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December 18, 2019

Governor Asa Hutchinson
250 State Capitol
Little Rock, AR 72201

Dear Governor Hutchinson:

Attached you will find the Department of Human Services' (DHS) Medicaid Transformation Savings Scorecard and Quarterly Report for the first quarter (Q1) of State Fiscal Year (SFY) 2020. I am pleased to say that DHS continues to be on track to achieve the five-year savings target of \$835 million due to transformation in five areas of the Arkansas Medicaid program for SFY 2017-2021 that you established with the Health Care Task Force (HCTF). Net transformation savings for Q1 of SFY20 were \$13.6 million. Though transformation did result in savings in that quarter, those savings did not meet the target of \$61.9 million. As you will read below, we do have a plan to address issues that affected savings for Q1 and remain optimistic that we will achieve the overall transformation savings targets by the end of SFY21. It's also important to note here that baseline spending for Traditional Medicaid overall is down appreciably – 5.4 percent less than what the report estimated cumulative spending to be for SFY 2017-2019. Though baseline spending is down, as you know it is important that we continue to transform the Arkansas Medicaid program so that it will be financially sustainable in the long-term for those who depend on it for critical health care services.

According to the HCTF, additional transformation savings of \$53 million that were not included in the \$835 million target could be achieved with a provider-led care coordination model for the developmental disabilities and behavioral health populations that was expected to begin in SFY 2021. The HCTF report describes this model as "... an opportunity for additional savings within the DD and BH programs through greater care coordination, specifically with respect to the medical and pharmacy benefits ...". In addition to the \$53 million in savings, the HCTF also estimated a provider-led program would generate \$114 million in premium tax revenue through SFY21.

Since the Provider-led Arkansas Shared Savings Entity (PASSE) program was implemented ahead of the HCTF's expectations, we have incorporated these figures as savings targets for SFY 2020 for the program and included in our Quarterly Scorecard. There are delays in receiving encounter data for this population and the collection of the premium taxes from the PASSEs. Quarterly reports, therefore, are subject to revision as costs and collections are reconciled after a quarter ends. For Q1, the \$46.9 million in net *cost* for the PASSEs reduced total transformation savings for the quarter to \$13.6 million. We also revised the transformation savings for SFY 2019 from \$402 million to \$329 million to adjust for effects of the PASSE program during that

timeframe, as we indicated we would do when we published our last scorecard. Recognizing that adjustments may need to be made when implementing new and innovative programs, DHS built in protections into our initial agreements with the PASSEs – a commitment to refreshing the rates we pay the PASSEs once we have sufficient data on actual member experience and a risk corridor adjustment that provided protections for the State and PASSEs in the event that the program experience varied significantly from the assumptions on which rates were based. After reviewing PASSE financial data, we have now exercised both those protections. Starting Oct. 1, DHS revised PASSE rates downward to align with the actual population and program experiences to date. On the risk corridor, we are now working through with the PASSEs how best to reconcile the payments in SFY2020.

We are also pleased to report our progress in meeting your Executive Order 19-02, “To Establish a Systematic Approach to Reviewing Medicaid Rates on a Regular Cycle.” As you have directed, we have completed two rounds of reviews. The process has taken longer than we expected, but this is a complex topic, and it is important that we get this right. We have considered factors including access, quality, and comparable rates in other states. We will be meeting with the respective industry groups to review the results shortly. As we discussed with you on Friday, we plan to implement interim rate increases for the Early Intervention Day Treatment program, Developmental Day Treatment program, and personal care services on Jan. 1.

It is our expectation that we would work with the Department of Finance and Administration as we put forth rate-related changes for these and other rate adjustments in our SFY21 budget and make the necessary adjustments to cover the cost of those changes to ensure fiscal sustainability. Our third round of reviews by service category to take place this quarter will be:

- Durable Medical Equipment
- Federal Qualified Health Centers
- Rural Health Centers
- Independent Choices waiver
- Home health services

We greatly appreciate your continued support and leadership in this important matter.

Sincerely,



Cindy Gillespie
Secretary

Medicaid Transformation Savings Scorecard and Quarterly Report

Q1 – SFY 2020



**ARKANSAS DEPARTMENT OF
HUMAN SERVICES**

December 18, 2019

A Four Section Report to Track Medicaid and Savings

- DHS is obligated to provide a quarterly report beginning with the first quarter of SFY18 that:
 - Includes a dashboard or scorecard to track savings from reforms approved by the Health Care Task Force (HCTF). The reforms target “at least \$835 million” in savings from traditional Medicaid.
 - Reports on all Medicaid programs to monitor spending and savings across the programs.
 - Measures the impact on Medicaid spending and other quality/performance indicators from implementation of provider-led organized care in Arkansas.
- Act 802 requires DHS to submit to the Bureau of Legislative Research an initial report on September 1, 2017, to establish the baseline for the quarterly reports.
- Act 802 further provides:
 - If project (sic) savings in an amount less than five percent (5%) of the goal are not achieved during any two (2) consecutive quarters unrelated to non-claims based performance, the department shall develop additional reforms to achieve the savings goals (emphasis added.)”
 - “If legislative action is required to implement the additional reforms ..., the Department may take the action to the Legislative Council or the Executive Subcommittee of the Legislative Council for immediate action.”
- DHS will submit these quarterly reports to BLR on or before the last day of the month following the end of a quarter.



PASSE – Full Risk Provider-led Organizations

1. The final report to the HCTF projected that a provider-led risk based care model for the BH and DD populations could be implemented by DHS in SFY 2021. The report estimated the risk-based model would produce \$40 million in savings and generate \$56 million in premium tax revenue in SFY 2021.
2. Act 775 created the risk-based provider organizations (PASSEs) and reserved at least 50% of premium taxes to be used to reduce the DD waitlist.
3. Act 802 also directs DHS to measure (1) increase care management and care coordination; (2) value-based purchasing strategies; (3) reduction in duplication of healthcare services; (4) reduction in unnecessary healthcare services; and (5) the degree of risk assumed by risk-based provider organizations
4. Three provider-led organizations, Arkansas Total Care, Empower, and Summit Community Care, assumed full-risk for approximately 42,000 Medicaid recipients with high levels of need for BH and/or DD specialty services on March 1, 2019. The PASSEs receive a monthly capitated payment from DHS for each member to cover all specialty services and halo costs. As services are covered by a PASSE, there are reductions in direct payments to providers in fee-for-service (FFS) Medicaid for the individuals enrolled in a PASSE. DHS has applied a “risk corridor” that allows DHS and the PASSEs to share savings and protect PASSEs against unexpected high costs.
5. Each PASSE is required to provide care coordination. DHS can sanction a PASSE for failure to meet care coordination performance measures.
6. PASSEs are allowed and encouraged to use value-based purchasing strategies with their network providers, but not required to do so. The PASSEs are generally using the Medicaid fee schedule for payments. Value-based strategies are likely to be adopted in calendar year 2020 and beyond.
7. DHS will use encounter claims data analyses to determine reductions in duplication of health care services. Because of the lag time in obtaining clean encounters and the need for sufficient time for the PASSEs to gain experience, such analyses will occur in calendar year 2020.
8. PASSEs have authority to ensure that healthcare is medically necessary for an individual. Encounter claims will be analyzed for this purpose as well.
9. The PASSE program is regulated under federal Medicaid managed care rules and state health insurance rules.



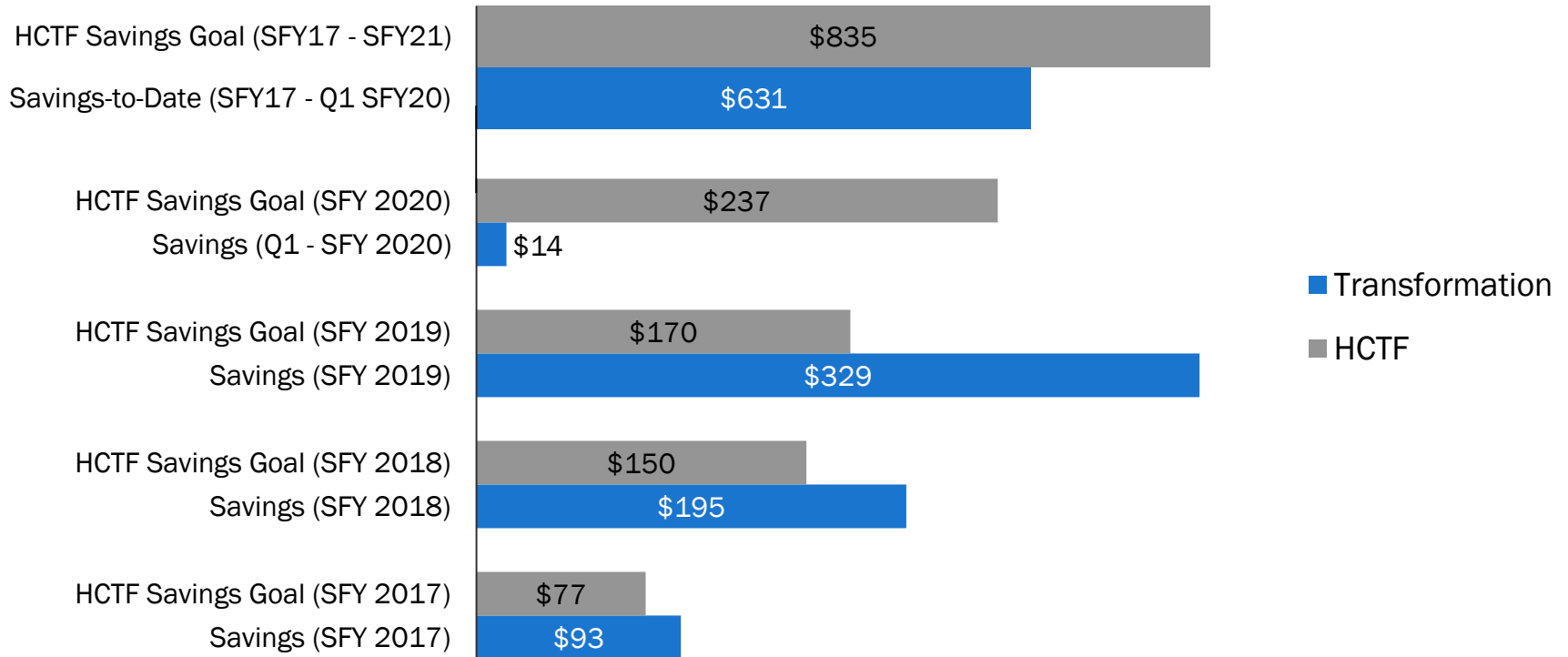
SECTION I

Medicaid Transformation Savings Scorecard

Traditional Medicaid Scorecard

Savings Overview

Overall Savings (\$M)



