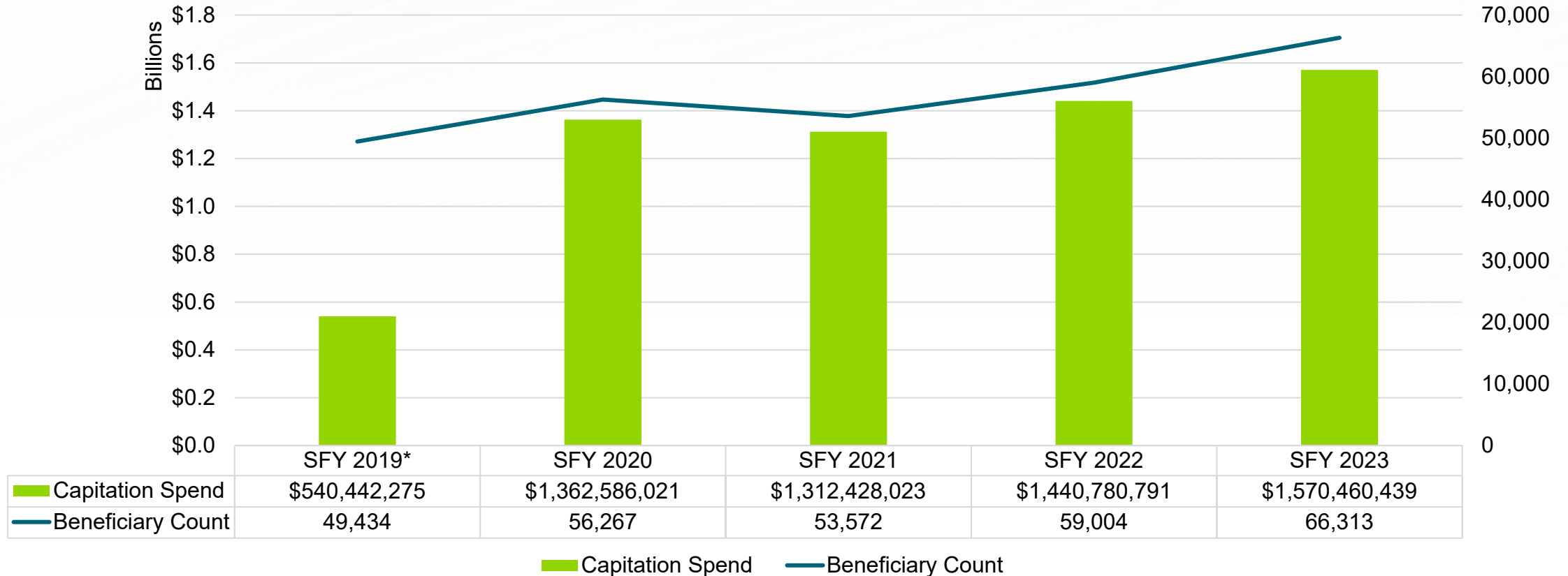


Source: Data provided by DHS on 2/5/24 for capitation spend and beneficiary count. Capitation dates between 7/1/17 and 6/30/23.

Provider-Led Arkansas Shared Savings Entity (PASSE) Program

PASSE

**PASSE Capitation (PMPM) Spend (by date of capitation month)
SFY 2019-2023**



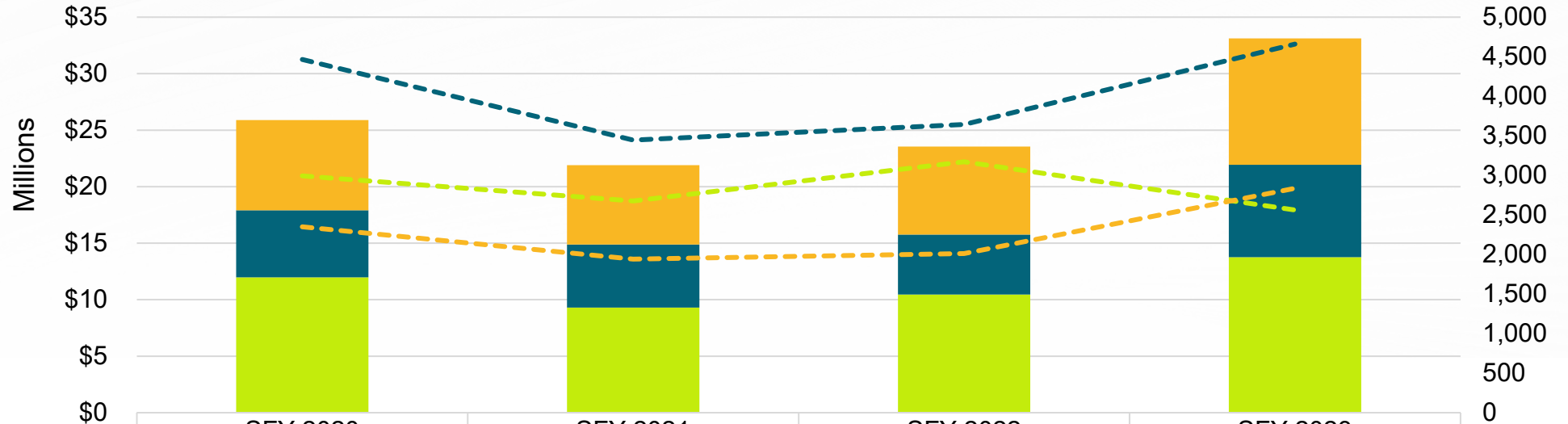
Source: Data provided by DHS on 2/5/24 for capitation spend and beneficiary count. Capitation dates between 7/1/17 and 6/30/23.

*SFY 2019 accounts only for four months of member months and PMPM.

Day Treatment Transportation and Non-Emergency Transportation

Day Treatment Transportation (DTT)

DTT Spend and Unique Rider Count SFY 2020-2023 (by date of payment)



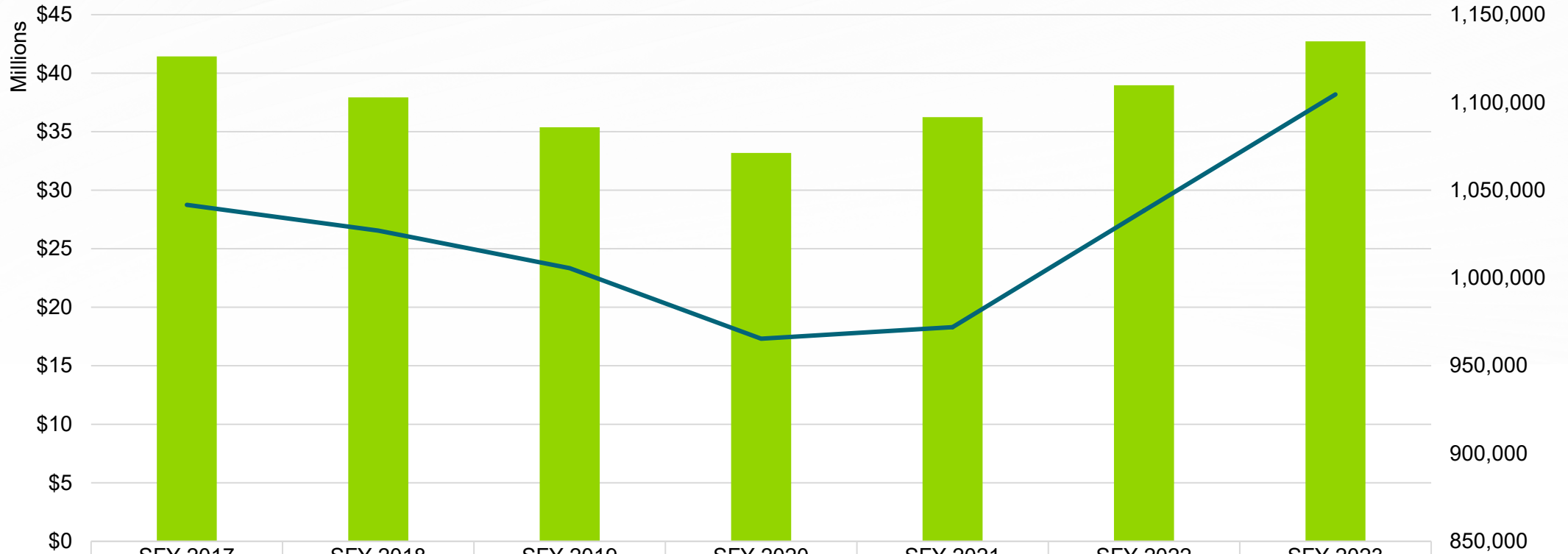
| | SFY 2020 | SFY 2021 | SFY 2022 | SFY 2023 |
|-------------------------------|--------------|-------------|--------------|--------------|
| ADDT via MMIS | \$7,970,178 | \$7,023,441 | \$7,781,919 | \$11,178,174 |
| EIDT via MMIS | \$5,944,794 | \$5,581,282 | \$5,308,882 | \$8,178,317 |
| DDS Manual Pmts | \$11,971,647 | \$9,296,306 | \$10,456,732 | \$13,757,660 |
| DDS Manual Unique Rider Count | 2,993 | 2,676 | 3,172 | 2,562 |
| EIDT Unique Rider Count | 4,465 | 3,446 | 3,643 | 4,659 |
| ADDT Unique Rider Count | 2,349 | 1,942 | 2,011 | 2,837 |

■ DDS Manual Pmts
 ■ EIDT via MMIS
 ■ ADDT via MMIS
- - - DDS Manual Unique Rider Count
 - - - EIDT Unique Rider Count
 - - - ADDT Unique Rider Count

Source: MMIS data provided by Optum for Non-NET transportation spend by date of payment. Division of Developmental Disabilities Services (DDS) manual payment data provided by DDS. Program dates between 7/1/20 and 6/30/23. MMIS expenditures are for claims payments processed through the MMIS. DDS manual payments are Excel-based broker reports.

Non-Emergency Transportation (NET)

NET Capitation (PMPM) Spend and Enrollment SFY 2017-2023 (by date of capitation month)



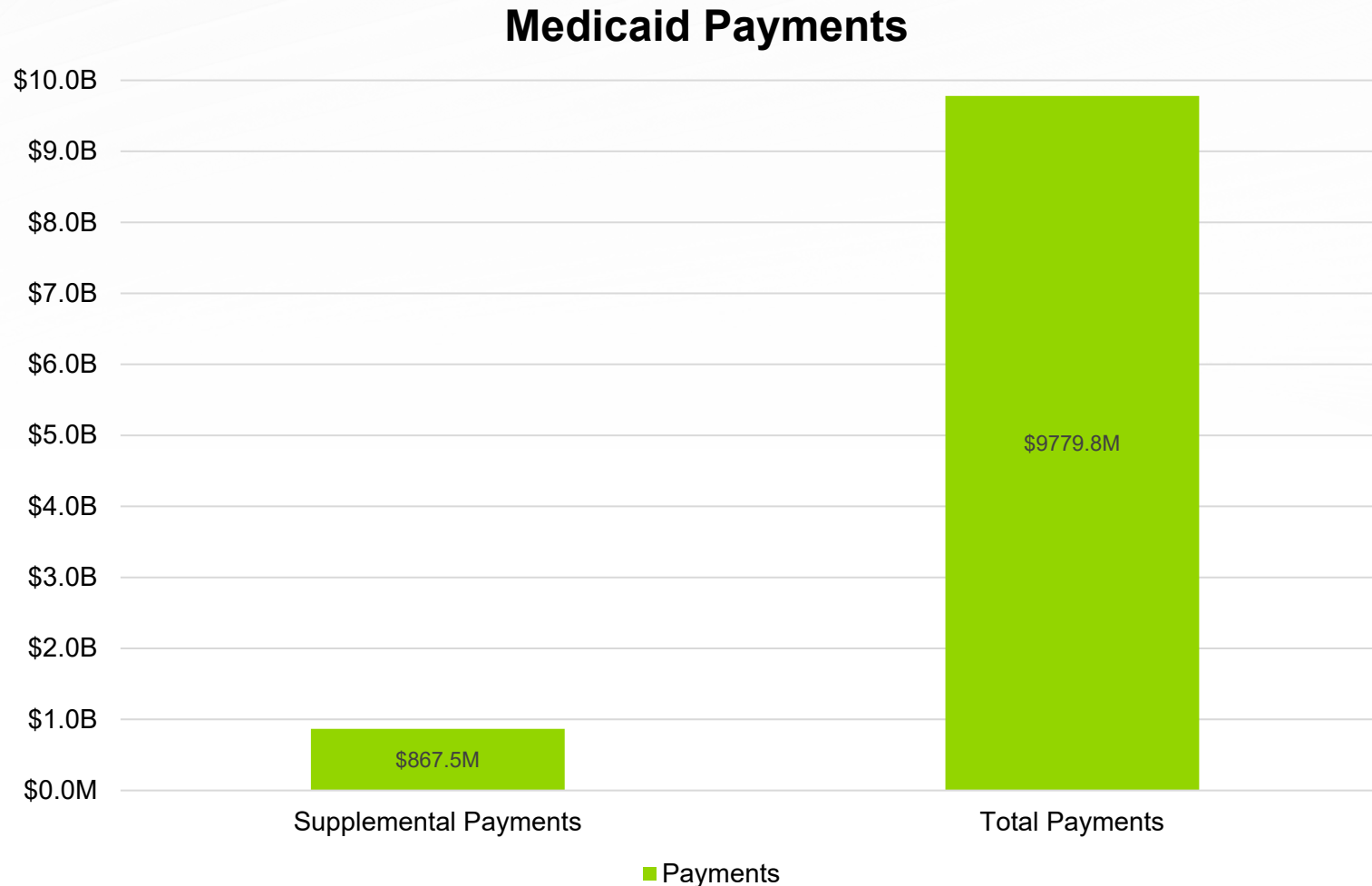
| | | | | | | | |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Capitated Payments | \$41,431,793 | \$37,932,505 | \$35,380,114 | \$33,181,650 | \$36,243,803 | \$38,973,259 | \$42,716,786 |
| Beneficiary Count | 1,041,632 | 1,027,000 | 1,005,558 | 965,417 | 972,020 | 1,038,379 | 1,104,569 |

Capitated Payments Beneficiary Count

Source: Data provided by DHS on 2/5/24 for capitation spend and beneficiary count. Capitation dates between 7/1/17 and 6/30/23.

