

SECOND NOTICE FOR EXTENDED PUBLIC COMMENT PERIOD FOR PROPOSED ARHOME  
SECTION 1115 DEMONSTRATION PROJECT

Pursuant to 42 C.F.R. § 431.408, the Director of the Division of Medical Services (DMS) of the Department of Human Services (DHS) issues the following abbreviated notice for the Section 1115 Demonstration Project waiver notice for the ARHOME program.

During the most recent session of the Arkansas General Assembly, Governor Asa Hutchinson and legislators collaborated to make further improvements to the Medicaid program for non-elderly and adults without disabilities with income below 138% of the federal poverty, currently called Arkansas Works. Under the authority of Act 530, Arkansas proposes to continue to cover the new adult eligibility group for another five years through the Arkansas Health and Opportunity for Me Act of 2021 (“ARHOME”) program and extend and amend the Demonstration through December 31, 2026. DMS again seeks comments on the proposed waiver authorities before submission to the Centers for Medicare & Medicaid Services (CMS) for consideration and approval.

The proposed Demonstration continues to ensure budget neutrality by establishing expenditure trend rates using the per capita cap methodology to project “without waiver” and “with waiver” expenditures. The State will accept risk based on per capita expenditures but not on enrollment.

The new features of ARHOME will enable Arkansas to:

- reduce the maternal and infant mortality rates in the state;
- promote the health, welfare, and stability of mothers and their infants after birth to reduce long-term costs;
- reduce the additional risk for disease and premature death associated with living in a rural county;
- strengthen financial stability of critical access hospitals and other small, rural hospitals, and enhance access to medical services in rural counties;
- fill gaps in continuum of care for individuals with serious mental illness and substance use disorders;
- increase the identification of Medicaid beneficiaries most at risk for poor health outcomes associated with poverty and increase their engagement in educational and employment opportunities;
- increase active participation of beneficiaries in improving their health;
- provide intensive care coordination for beneficiaries most at risk of long-term poor health to reduce inappropriate and preventable utilization of emergency departments and inpatient hospital settings;
- increase the use of preventative care and health screenings; and
- reduce the rate of growth in state and federal obligations for providing healthcare coverage to low-income adults.

DMS has made several changes from the previous waiver authority. The new waiver includes three types of community bridge organizations called Life360 HOMEs targeted to improving maternal and child health; supporting population health in rural areas by addressing social determinants of health; expanding provider capacity to give individuals with serious mental illness or substance use disorders more timely access to treatment; and creating opportunities for success for young adults who are veterans or former foster youths, were under the supervision of the Division of Youth Services, or were formerly incarcerated as adults.

Additional changes include:

- the use of incentives offered by qualified health plans to their members to increase use of preventative health screenings and services;
- the use of incentives offered by qualified health plans to their members to increase the use of employment, education, and training opportunities among enrollees;
- increased qualified health plan accountability for meeting annual Medicaid Core Set of Adult Health Care Quality Measures enforced by potential financial sanctions;
- quarterly program monitoring by a joint executive-legislative oversight panel;
- application of cost sharing up to the federally allowable amounts per service and the quarterly cost sharing cap of 5% of household income for enrollees; and
- enrollment in the PASSE program for individuals with serious mental illness or substance use disorder providing them with access to intensive care coordination and specialized services.

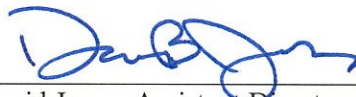
Other requested waiver authorities include continuing to provide premium assistance to purchase coverage offered by qualified health plans that participate in the individual insurance Marketplace in Arkansas and waiver authorities involving freedom of choice; payment to providers; premiums and cost sharing; retroactive eligibility; and prior authorizations.

The Arkansas Health and Opportunity for Me (ARHOME) full notice is available for 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. You may also access and download the full notice and this notice on the DHS website at <https://humanservices.arkansas.gov/rules/arhome>

Public comments may be submitted in writing at the above mailing address or at the following email address: [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov). All public comments must be received by DHS no later than September 13, 2021. 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.

If you need this material in a different format, such as large print, contact the Office of Rules Promulgation at 501-320-6266.

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Division of Medical Services