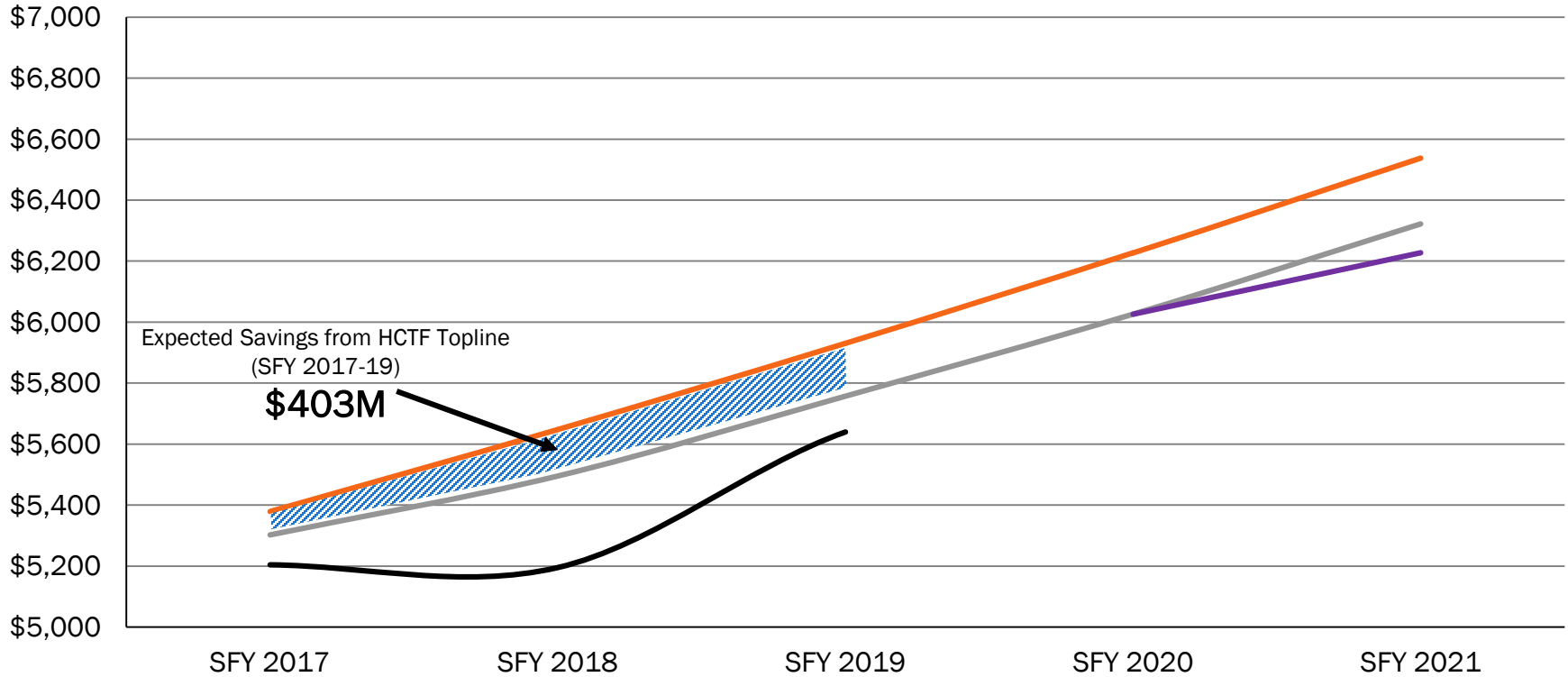
Note(s): (1) SFY 2019 savings were adjusted due to the PASSEs becoming full risk in March 2019. This resulted in a \$73M reduction in Overall SFY 2019 savings from \$402M to \$329M
 (2) In prior scorecards the Dental premium tax was counted towards savings. Starting in SFY 2020, all premium taxes (Dental and PASSE) will be counted as a fiscal impact. Therefore HCTF savings goals for SFY 2018 and SFY 2019 were reduced by \$3M each year (the amount of Dental premium tax).



Traditional Medicaid Spending vs HCTF Toplines

SFY 2017-2021

Dollars in Millions (\$M)



— HCTF Topline (5% Annual Growth)

— HCTF Transformation Topline (4.5% Annual Growth)

— HCTF Transformation w/ PASSE

— Actual Spending (4.1% Annual Growth)



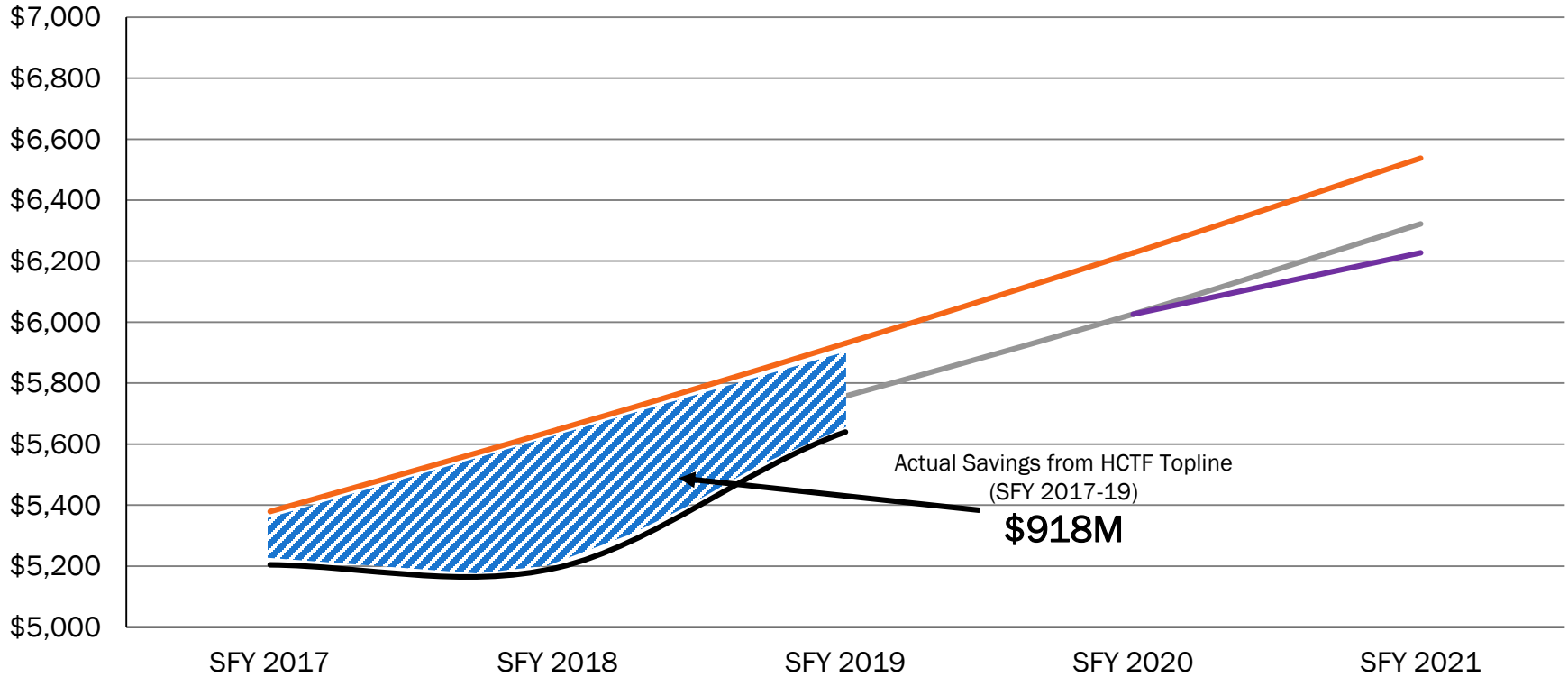
ARKANSAS DEPARTMENT OF HUMAN SERVICES

Source(s): (1) Arkansas Health Care Reform Task Force – Final Report, The Stephens Group (12/15/2016)
 (2) COS Weekly SFY2017-19 – Week 52

Traditional Medicaid Spending vs HCTF Toplines

SFY 2017-2021

Dollars in Millions (\$M)



— HCTF Topline (5% Annual Growth)

— HCTF Transformation Topline (4.5% Annual Growth)

— HCTF Transformation w/ PASSE

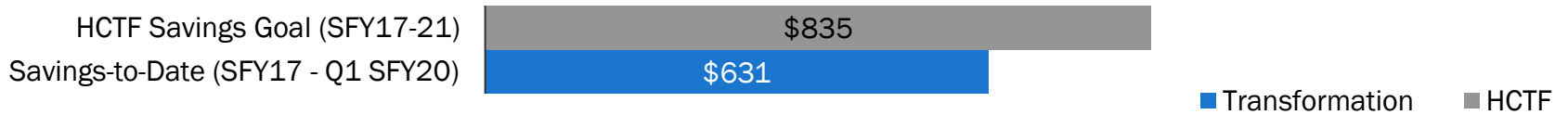
— Actual Spending (4.1% Annual Growth)