Supplemental, Cost Settlement, and Access Payments

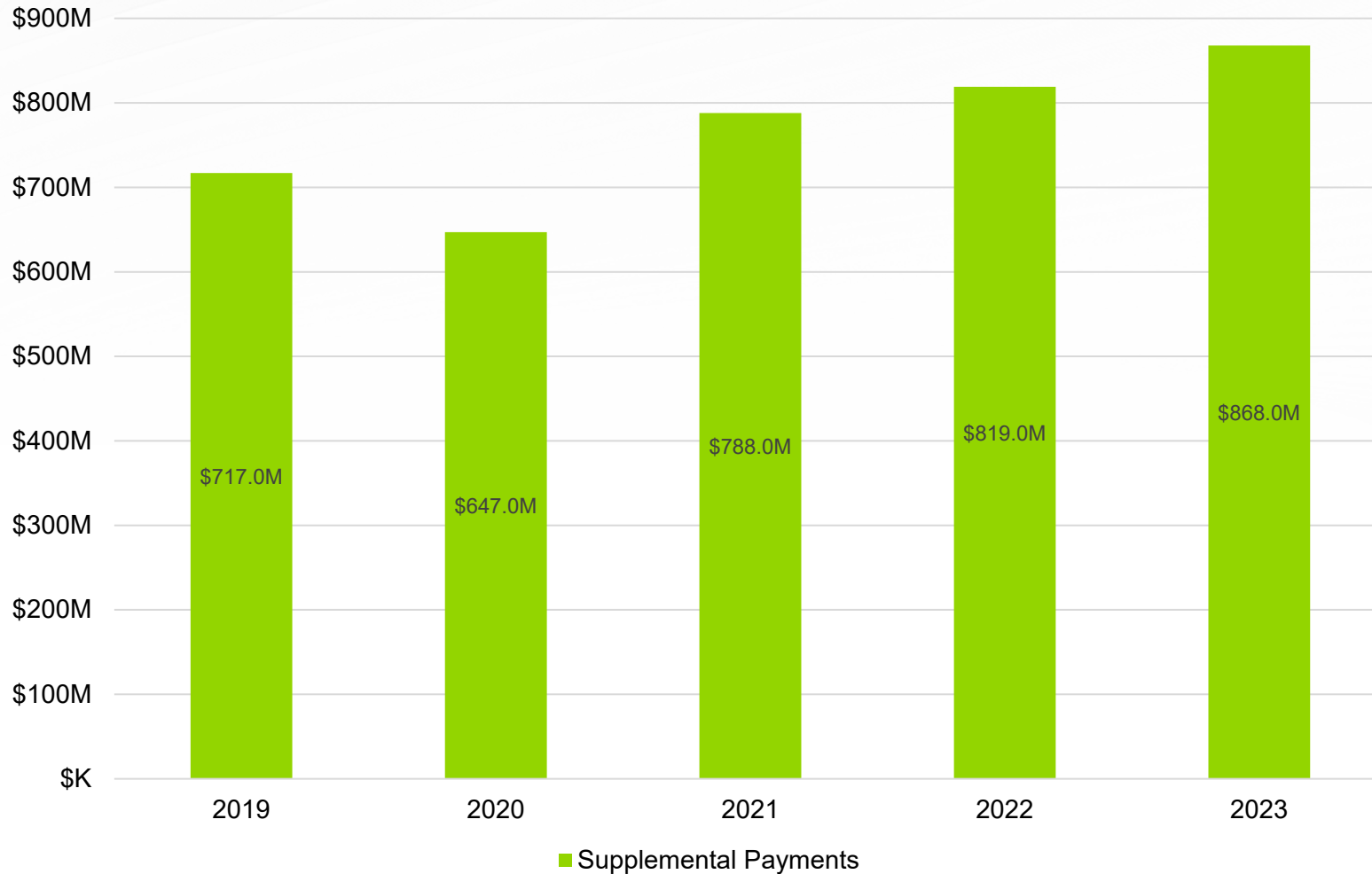
Total Supplemental Payments vs Total Medicaid Payments, SFY 2023



Source: Combination of Medicaid CFO expenditure tracking spreadsheet and Cost Settlement spreadsheets from Office of Finance and Provider Reimbursement.

Total Supplemental Payments by SFY

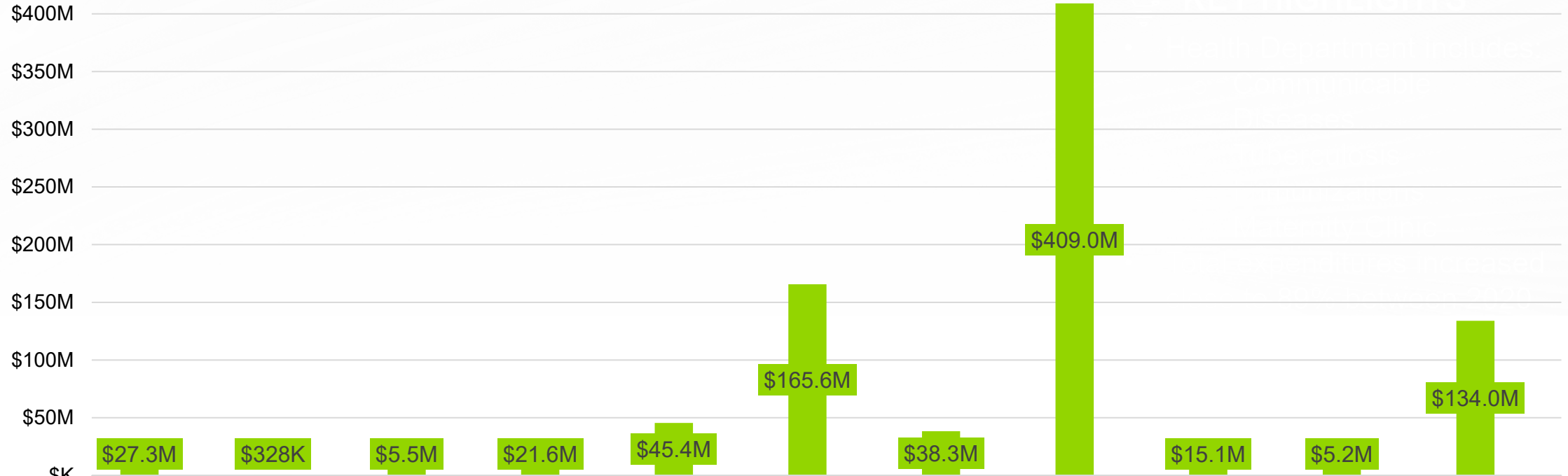
Total Supplemental Payments by SFY



Source: Combination of Medicaid CFO expenditure tracking spreadsheet and Cost Settlement spreadsheets from Office of Finance and Provider Reimbursement.

Total Supplemental Payments by Type, SFY 2023

Total Supplemental Payments by Type, SFY 2023



| | Ambulance UPL Private | Ambulance UPL Public | DSH Non-UAMS | FQHC Cost Settlement | Hosp IP Cost Settlement - non UAMS, Childrens | Hosp OP Cost Settlement | Hospital UPL - AR Childrens | Hospital UPL Private (Access) | Non-State Government Cost Settlements | Inpatient Quality Incentive Payments | UAMS Supplemental Payments |
|-------------------------|-----------------------|----------------------|--------------|----------------------|---|-------------------------|-----------------------------|-------------------------------|---------------------------------------|--------------------------------------|----------------------------|
| ■ Supplemental Payments | \$27,325,071 | \$328,462 | \$5,504,916 | \$21,557,959 | \$45,449,361 | \$165,625,711 | \$38,347,922 | \$409,000,128 | \$15,144,841 | \$5,247,221 | \$133,976,175 |
| ■ Percent of Total | 3% | 0% | 1% | 2% | 5% | 19% | 4% | 47% | 2% | 1% | 15% |

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for FFS, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*Other encompasses the following: Medicare Crossovers, School-Based, Case Management, Health Department, and Chiropractor, EPSDT, Audiologist, Nurse Midwife, CRNA, and Podiatry.

Total Supplemental Payments Grouped by Those Funded Through State General Revenue vs. Other

Total DSH Allotment vs Amount Spent

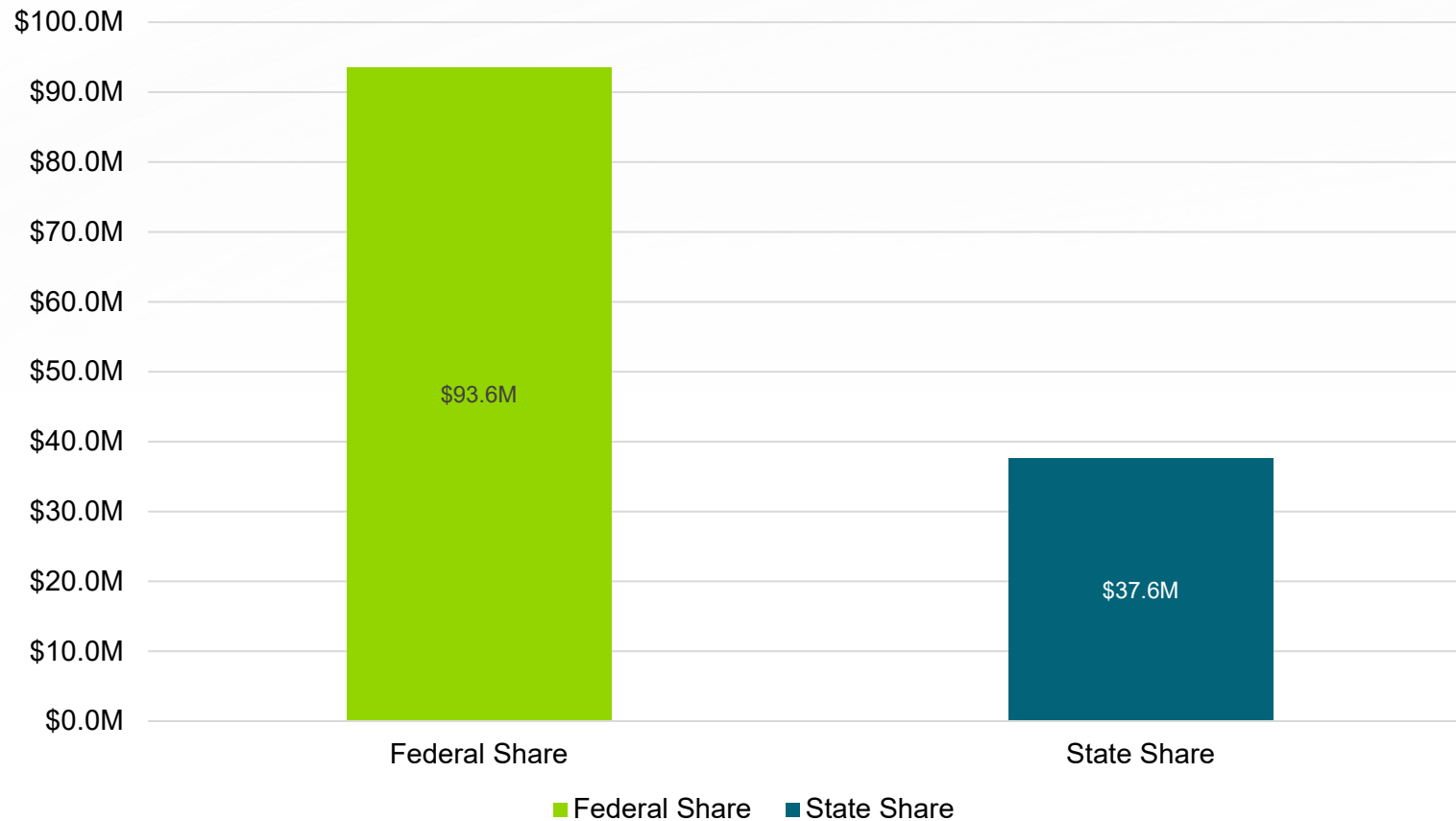


| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------|---------------|---------------|---------------|---------------|
| ■ Non-Federal Share from Other Sources | \$525,590,937 | \$482,862,997 | \$549,733,616 | \$609,227,160 | \$624,122,599 |
| ■ Non-Federal Share from State General Rev | \$191,860,026 | \$164,377,842 | \$237,293,514 | \$209,920,510 | \$243,385,168 |

Source: Combination of Medicaid CFO Expenditure tracking spreadsheet and Cost Settlement spreadsheets from Office of Finance and Provider Reimbursement.