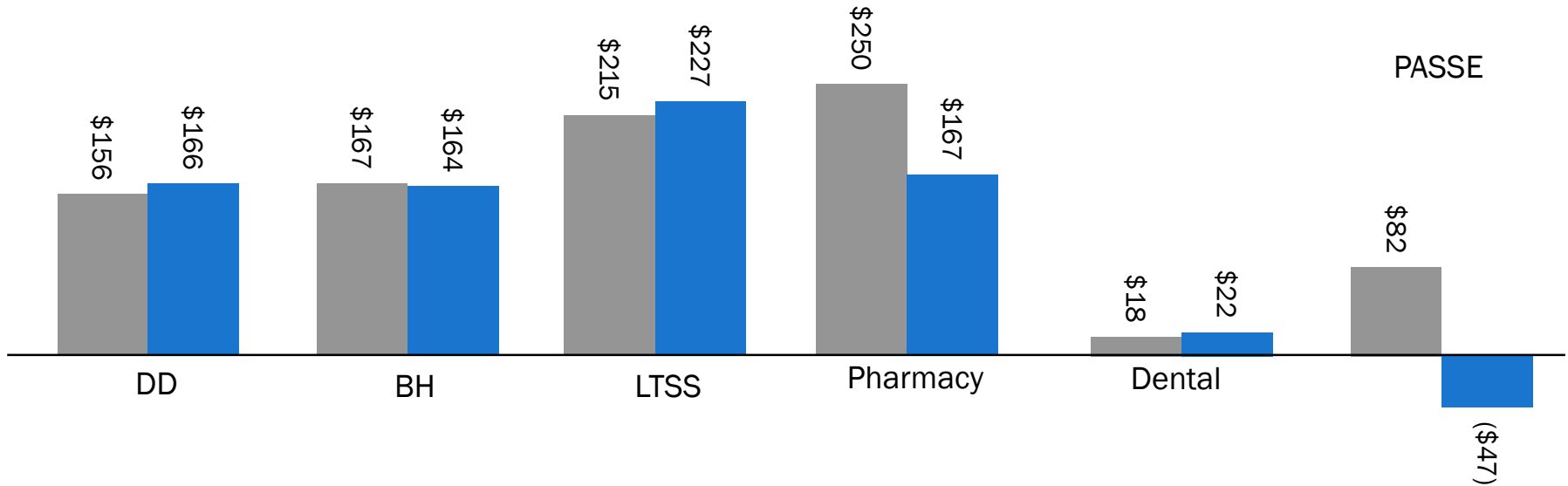
Traditional Medicaid Scorecard

Savings Overview by Program

Overall Savings (\$M)



Program Savings (SFY17 - Q1 SFY20) compared to their SFY 2017-21 HCTF Savings Goals (\$M)



Note(s): (1) Pharmacy savings does not factor in drug rebates. It is calculated using gross pharmacy expenditures.

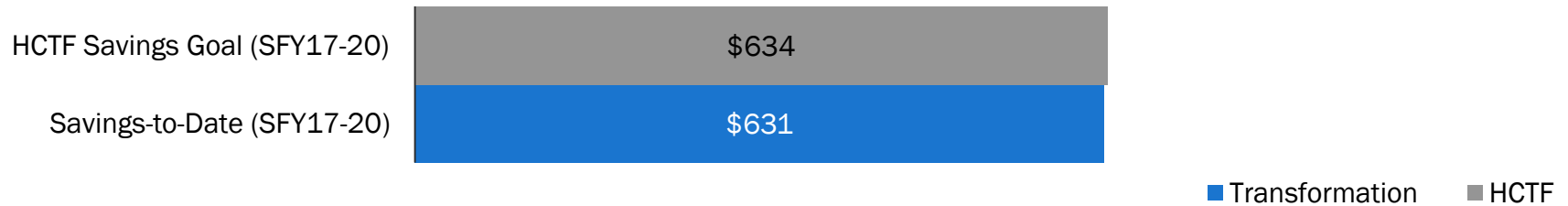
(2) SFY 2019 savings were adjusted due to the PASSEs becoming full risk in March 2019. This resulted in a \$73M reduction in Overall SFY 2019 savings from \$402M to \$329M



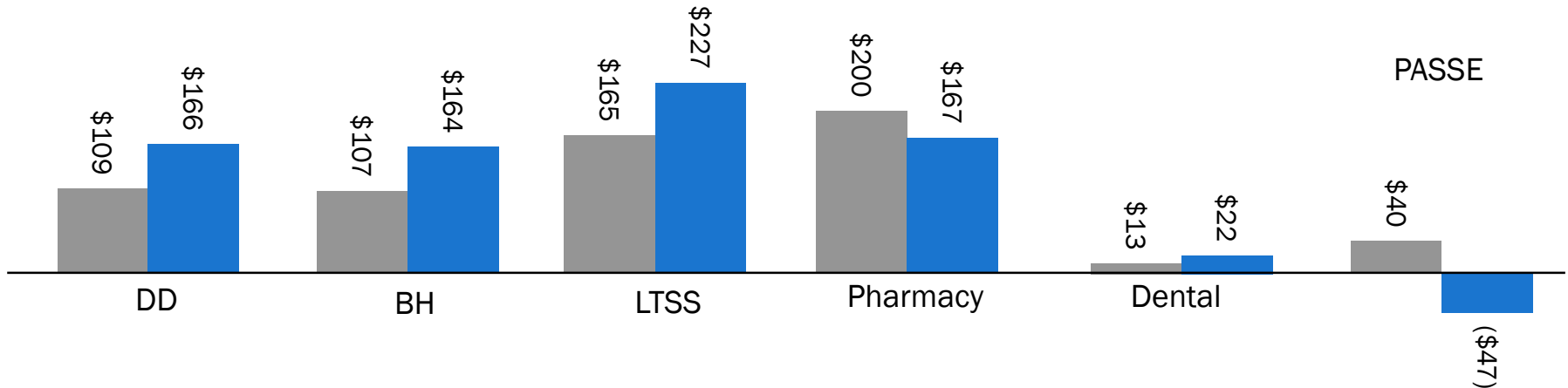
Traditional Medicaid Scorecard

Savings-to-Date (SFY 2017- Q1 SFY 2020)

Overall Savings-to-Date (\$M) (SFY 2017 – Q1 SFY 2020)



Program Savings-to-Date compared to their Savings Goals-to-Date (\$M) (SFY 2017 – Q1 SFY 2020)



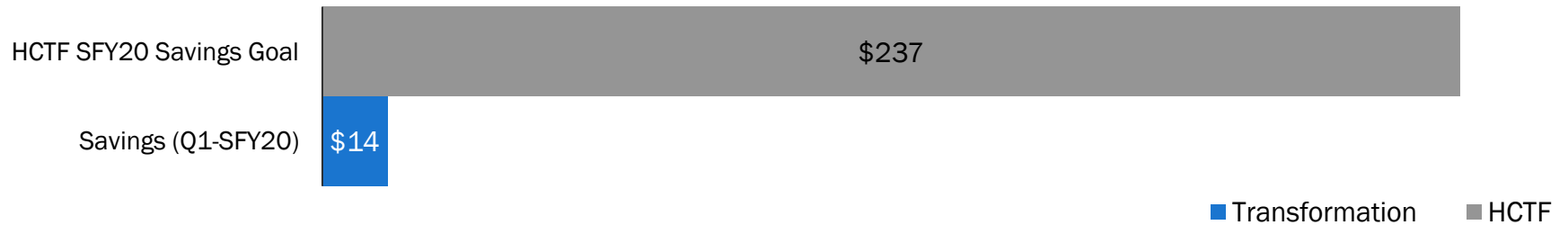
Note(s): (1) Pharmacy savings does not factor in drug rebates. It is calculated using gross pharmacy expenditures.
 (2) SFY 2019 savings were adjusted due to the PASSEs becoming full risk in March 2019. This resulted in a \$73M reduction in Overall SFY 2019 savings from \$402M to \$329M



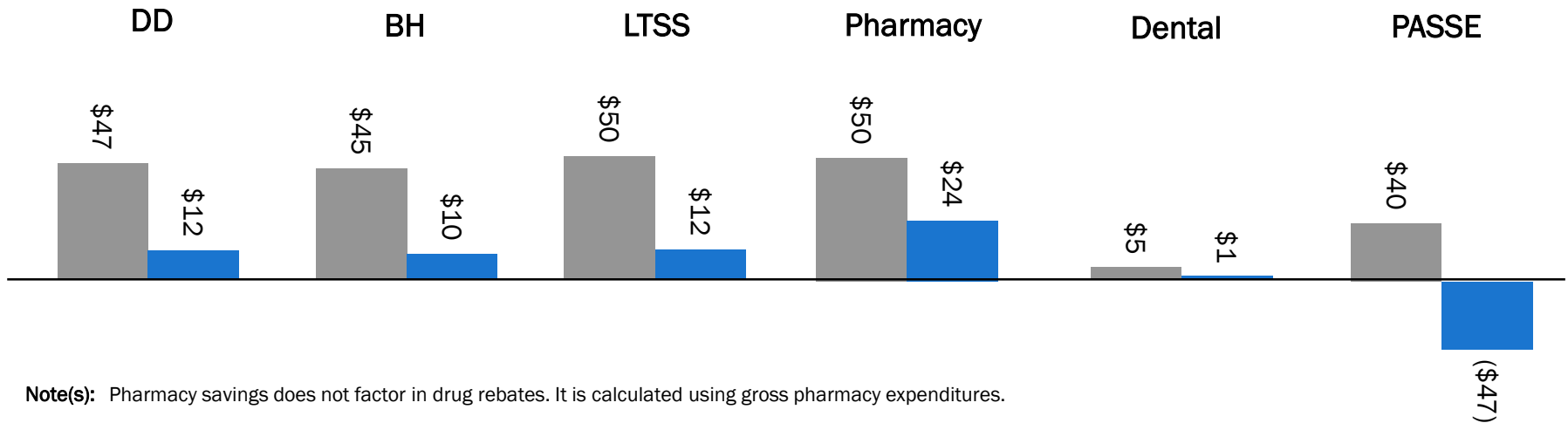
Traditional Medicaid Scorecard

SFY 2020

Overall Savings (\$M)



SFY 2020 Savings by Program (\$M)



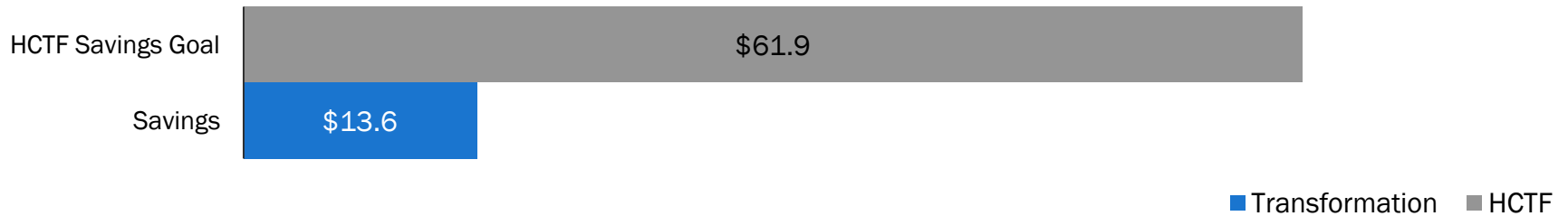
Note(s): Pharmacy savings does not factor in drug rebates. It is calculated using gross pharmacy expenditures.



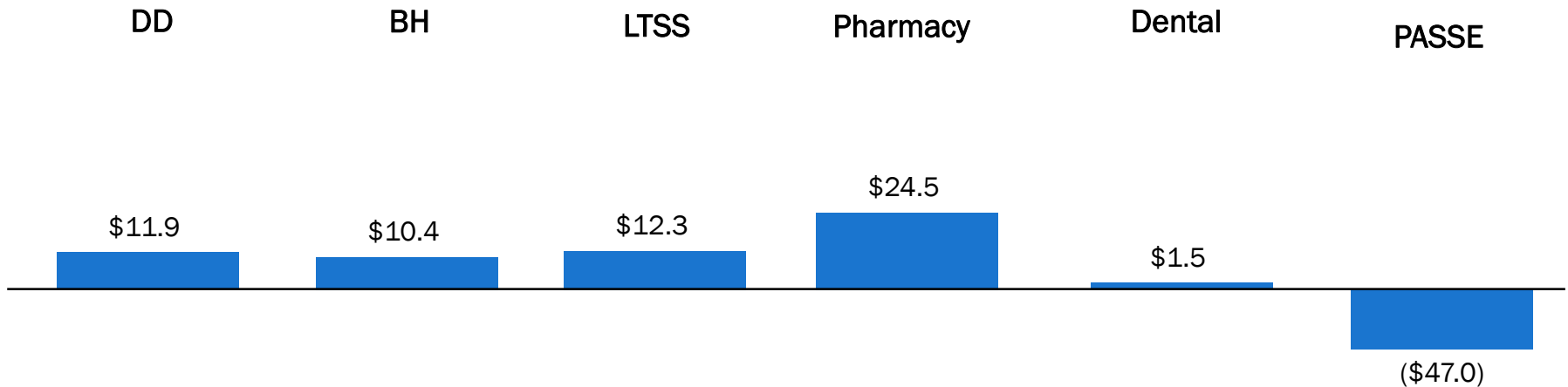
Traditional Medicaid Scorecard

Q1 – SFY 2020

Overall Savings (\$M)



Q1 – SFY 2020 Savings by Program (\$M)



Note(s): Pharmacy savings does not factor in drug rebates. It is calculated using gross pharmacy expenditures.



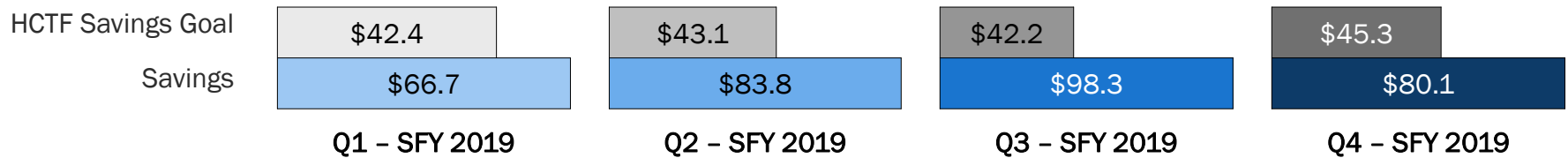
Traditional Medicaid Scorecard

Adjusted SFY 2019

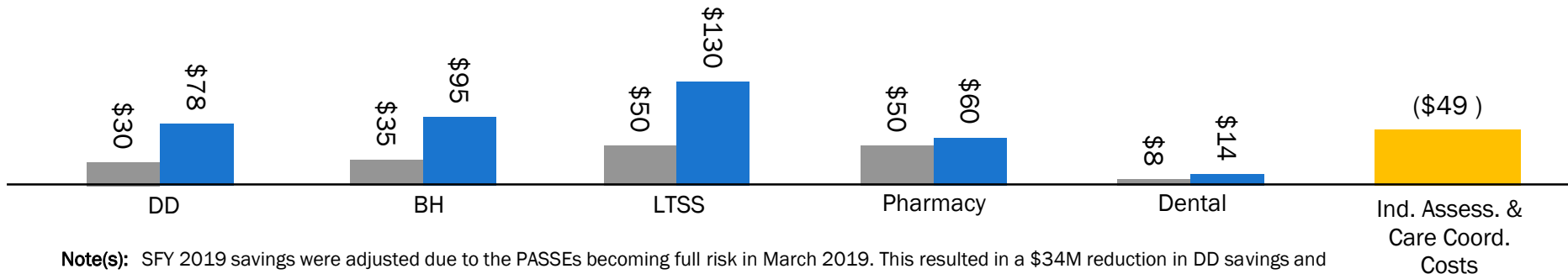
Overall SFY 2019 Savings (\$M)



SFY 2019 Savings per Quarter (\$M)



SFY 2019 Savings by Program (\$M)



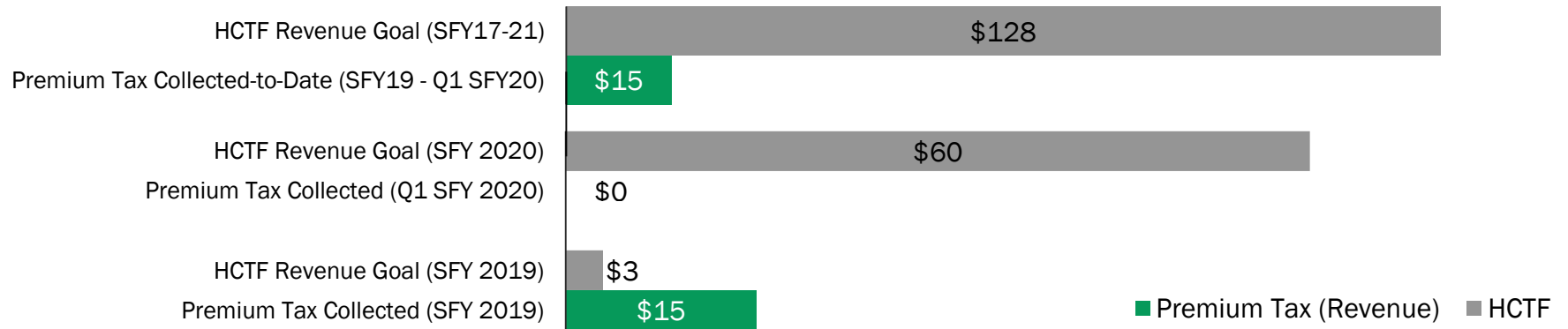
Note(s): SFY 2019 savings were adjusted due to the PASSEs becoming full risk in March 2019. This resulted in a \$34M reduction in DD savings and a \$32M reduction in BH savings in Q4 - SFY 2019. Overall Q4 - SFY 2019 savings was reduced \$73M from \$153M to \$80M.



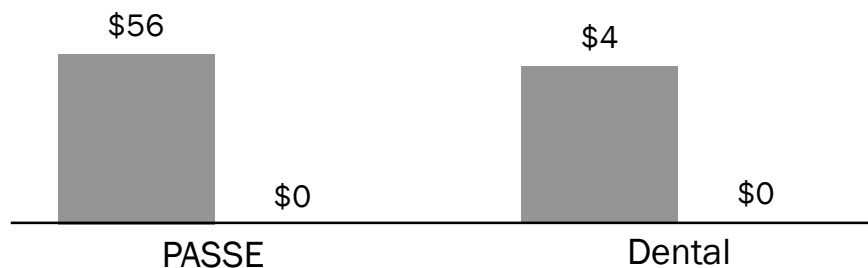
Traditional Medicaid Scorecard

HCTF Premium Tax Overview

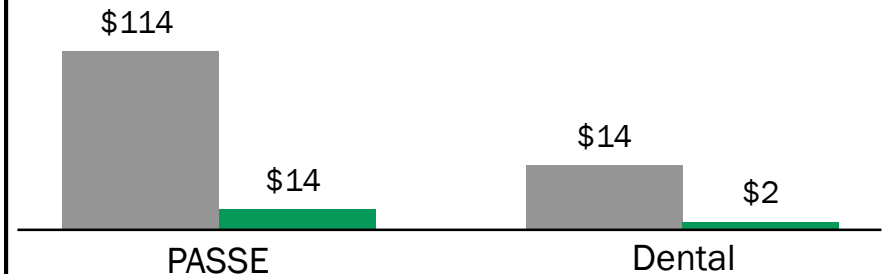
Overall Premium Taxes Collected (\$M)



SFY 2020 by Program*



Program Revenues compared to their SFY 2017-21 HCTF Revenue Goals (\$M)



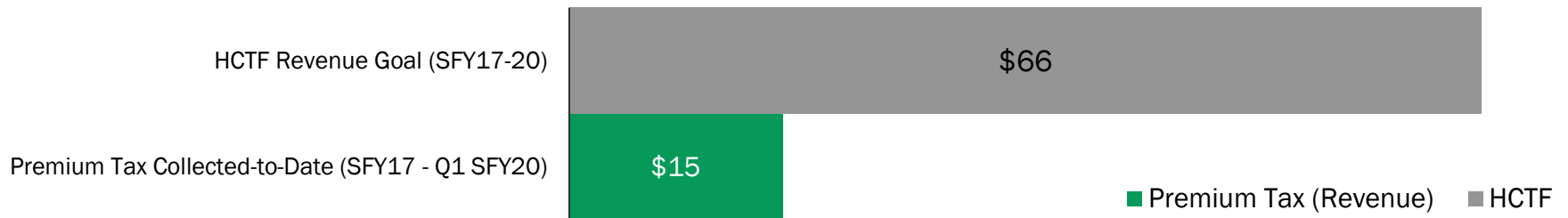
* The Arkansas Insurance Department (AID) collects premium taxes on Dental Managed Care and PASSE organizations 45 days following the end of the quarter. As a result, the scorecard can only report the previous quarter's premium tax payments.