Arkansas Children's Hospital State Share of Payments SFY 2023

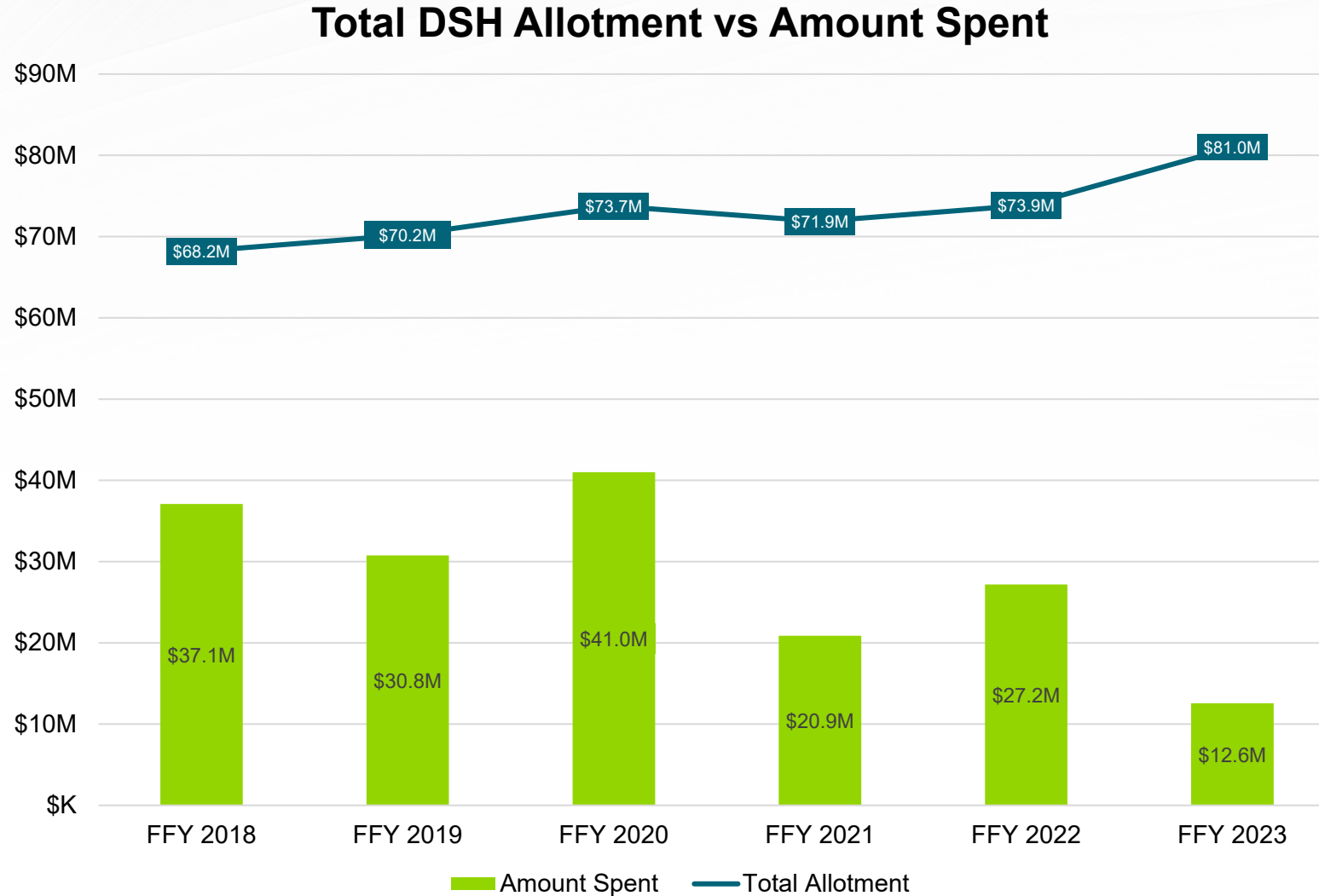
Total Cost Settlement Payments to Children's Hospital SFY 2023



| SFY 2023 | Main Location | Northwest Location |
|---------------|---------------|--------------------|
| State Share | \$28,734,555 | \$8,911,628 |
| Federal Share | \$71,420,744 | \$22,150,163 |
| Total | \$100,155,299 | \$31,061,791 |

Source: Combination of Medicaid CFO expenditure tracking spreadsheet and Cost Settlement spreadsheets from Office of Finance and Provider Reimbursement.

DSH Allotments vs. Expenditures by FFY



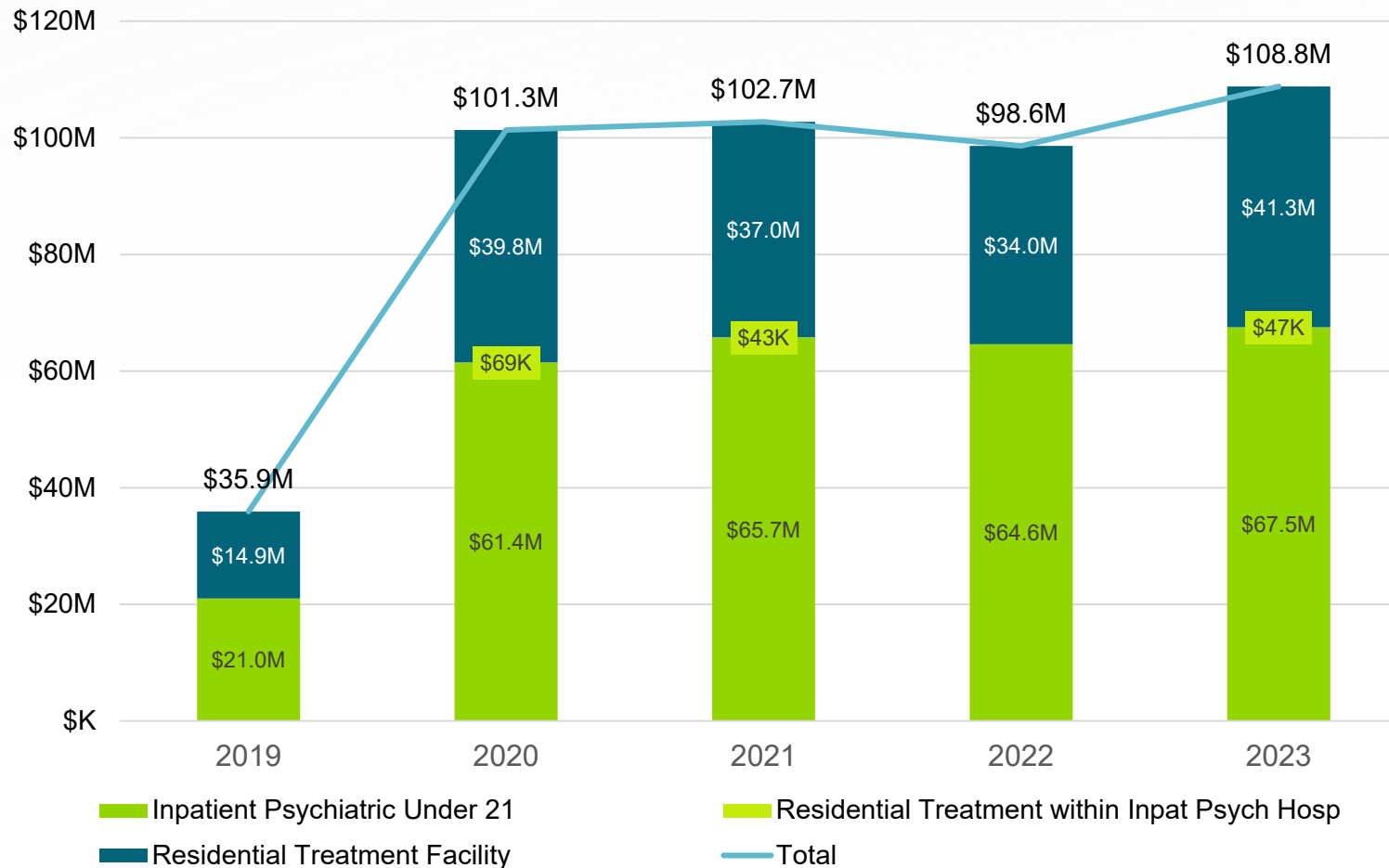
*Source – CMS 64.9D

Appendix

Inpatient Psychiatric Services Encounters by Date of Service

Psychiatric Facility - Inpatient

Psychiatric Facility – Inpatient Expenditures (By DOS), SFY 2019-2022 (Encounters Only)

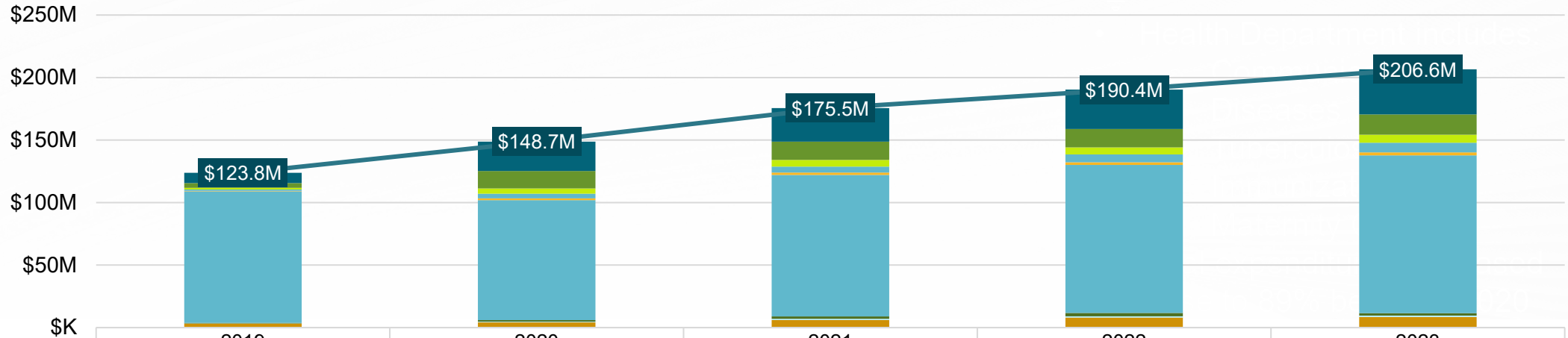


Appendix

Non-Institutional Medical Services Encounters by Date of Service

Non-Institutional – Total MCO Paid Amount Reported Through Encounters

Non-Institutional Medical Services Total Expenditures (By DOS), SFY 2017-2023 (Encounters Only)



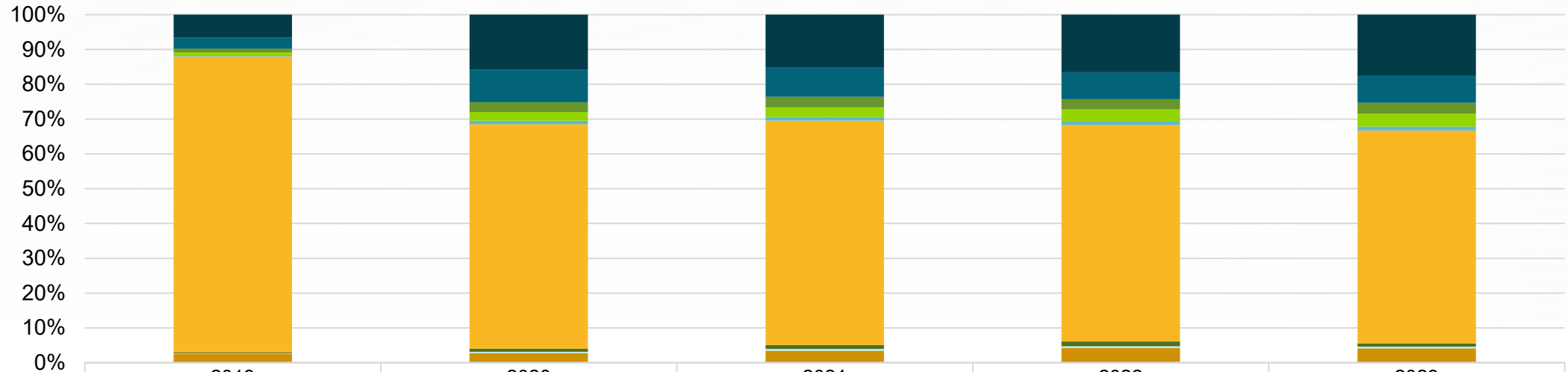
| | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Physician / NP | \$8.2M | \$23.5M | \$26.8M | \$31.5M | \$36.1M |
| DME | \$3.8M | \$13.9M | \$14.6M | \$14.7M | \$16.2M |
| Transportation - Ambulance | \$1.3M | \$4.2M | \$5.3M | \$5.6M | \$6.5M |
| FQHC / RHC | \$1.0M | \$3.7M | \$4.8M | \$6.3M | \$7.7M |
| Optometrist / Optical Dispensing | \$430K | \$1.5M | \$1.9M | \$2.1M | \$2.3M |
| Dental | \$105.2M | \$95.9M | \$113.1M | \$118.4M | \$126.3M |
| Radiology / X-Ray / Lab | \$429K | \$1.3M | \$2.0M | \$2.6M | \$1.9M |
| ASC | \$238K | \$523K | \$892K | \$906K | \$1.0M |
| Other* | \$3.1M | \$4.1M | \$6.1M | \$8.1M | \$8.5M |
| Total | \$123.8M | \$148.7M | \$175.5M | \$190.4M | \$206.6M |

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*Other encompasses the following: Medicare Crossovers, School-Based, Case Management, Health Department, and Chiropractor, EPSDT, Family Planning, Audiologist, Nurse Midwife, CRNA, and Podiatry.

Non-Institutional - Distribution of Expenditures

Non-Institutional Medical Services Total Expenditure Percentages (By DOS), SFY 2019-2023 (Encounters Only)



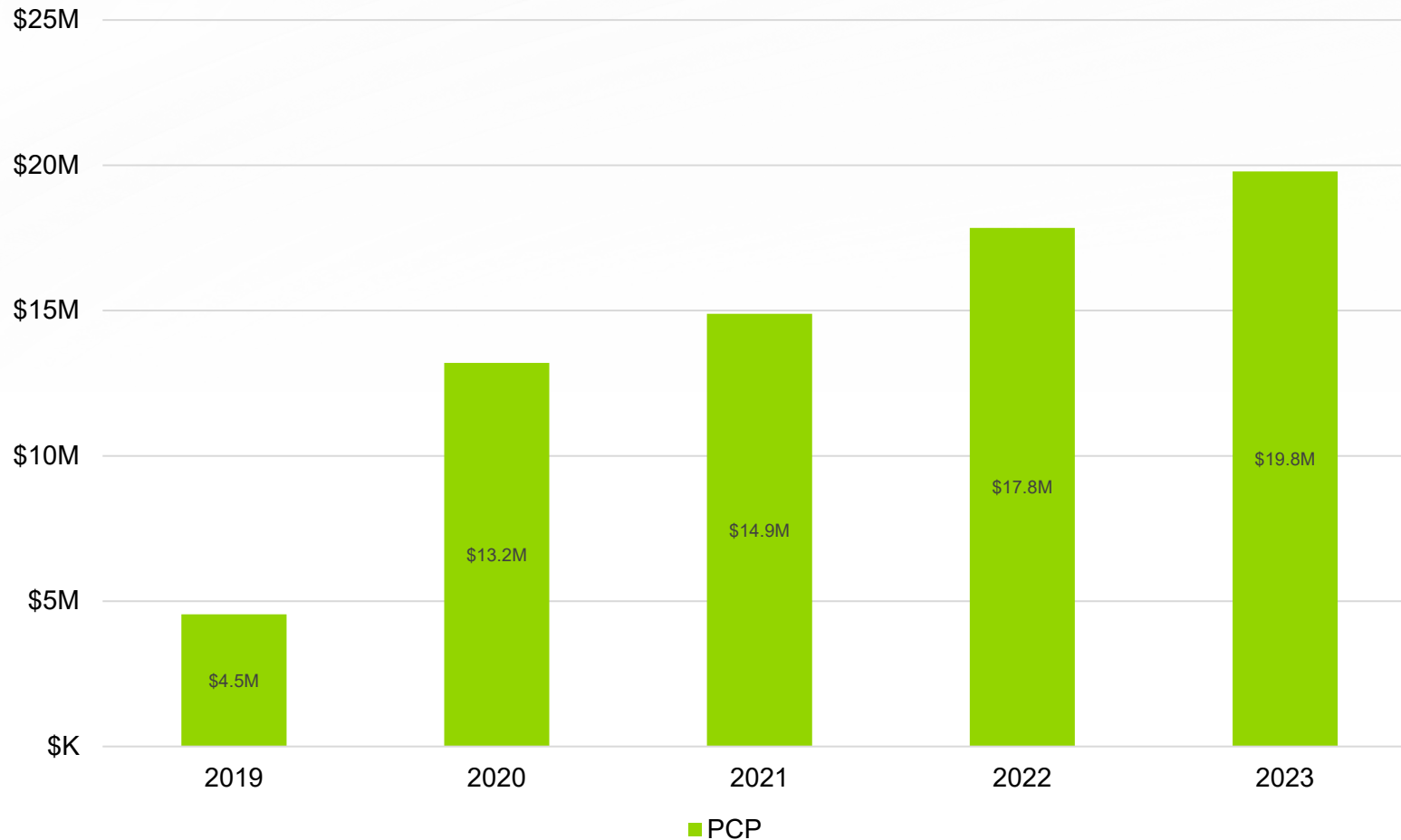
| | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|------|------|------|------|------|
| Physician / NP | 7% | 16% | 15% | 17% | 17% |
| DME | 3% | 9% | 8% | 8% | 8% |
| Transportation - Ambulance | 1% | 3% | 3% | 3% | 3% |
| FQHC / RHC | 1% | 2% | 3% | 3% | 4% |
| Optometrist / Optical Dispensing | 0% | 1% | 1% | 1% | 1% |
| Dental | 85% | 65% | 64% | 62% | 61% |
| Radiology / X-Ray / Lab | 0% | 1% | 1% | 1% | 1% |
| ASC | 0% | 0% | 1% | 0% | 0% |
| Other* | 2% | 3% | 3% | 4% | 4% |

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*Other encompasses the following: Medicare / Medicaid Crossovers, School-Based, Case Management, Health Department, and Registered, Non-Credentialed Providers.

Primary Care Physicians (PCP)

PCP Expenditures (By DOS), SFY 2019-2023
(Encounters Only)

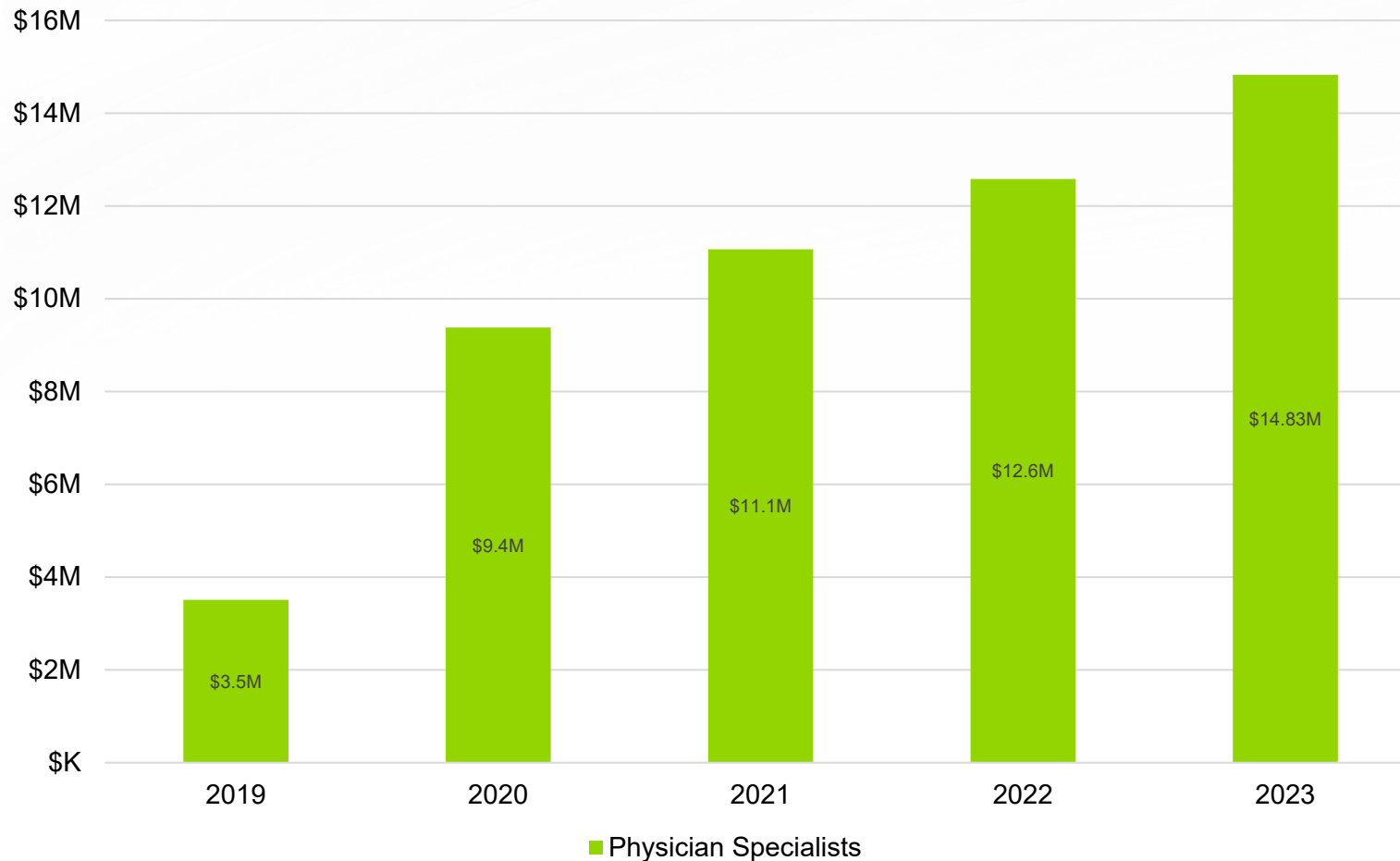


KEY HIGHLIGHTS

- PCPs include the following:
 - Adolescent Medicine
 - EPSDT
 - Family Practice
 - General Practice
 - Internal Medicine
 - Pediatrics

Physician Specialists

Physician Specialist Expenditures (By DOS), SFY
2019-2023 (Encounters Only)

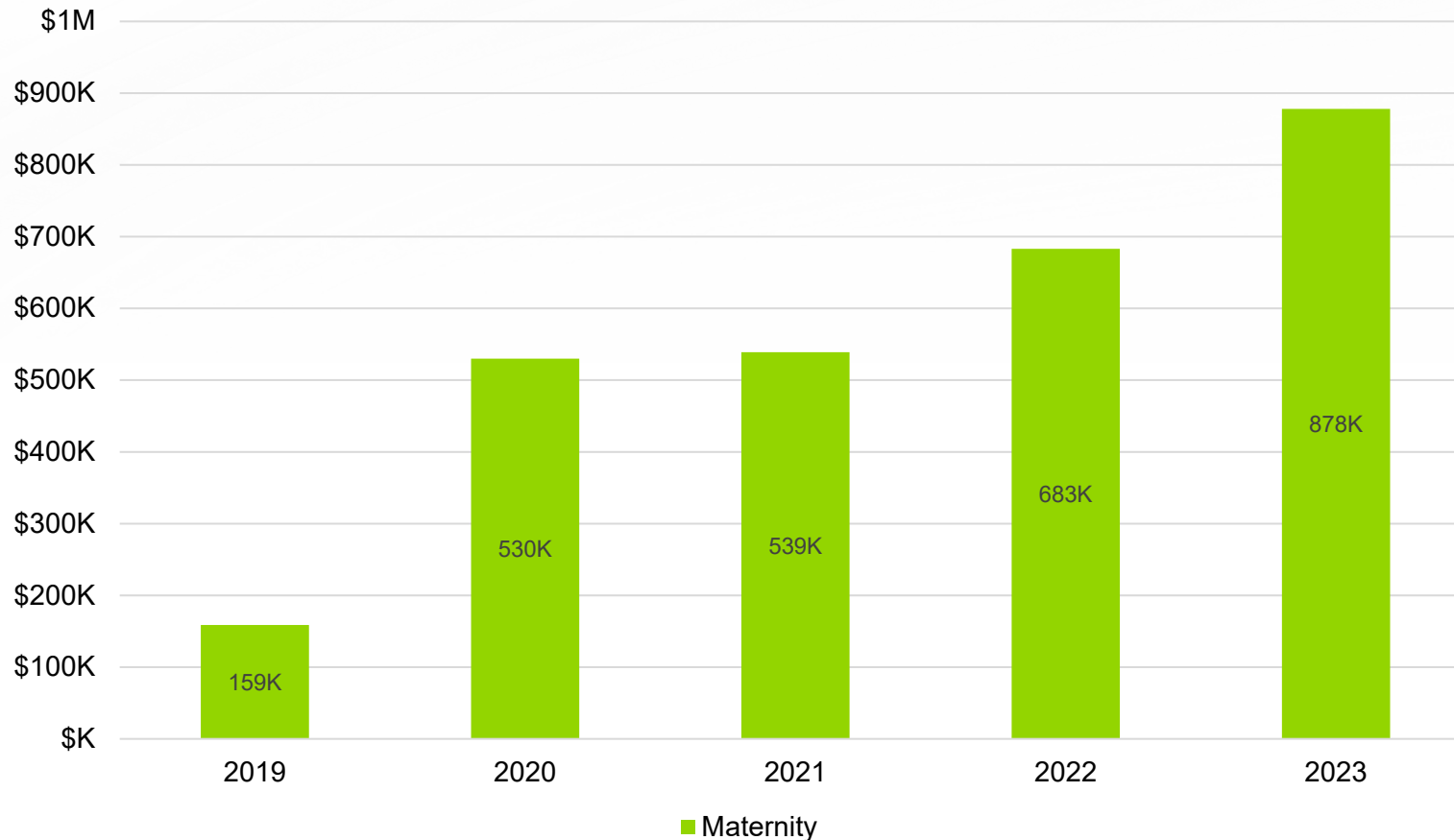


KEY HIGHLIGHTS

- Physician Specialists encompass many billing specialties including but not limited to:
 - Cardiovascular disease
 - Dermatology
 - Geriatrics
 - Nephrology
 - Neurology
 - Surgery
 - Urology