Traditional Medicaid Scorecard

HCTF Premium Tax Collections-to-Date (SFY 2017-20)

Premium Tax Collections-to-Date (\$M) (SFY 2017 – Q1 SFY 2020)



Premium Tax Collections-to-Date compared to their Revenue Goals-to-Date (\$M) (SFY 2017 – Q1 SFY 2020)



The Arkansas Insurance Department (AID) collects premium taxes on Dental Managed Care and PASSE organizations 45 days following the end of the quarter. As a result, the scorecard can only report the previous quarter's premium tax payments.



Adjusted HCTF Baseline Spending Models that includes Provider-Led Model (PASSE) starting in SFY 2020

Spending and Savings by Year & Program Dollars in Millions (\$M)	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2017-21
*HCTF Baseline, Traditional Medicaid	\$5,379	\$5,648	\$5,930	\$6,227	\$6,538	\$29,722
‡HCTF “Current Model” Spending Traditional Medicaid only	\$5,302	\$5,495	\$5,757	\$6,026	\$6,322	\$28,902
‡HCTF “Current Model” Savings	\$77	\$153	\$173	\$201	\$216	\$820
Provider-Led CCO for BH and DD “PASSE” Savings	\$0	\$0	\$0	\$40	\$42	\$82
Provider-Led CCO for BH and DD “PASSE” Premium Tax Revenue	\$0	\$0	\$0	\$56	\$58	\$114
**HCTF Fiscal Impact	\$77	\$153	\$173	\$297	\$317	\$1,017

* HCTF assumed 5% annual growth in spending

‡ HCTF “Current Model” reflects revised annual spending based on achieving annual savings targets

** HCTF assumed PASSE would not show savings until SFY21, As a result, numbers for SFY 2021 and 2022 were used for SFY 2020 and SFY 2021 respectively



Adjusted HCTF Baseline for Net Savings in Targeted Areas that includes Provider-Led Model (PASSE) starting in SFY 2020

Savings and Costs by Program Dollars in Millions (\$M)	Actual SFY 2017-20	HCTF SFY 2017-21	Difference
DD Savings	\$166	\$156	\$10
BH Savings	\$164	\$167	(\$3)
PASSE Savings	(\$47)	\$82	(\$129)
LTSS Savings	\$227	\$215	\$12
Pharmacy Savings	\$167	\$250	(\$83)
Dental Savings (Includes Capitated Managed Care)	\$22	\$18	\$4
IA & Care Coordination	(\$68)	-	-
Total Transformation Savings	\$631	\$888	(\$257)
PASSE Premium Tax	\$13	\$114	(\$101)
Dental Premium Tax	\$2	\$14	(\$12)
Total Fiscal Impact	\$646	\$1,017	(\$371)

Note(s): HCTF assumed PASSE would not show savings until SFY21, As a result, numbers for SFY 2021 and 2022 were used for SFY 2020 and SFY 2021 respectively



Medicaid Transformation Spend by Quarter

SFY 2019-20

Spending & Savings by Year & Program Dollars in Millions (\$M)	Q1 – SFY19 Actual	Q2 – SFY19 Actual	Q3 – SFY19 Actual	Q4 – SFY19 Actual	Q1 – SFY20 HCTF Topline (5% Annual Increase)	Q1 – SFY20 Actual	Q1 – SFY20 Savings / (Cost)
Developmentally Disabled (DD)	\$89.7	\$99.4	\$93.0	\$116.5	\$94.8	\$83.0	\$11.9
Behavioral Health (BH)	\$16.1	\$18.5	\$15.5	\$16.1	\$25.7	\$15.3	\$10.4
Long Term Services & Supports (LTSS)	\$236.5	\$238.1	\$248.3	\$227.2	\$253.1	\$240.8	\$12.3
Pharmacy	\$89.0	\$94.8	\$93.8	\$73.0	\$95.6	\$71.1	\$24.5
Dental	\$34.8	\$34.7	\$34.2	\$34.6	\$36.3	\$34.8	\$1.5
Grand Total	\$521.4	\$551.0	\$537.2	\$475.8	\$505.7	\$445.0	\$60.6

Note(s): (1) Further details of each section can be found in Section III and the Appendix
 (2) The reductions in DD and BH spending from previous scorecards is the result of removing PASSE participants and/or programs affected by the PASSE
 (3) Pharmacy savings are based on gross pharmacy expenditures. It does not factor in drug rebates.



Savings Attributed to Provider-Led (PASSE)

SFY 2020

Program Dollars in Millions (\$M)	Q1 – SFY20 Expected Year-over-Year Reductions in FFS	Q1 – SFY20 Actual Year-over-Year Reductions in FFS	Savings / (Cost)
Institutional Medical Services	\$42.7	\$40.5	(\$2.1)
Non-Institutional Medical Services	\$15.7	\$9.8	(\$5.7)
Habilitative & Rehabilitative Services	\$127.9	\$104.1	(\$24.9)
Long-Term Services & Supports	\$14.6	\$10.9	(\$3.7)
Pharmacy	\$28.3	\$17.8	(\$10.5)
Total	\$229.1	\$182.0	(\$46.9)

Note(s): (1) Expected Year-over-Year Reductions in FFS are the expected reductions the PASSE population should have had on Fee-for-Service (FFS) spending
 (2) Actual Year-over-Year Reductions in FFS are the actual reductions that occurred in Fee-for-Service (FFS) spending



Traditional Medicaid Spend by Quarter

SFY 2019-20

Spending & Savings by Year & Program Dollars in Millions (\$M)	Q1 – SFY19 Actual	Q2 – SFY19 Actual	Q3 – SFY19 Actual	Q4 – SFY19 Actual	Q1 – SFY20 Actual
Institutional Medical Services	\$182.6	\$183.6	\$173.6	\$144.2	\$147.5
Non-Institutional Medical Services	\$129.3	\$134.1	\$140.2	\$121.0	\$119.5
Habilitative & Rehabilitative Services	\$221.9	\$243.6	\$222.7	\$132.1	\$112.4
Long-Term Services & Supports	\$305.1	\$307.1	\$312.2	\$290.2	\$302.5
Pharmacy	\$89.0	\$94.8	\$93.8	\$73.0	\$71.2
Capitated Payments (Includes PASSE, NET, PCMH, and Dental Managed Care)	\$61.9	\$67.2	\$180.5	\$455.5	\$446.9
Supplementals/Cost Settlements/Recoupments	\$147.3	\$135.6	\$236.3	\$174.6	\$169.0
Non-Claims Payments	\$143.7	\$139.3	\$127.7	\$176.4	\$126.5
Total Traditional Medicaid	\$1,281.0	\$1,305.3	\$1,487.2	\$1,567.1	\$1,495.5

Note(s): (1) Includes Contracts, HDCs, Part D claw backs, and other programs which are not part of transformation

(2) As the PASSEs pay for Medical Services, Habilitative & Rehabilitative Services, and Prescription Drugs for their members, there will be corresponding reductions in fee-for-service expenditures.