Maternity Practitioners

Maternity Practitioner Expenditures (By DOS), SFY 2019-2023 (Encounters Only)

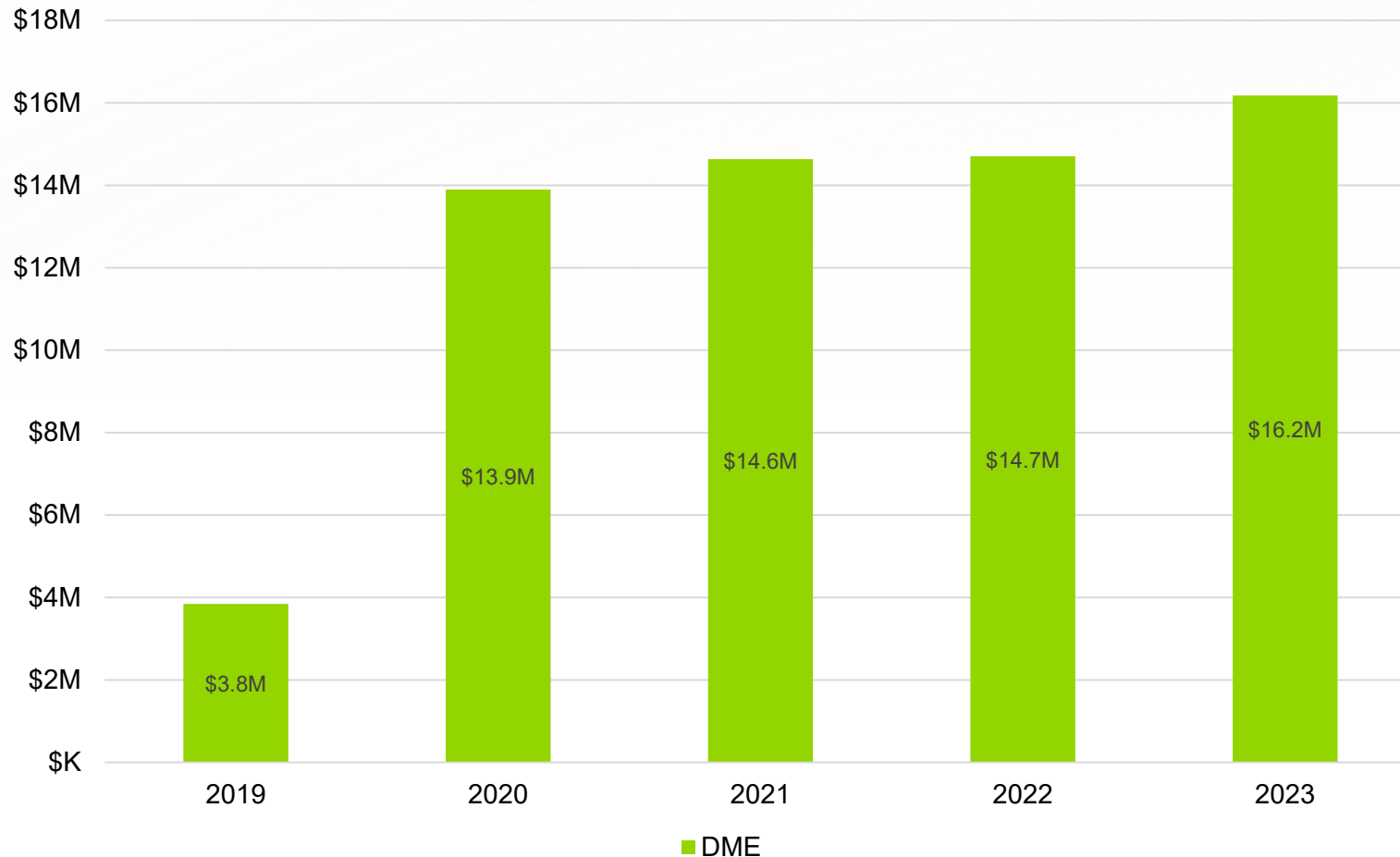


KEY HIGHLIGHTS

- Maternity practitioners include:
 - Gynecology Obstetrics
 - Family Planning
 - Nurse Midwife

Durable Medical Equipment (DME)

DME Expenditures (By DOS), SFY 2019-2023 (Encounters Only)



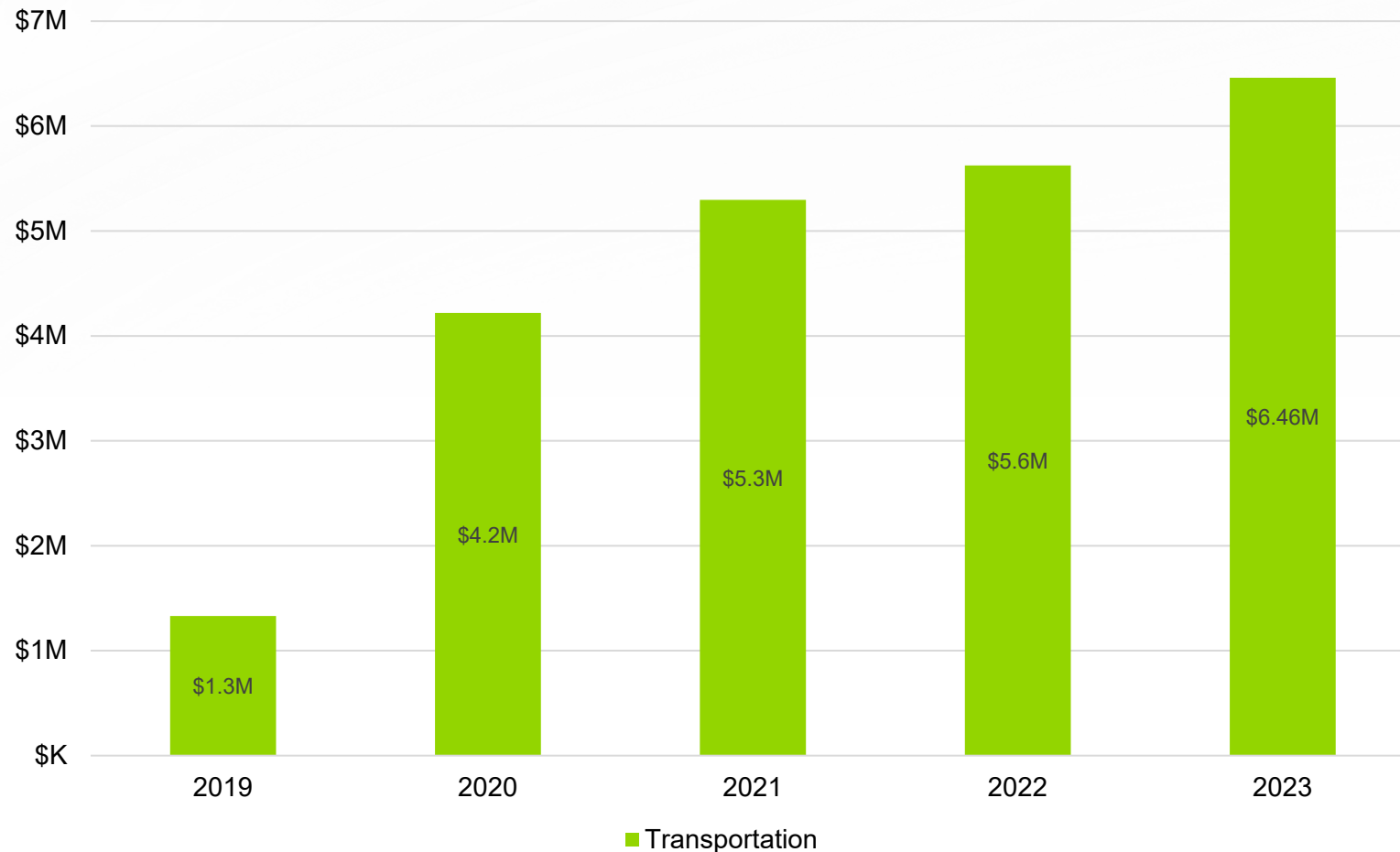
KEY HIGHLIGHTS

- DME includes:
 - Prosthetic Devices
 - DME Oxygen
 - Orthotic Appliances

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

Transportation - Ambulance

Transportation Expenditures (By DOS), SFY 2019-2023 (Encounters Only)

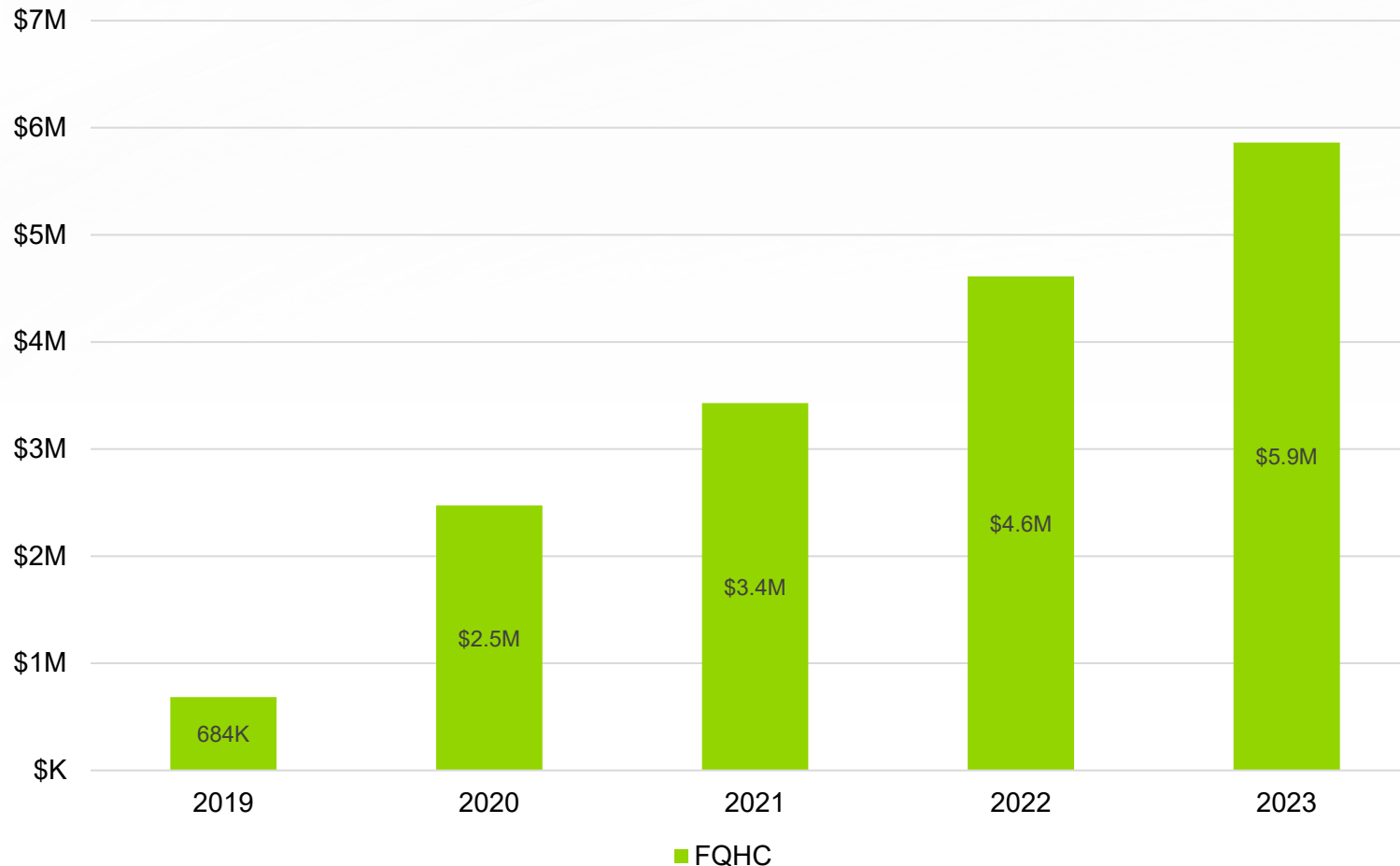


KEY HIGHLIGHTS

- Transportation includes:
 - Ambulance, emergency
 - Ambulance, non-emergency
 - Advanced Life Support w EKG
 - Advanced Life Support w/o EKG
 - Ambulance, helicopter
 - Ambulance, fixed wing
 - Non-Public