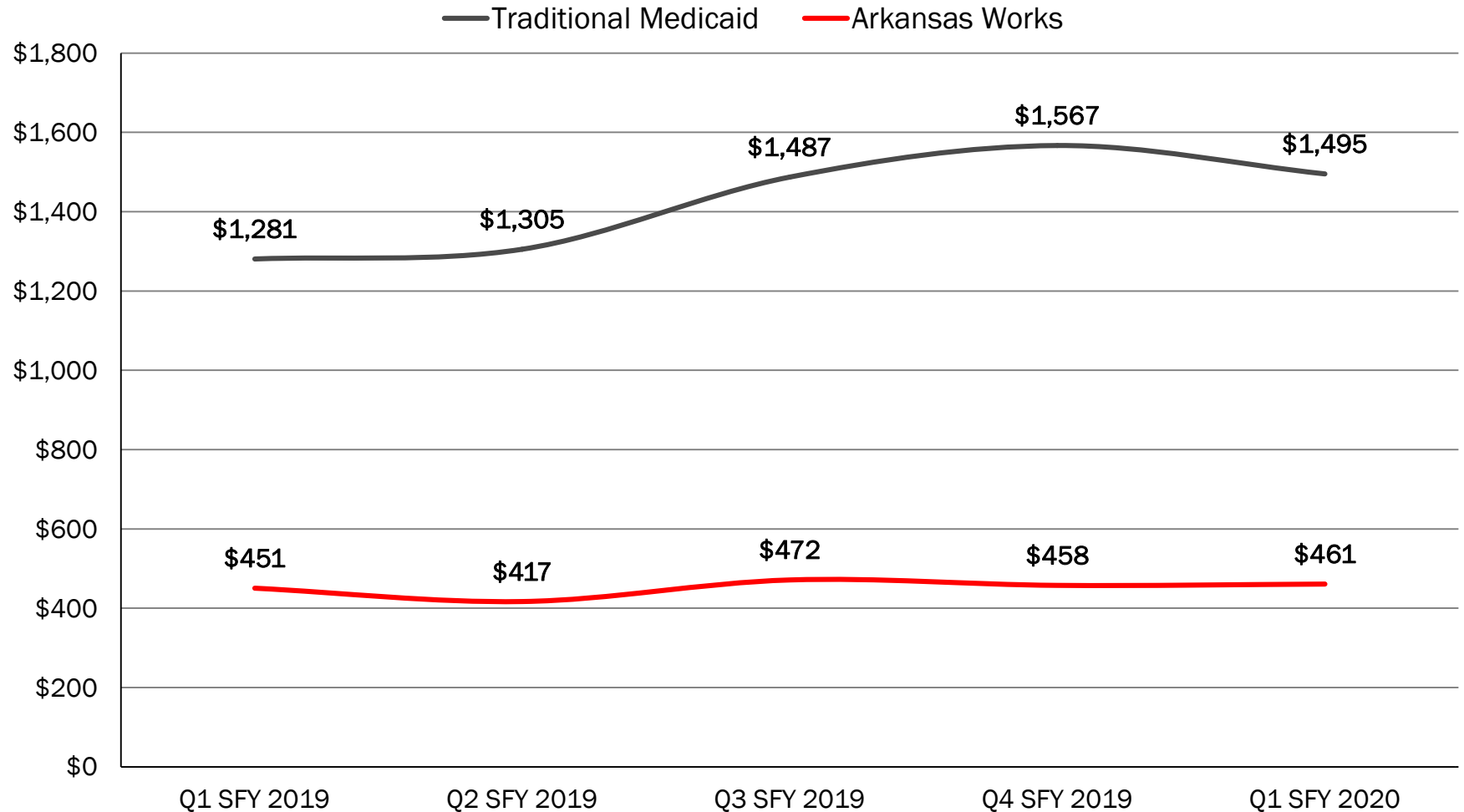


SECTION II

Medicaid Enrollment & Spending Report

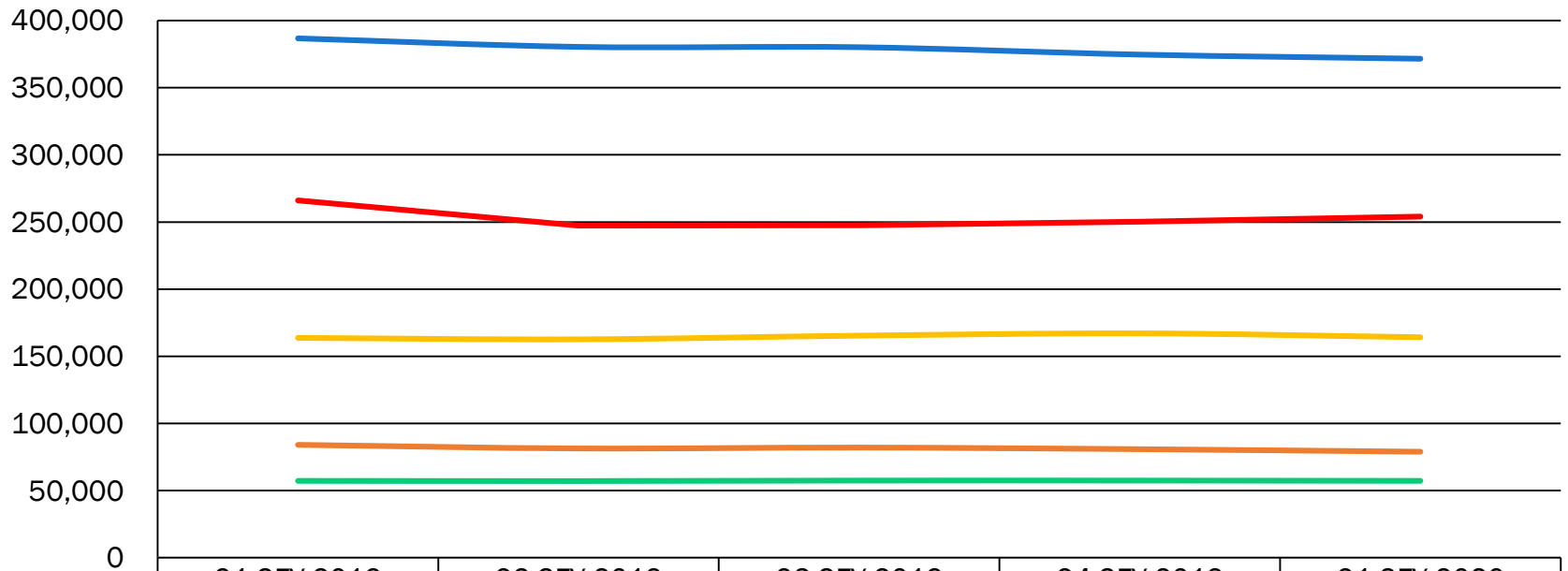
Overall Medicaid Spend by Quarter (\$M)

SFY 2019-20



Medicaid Enrollment by Quarter

SFY 2019-20



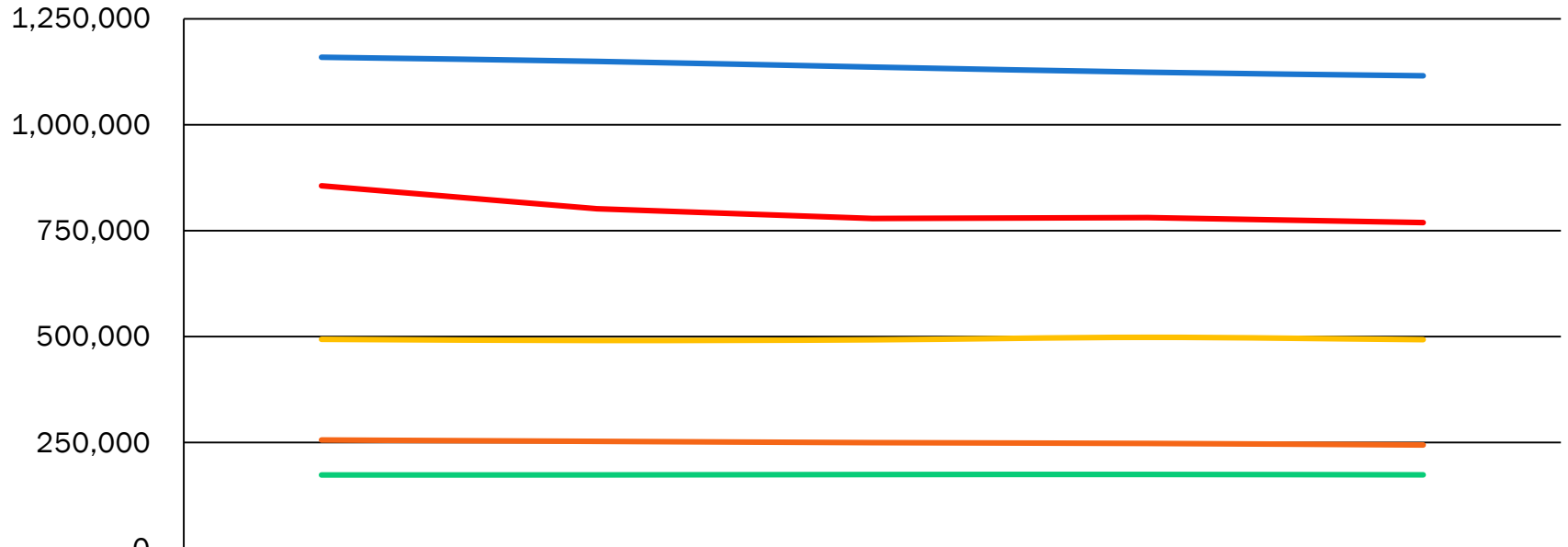
	Q1 SFY 2019	Q2 SFY 2019	Q3 SFY 2019	Q4 SFY 2019	Q1 SFY 2020
Children	386,764	380,456	380,205	374,738	371,662
Adults	84,038	81,344	81,996	80,794	78,880
Disabled	163,753	162,707	165,382	167,023	164,236
Elderly	57,217	57,071	57,441	57,453	57,219
ARWorks	266,091	247,374	247,631	250,129	254,035
Total	957,863	928,952	932,655	930,137	926,032

Note(s): This enrollment report was run on October 18, 2019. Enrollment is counted on the last day of each month. Traditional Medicaid Enrollment includes retro-active eligibility for each month. As a result, Traditional Medicaid Enrollment totals will vary from previous Scorecards. ARWorks enrollment numbers DO NOT include retro-active eligibility for each month and as a result do not change Scorecard to Scorecard.



Medicaid Member Months by Quarter

SFY 2019-20



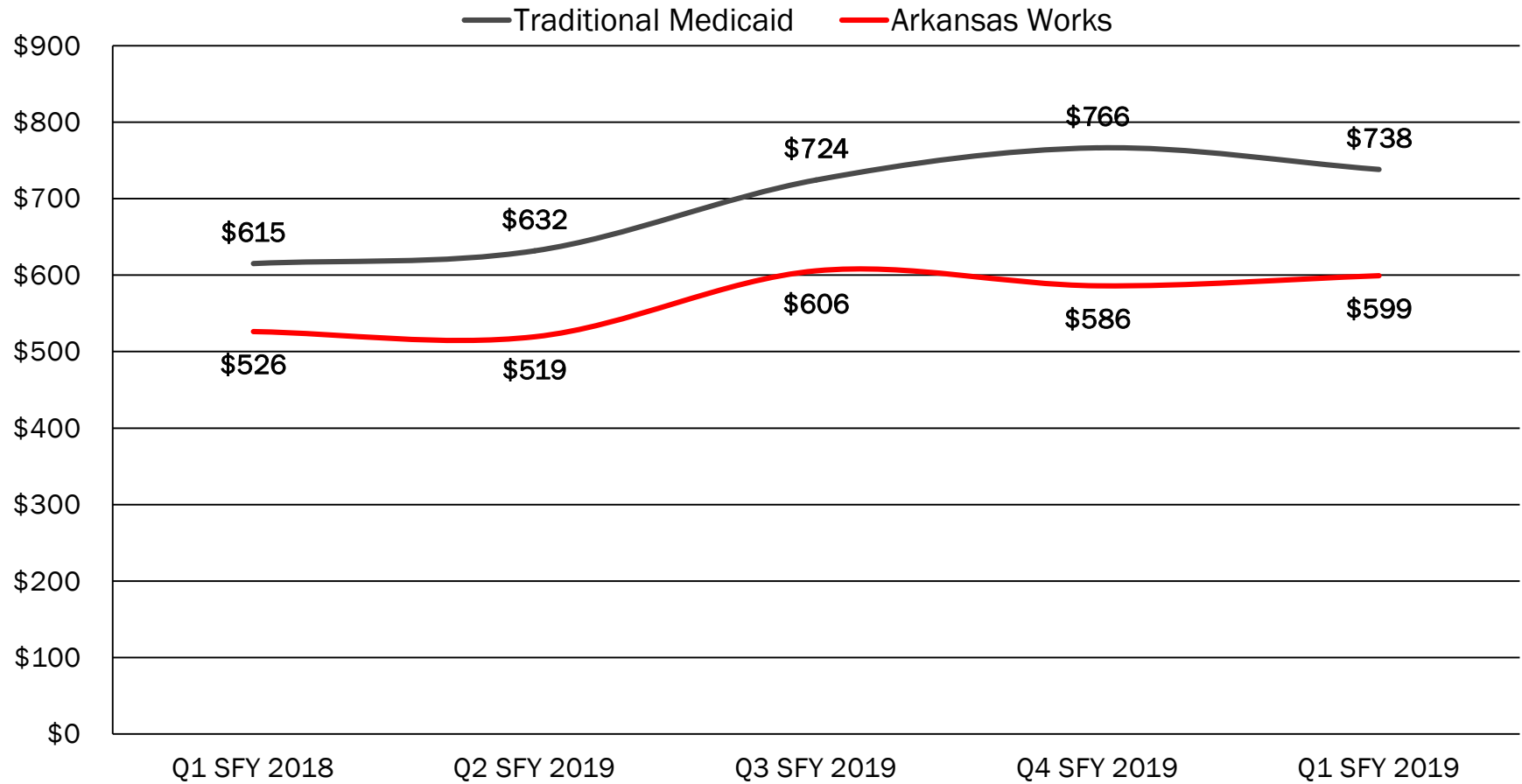
	Q1 SFY 2019	Q2 SFY 2019	Q3 SFY 2019	Q4 SFY 2019	Q1 SFY 2020
Children	1,158,978	1,149,197	1,135,860	1,123,642	1,115,246
Adults	256,098	252,825	249,755	247,790	244,073
Disabled	493,679	490,848	492,545	498,508	492,897
Elderly	173,529	173,693	174,751	174,989	173,916
ARWorks	856,195	802,054	778,519	780,995	769,322
Total	2,938,479	2,868,617	2,831,430	2,825,924	2,795,454