Federally Qualified Health Centers (FQHC)

FQHC Expenditures (By DOS), SFY 2019-2023 (Encounters Only)

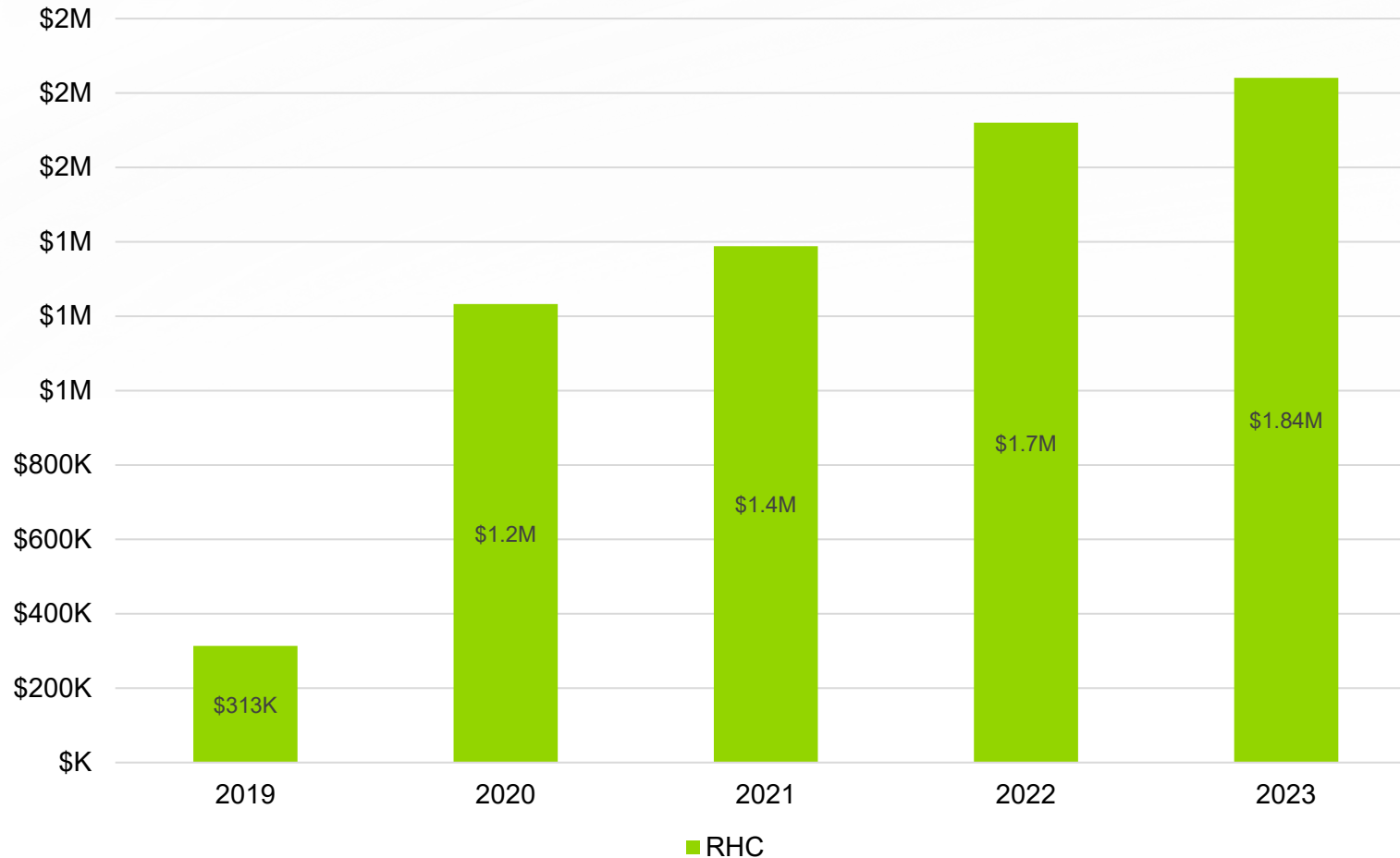


KEY HIGHLIGHTS

- Total MCO reported FQHC expenditures have been on an upward trend since SFY 2019 when the PASSE program was implemented.
- MCO reported FQHC expenditures increased approximately 136% between SFY 2020 and SFY 2023.

Rural Health Clinics (RHC)

RHC Expenditures (By DOS), SFY 2019-2023
(Encounters Only)



KEY HIGHLIGHTS

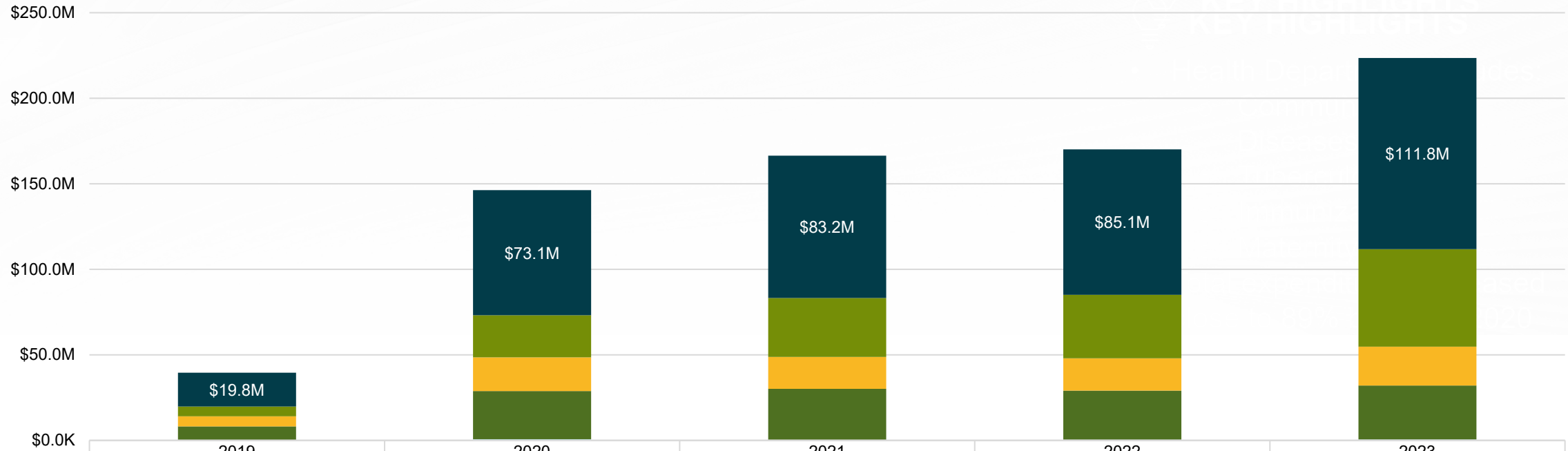
- Similar to FQHCs, total MCO reported RHC expenditures have been on an upward trend since the PASSE program was implemented in SFY 2019.
- MCO reported RHC expenditures increased approximately 53% between SFY 2020 and SFY 2023.

Appendix

Long-Term Services and Supports Encounters by Date of Service

Long-Term Service and Supports – Total MCO Paid Amount Reported Through Encounters

Long-Term Services and Supports (By DOS), SFY 2019-2023 (Encounters Only)

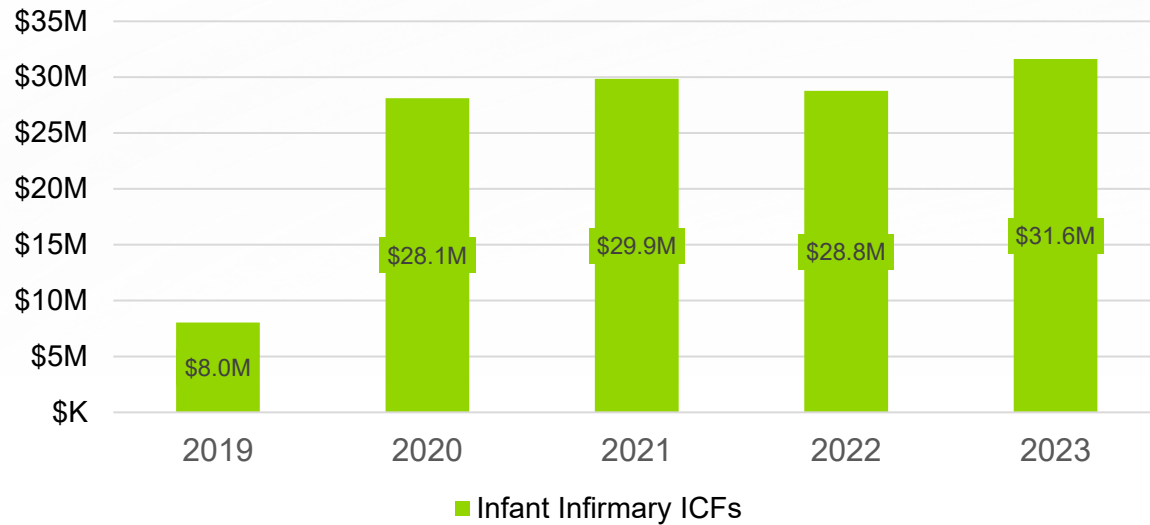


| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------|----------|----------|----------|----------|----------|
| ■ Total | \$19.8M | \$73.1M | \$83.2M | \$85.1M | \$111.8M |
| ■ Personal Care Services | \$5.7M | \$24.5M | \$34.4M | \$37.0M | \$57.0M |
| ■ Nursing Facilities | \$9.4K | \$42.8K | \$95.0K | \$152.2K | \$87.7K |
| ■ ICFs | \$5.9M | \$19.8M | \$18.6M | \$18.8M | \$22.6M |
| ■ ICF Infant Infirmaries | \$8.0M | \$28.1M | \$29.9M | \$28.8M | \$31.6M |
| ■ Hospice | \$114.9K | \$675.3K | \$251.4K | \$321.4K | \$450.2K |
| ■ ARChoices | \$0.0K | \$3.4K | \$2.4K | \$5.0K | \$0.0K |

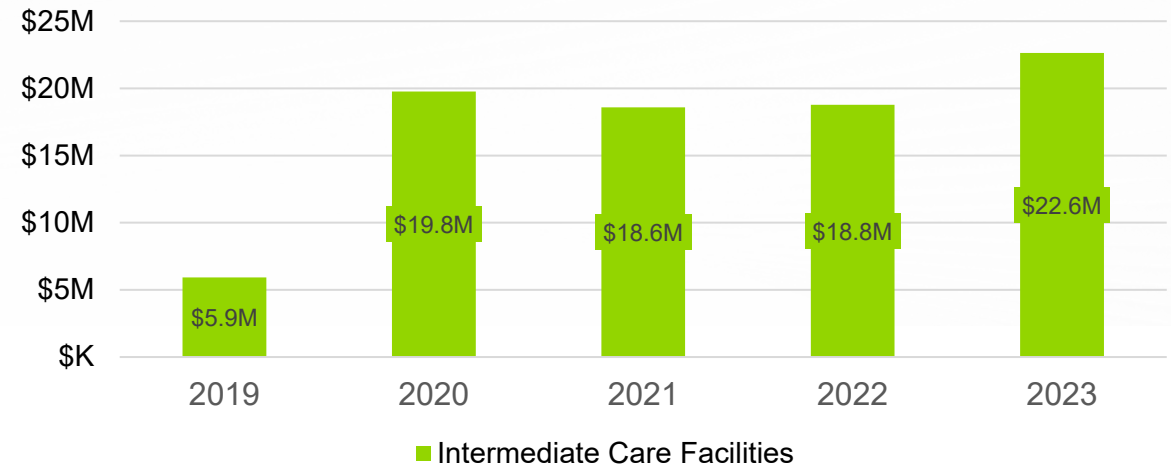
Source: Data provided by Optum. File: "14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

Long Term Care Facilities Expenditures

Intermediate Care Facilities – Infant Infirmaries Expenditures (By DOS), SFY 2019-2023 (Encounters Only)



Intermediate Care Facilities for Individuals with Intellectual Disabilities Expenditures (By DOS), SFY 2019-2023 (Encounters Only)



- MCO reported expenditures for Intermediate Care Facilities (ICFs) for Infant Infirmaries and ICFs for Individuals with Intellectual Disabilities increased 12% and 14% between SFY 2020 and SFY 2023, respectively.

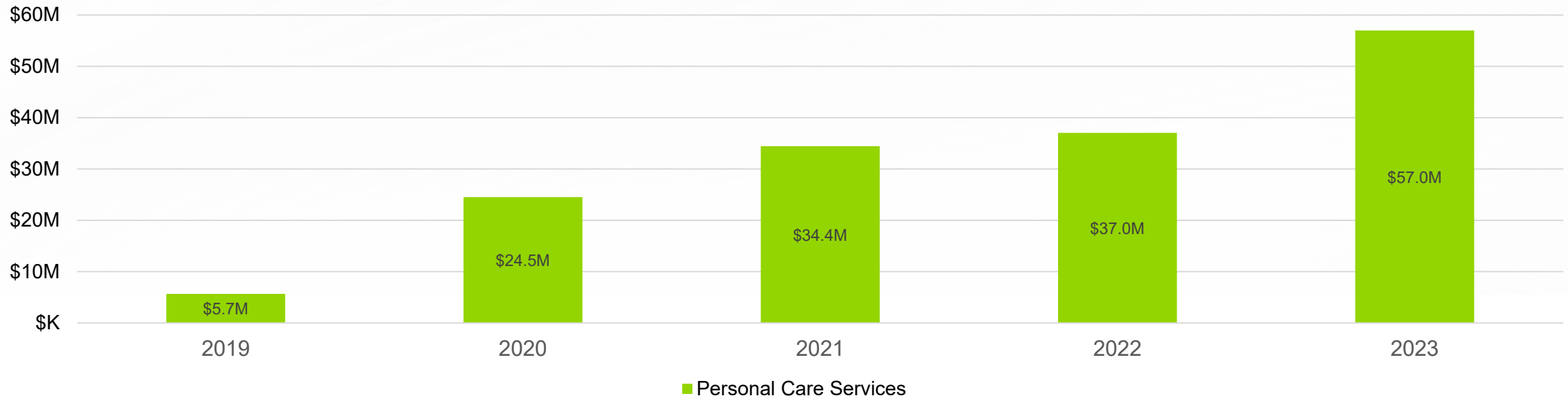
Source: Data provided by Optum. File: "14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*SNF includes SNF provider type and the following provider specialty types: Skilled Nursing Facility, Skilled Nursing Facility - Special Services, General Practice, Family Practice, Internal Medicine, Emergency Medicine.

*ICF includes ICF for Individuals with Intellectual Disabilities provider type and the following provider specialty types: Intermediate Care Facil- Intellectual Disabilities, Intermediate Care Facil - Infant Infirmaries, General Practice.

Personal Care Services Expenditures

Personal Care Services Expenditures (By DOS), SFY 2019-2023 (Encounters Only)



- MCO reported expenditures for personal care services have increased since the PASSE program was implemented in SFY 2019. MCO reported expenditures increased approximately 132% between SFY 2020 and SFY 2023.

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

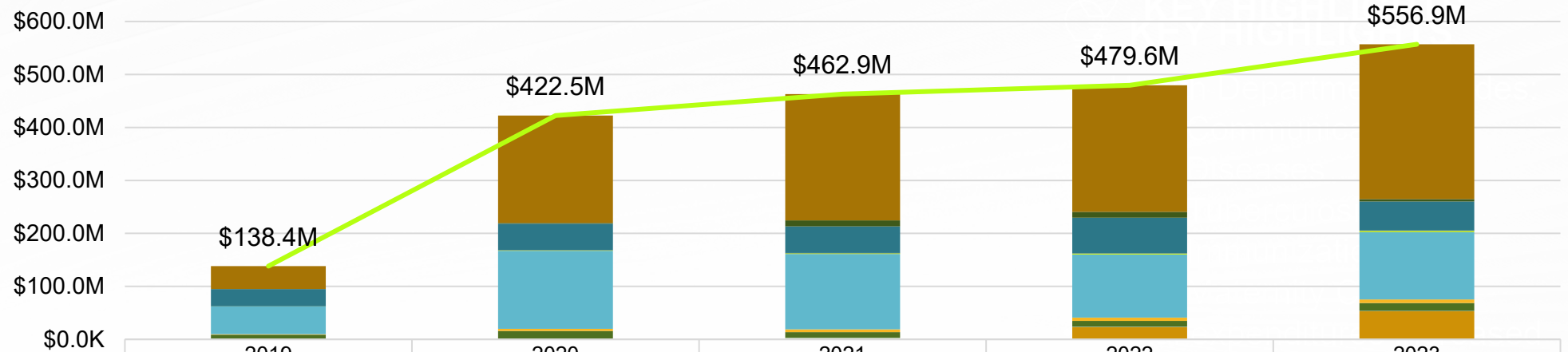
Personal care includes all provider specialty types: Personal Care, Personal Care AAA, Personal Care DDS, Personal Care Weekend, Personal Care Level II Assisted Living, Residential Care Facility Personal Care Svcs

Appendix

Habilitative & Rehabilitative Encounters by Date of Service

Habilitative & Rehabilitative – Total MCO Paid Amount Reported Through Encounters

Habilitative & Rehabilitative Expenditures (By DOS), SFY 2019-2023 (Encounters Only)



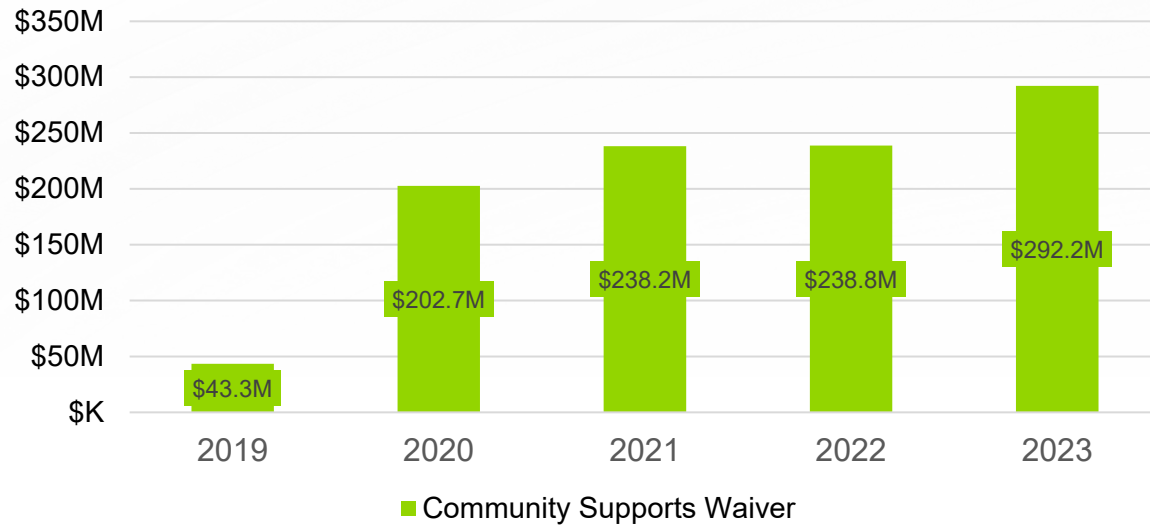
| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| AR Community & Employment Support Waiver | \$43.3M | \$202.7M | \$238.2M | \$238.8M | \$292.2M |
| Autism Services | \$172.6K | \$1.5M | \$11.5M | \$11.1M | \$4.5M |
| Day Treatment Services | \$32.4M | \$49.7M | \$50.1M | \$67.0M | \$54.6M |
| Hemodialysis | \$51.9K | \$224.8K | \$270.7K | \$249.3K | \$332.6K |
| Home Health Services | \$210.3K | \$659.9K | \$673.0K | \$589.8K | \$622.0K |
| Hyperalimentation | \$128.0K | \$500.1K | \$932.6K | \$1.6M | \$2.3M |
| Outpatient Behavioral Health | \$52.3M | \$147.2M | \$142.3M | \$119.0M | \$126.9M |
| Private Duty Nursing | \$1.0M | \$4.3M | \$5.2M | \$6.3M | \$6.8M |
| Therapy | \$8.5M | \$14.5M | \$10.7M | \$11.0M | \$14.9M |
| Ventilator | \$66.4K | \$410.3K | \$550.6K | \$524.5K | \$544.3K |
| Other | \$214.1K | \$878.5K | \$2.4M | \$23.3M | \$53.2M |
| Total | \$138.4M | \$422.5M | \$462.9M | \$479.6M | \$556.9M |

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

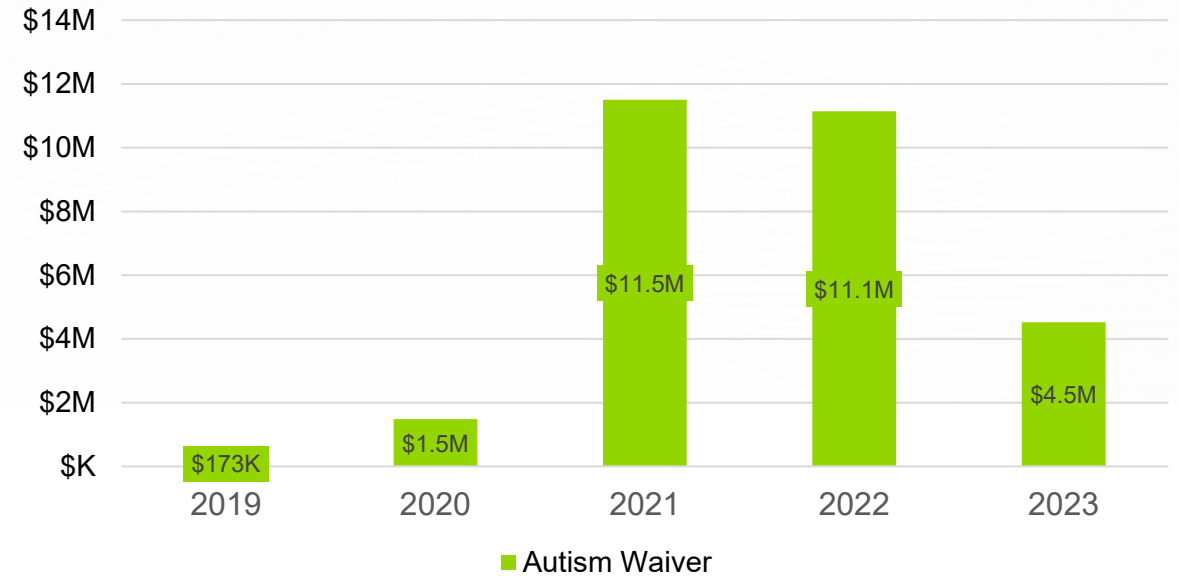
*Other encompasses the following: Community Support Systems Provider Base; Community Support Systems Provider Enhanced; Developmental Rehabilitation Service

HCBS Waivers Expenditures

Community & Employment Support Waiver Expenditures (By DOS), SFY 2019-2023 (Encounters Only)



Autism Services Expenditures (By DOS), SFY 2019-2023 (Encounters Only)

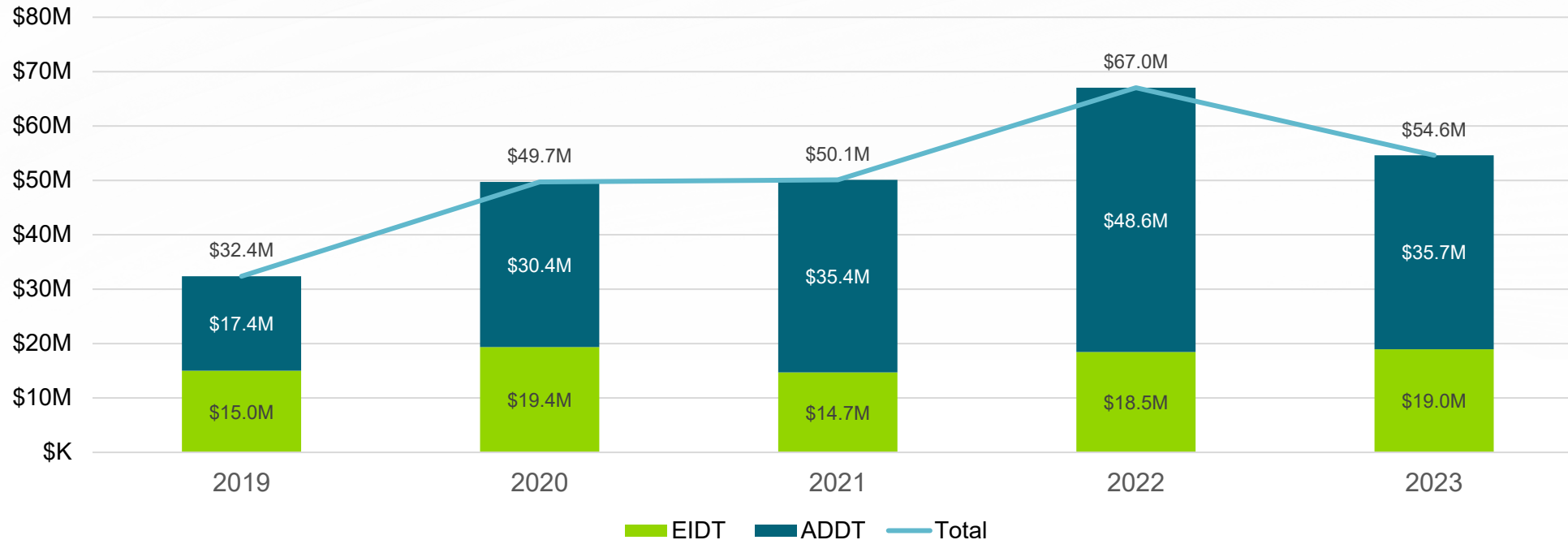


- Community & Employment Support waiver MCO reported expenditures have increased approximately 44% between SFY 2022 and SFY 2023.
- MCO reported expenditures for autism services were significantly higher in SFY 2021 and 2022.