Note(s): This enrollment report was run on October 18, 2019. Member Months includes retro-active eligibility for each month. As a result, these totals will vary from previous Scorecards.



Medicaid Quarterly Per Member Per Month (PMPM)

SFY 2019-20



Note(s): This enrollment report was run on October 18, 2019. Member Months includes retro-active eligibility for each month. As a result, these totals will vary from previous Scorecards.

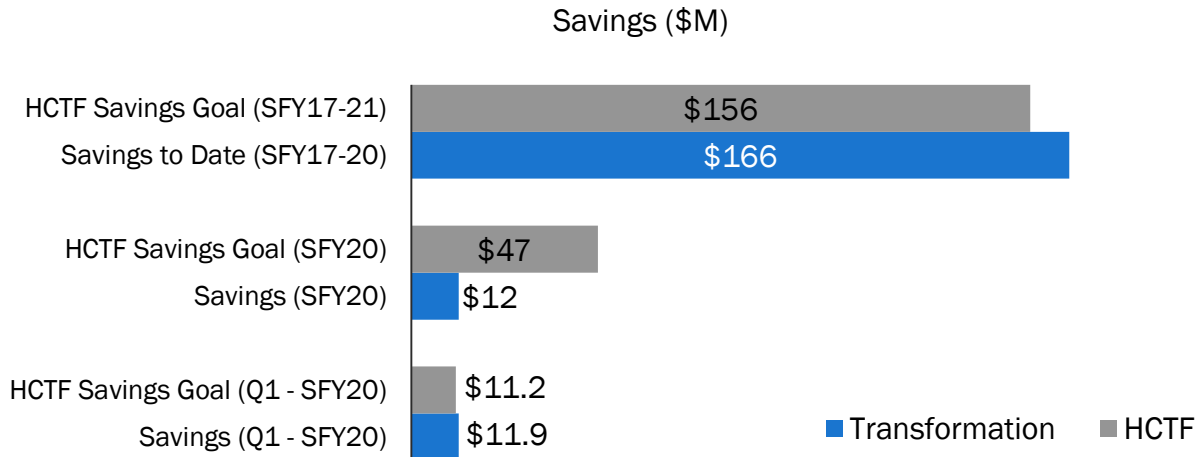


SECTION III

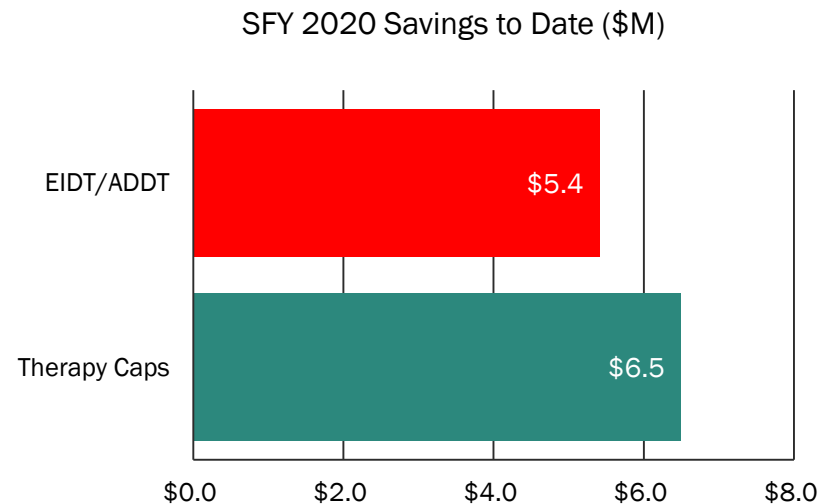
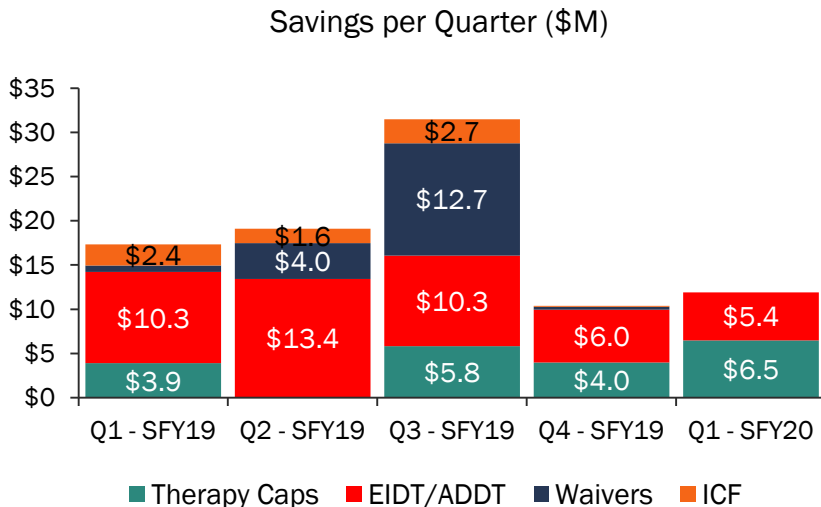
Program Scorecards

Developmentally Disabled (DD)

Savings Overview



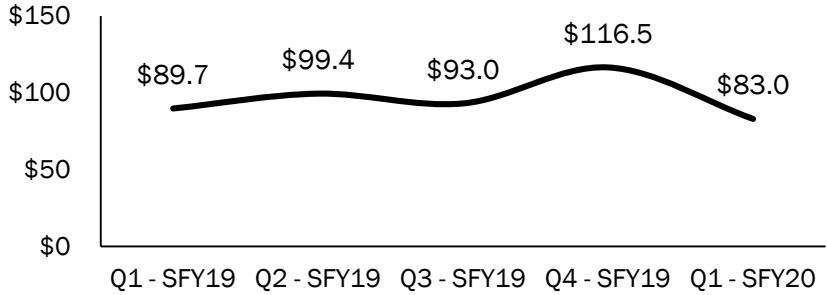
The vast majority of ICF and DD Waiver (Autism and CES) users have transitioned over to the PASSEs. As a result, the Scorecard will only measure savings on Therapy Caps and EIDT/ADDT going forward.



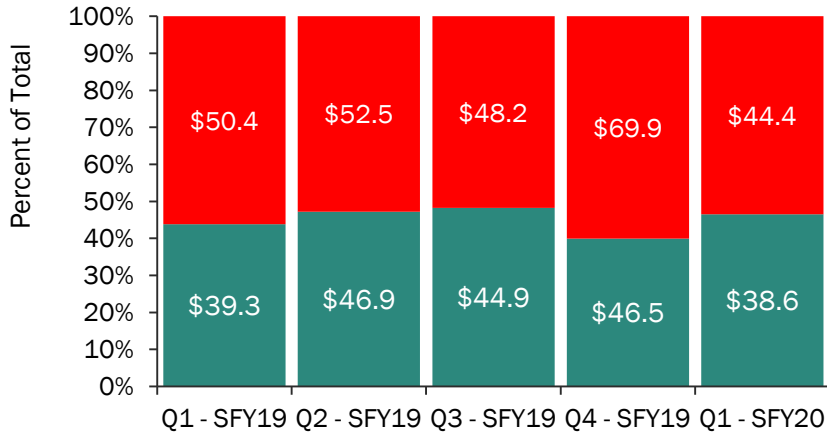
Developmentally Disabled (DD)

Spending Overview

Spending (\$M)