Source: Data provided by Optum. File: "14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

Day Treatment Services Expenditures

Day Treatment Services Expenditures (By DOS), SFY 2019-2023 (Encounters Only)



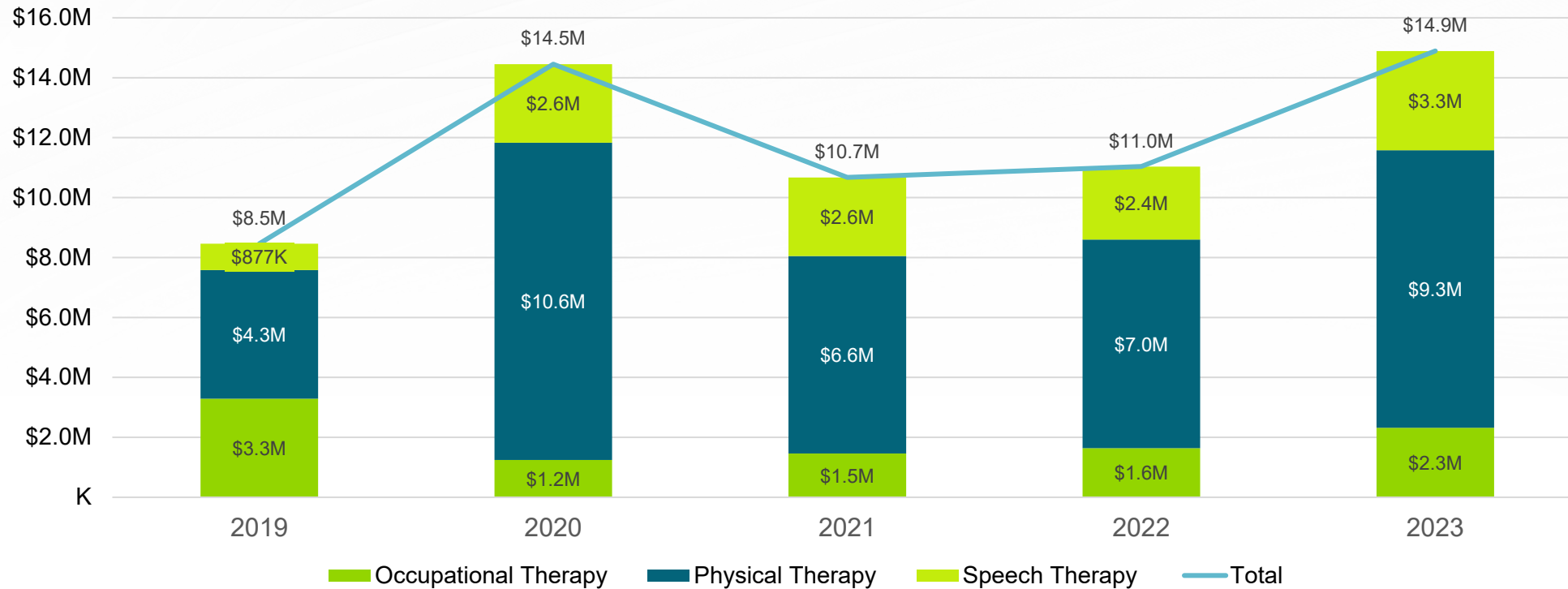
- Overall MCO reported expenditures for day treatment services (adult developmental day treatment [ADDT] and early intervention day treatment [EIDT]) increased approximately 10% between SFY 2020 and SFY 2023.
- ADDT comprises most MCO reported expenditures for day treatment services.

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P."
Service begin dates between 7/1/17 and 6/30/23.

*ADDT and EIDT programs began in 2018; these services were previously child health management services and developmental day treatment center.

Therapy Expenditures

Therapy Expenditures (By DOS), SFY 2019-2023 (Encounters Only)

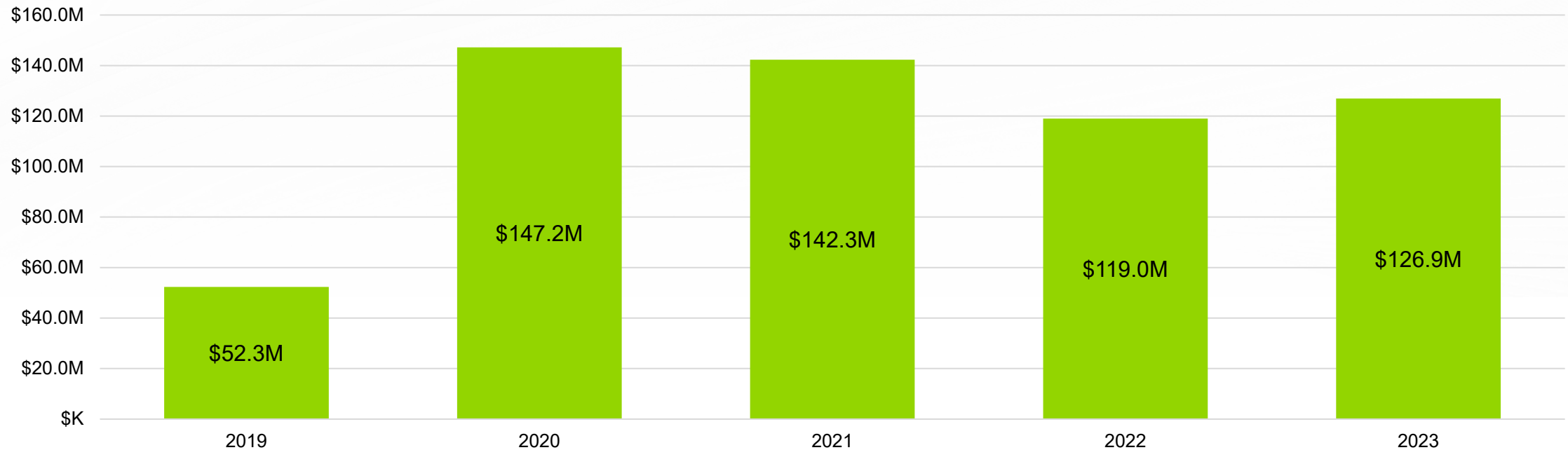


- MCO reported expenditures for therapy services increased 3% between SFY 2020 and SFY 2023.

Source: Data provided by Optum. File: "14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

Outpatient Behavioral Health Expenditures

Outpatient Behavioral Health Expenditures (By DOS), SFY 2019-2023 (Encounters Only)



- MCO reported expenditures for outpatient behavioral health services decreased approximately 14% between SFY 2020 and SFY 2023.

Source: Data provided by Optum. File:"14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

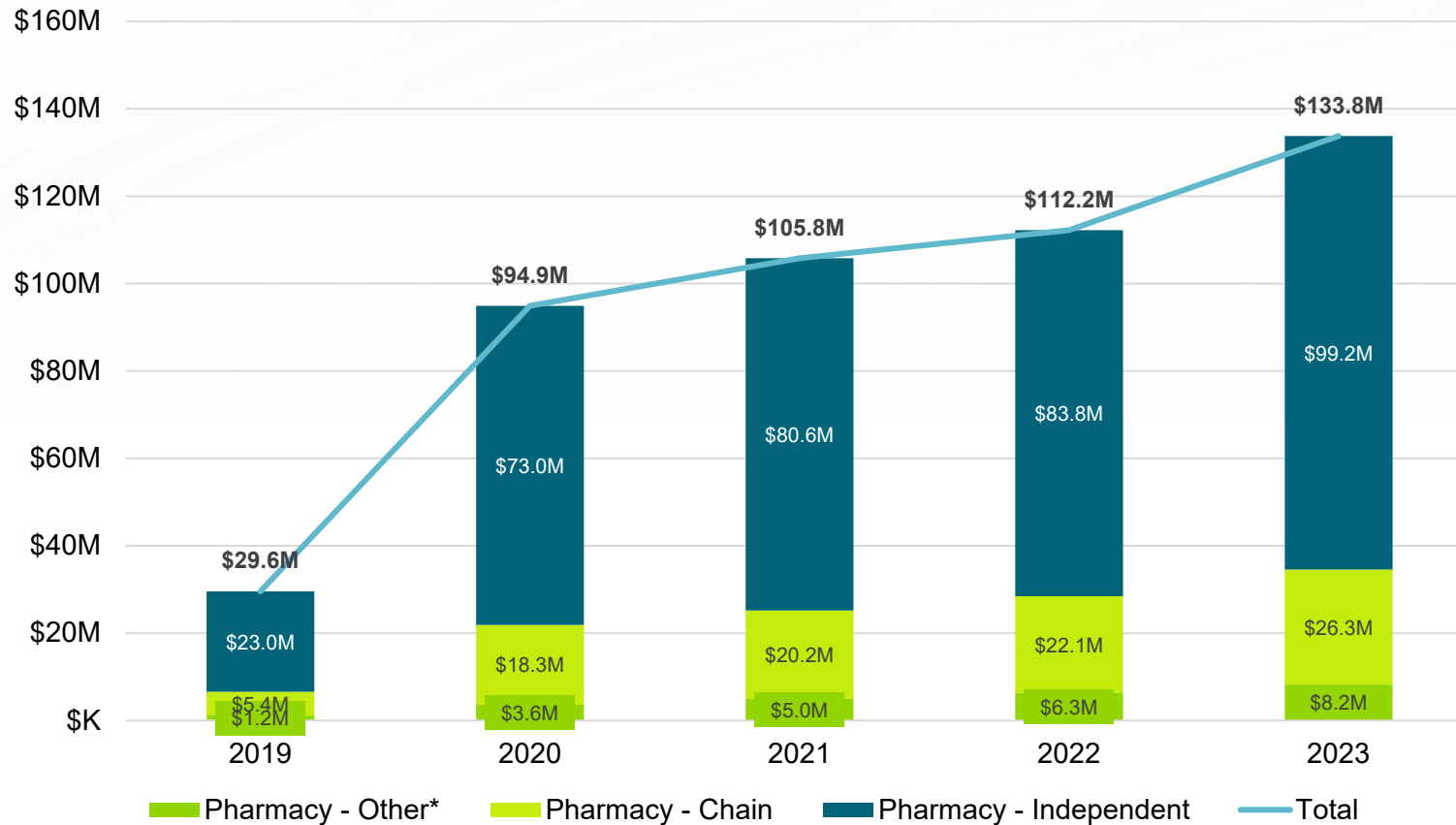
OBH includes: Independently Lic Practitioner (ILP) – LCSW; Independently Lic Practitioner (ILP) – LMFT; Independently Lic Practitioner (ILP) – LPC; Independently Lic Practitioner (ILP) - LPE-I, LP; NON ILP - LPC, LCSW, LMFT; NON ILP - LPE-I, LPE, LP; Rehabilitation Hospital; Rehabilitative Services For Mental Illness; RSPD-residential Rehab Center

Appendix

Pharmacy Encounters by Date of Service

Pharmacy Expenditures

Pharmacy Expenditures (By DOS), SFY 2019-2023 (Encounters Only)



KEY HIGHLIGHTS

- MCO reported expenditures for pharmacy increased by approximately 40% between SFY 2020 and SFY 2023.

Source: Data provided by Optum. File: "14830 12970 Total Spend Comprehensive View 2017 By DOS All transactions included T21_20_34" 11/3/23 for Encounter Data, Claim Status Code "P." Service begin dates between 7/1/17 and 6/30/23.

*Pharmacy – Other encompasses the following: Pharmacy – Compounding, Pharmacy – Home Infusion, Pharmacy – Long Term Care – Closed Door, and Pharmacy Administered Vaccines