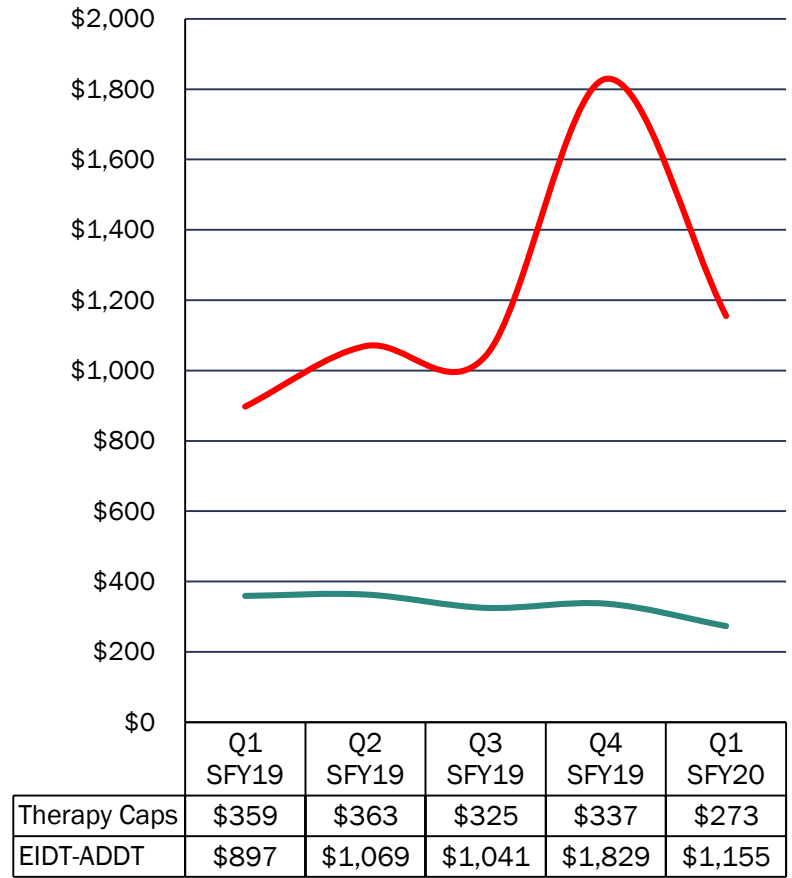


Spending by Program (\$M)



■ Therapy Caps ■ EIDT-ADDT

Per User Per Month by Program



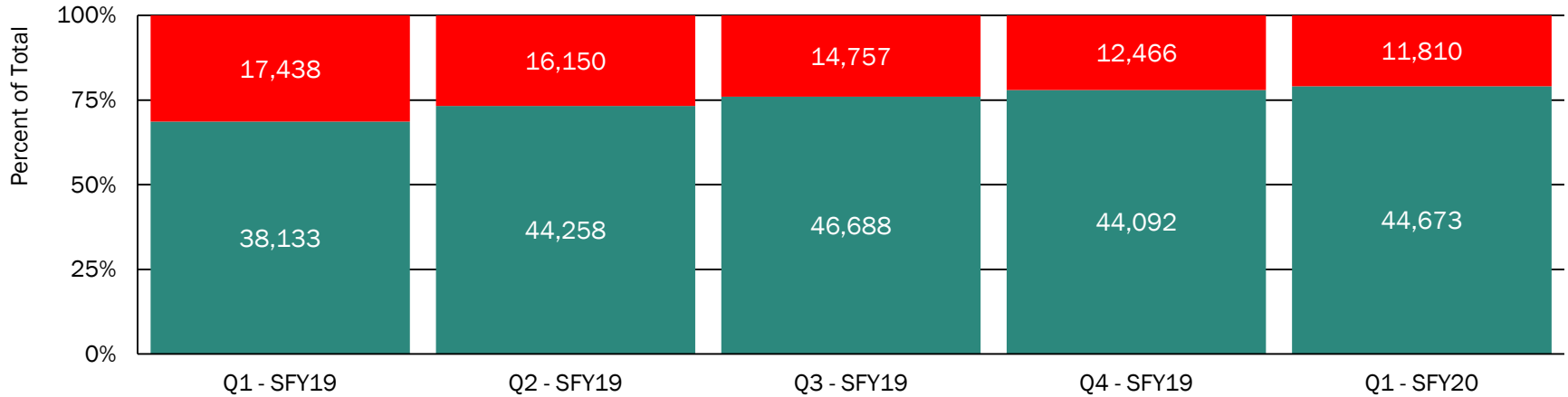
Note(s): Spending for EIDT-ADDT is higher in Q4 - SFY2019 due to CHMS-EIDT providers submitting most of their claims at the end of the each state fiscal year.



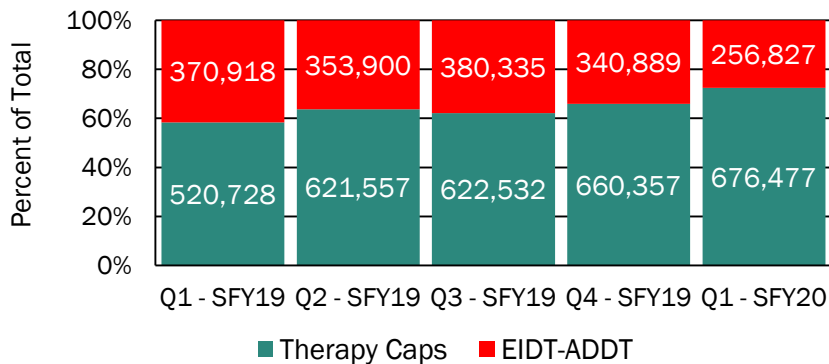
Developmentally Disabled (DD)

Program Overview

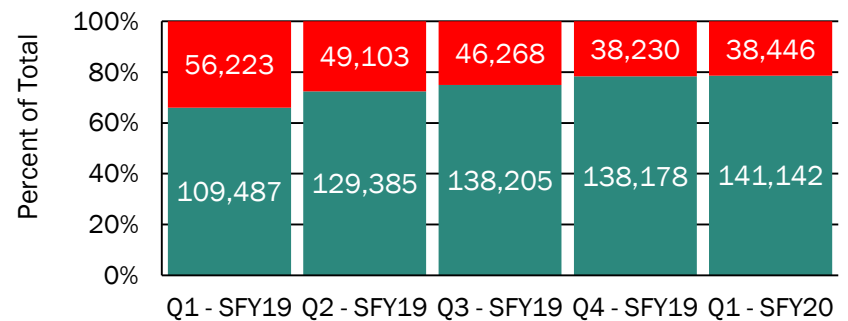
Users by Program



Claims by Program

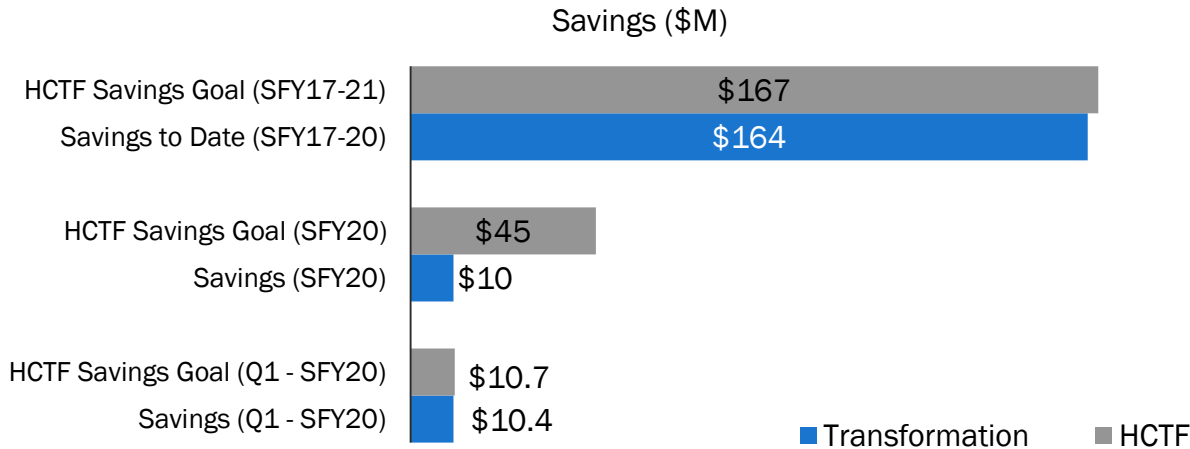


Users Months by Program



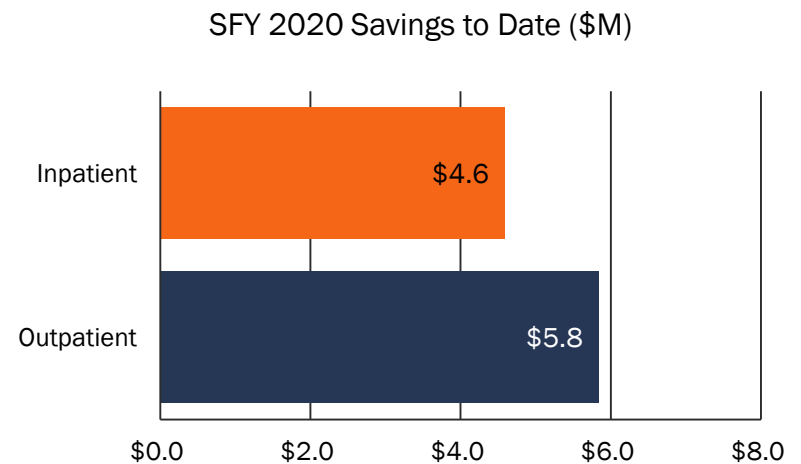
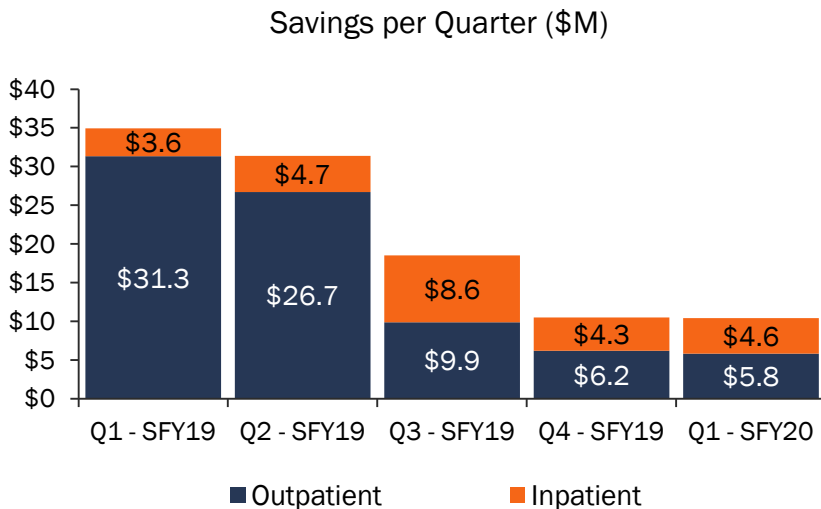
Behavioral Health (BH)

Savings Overview



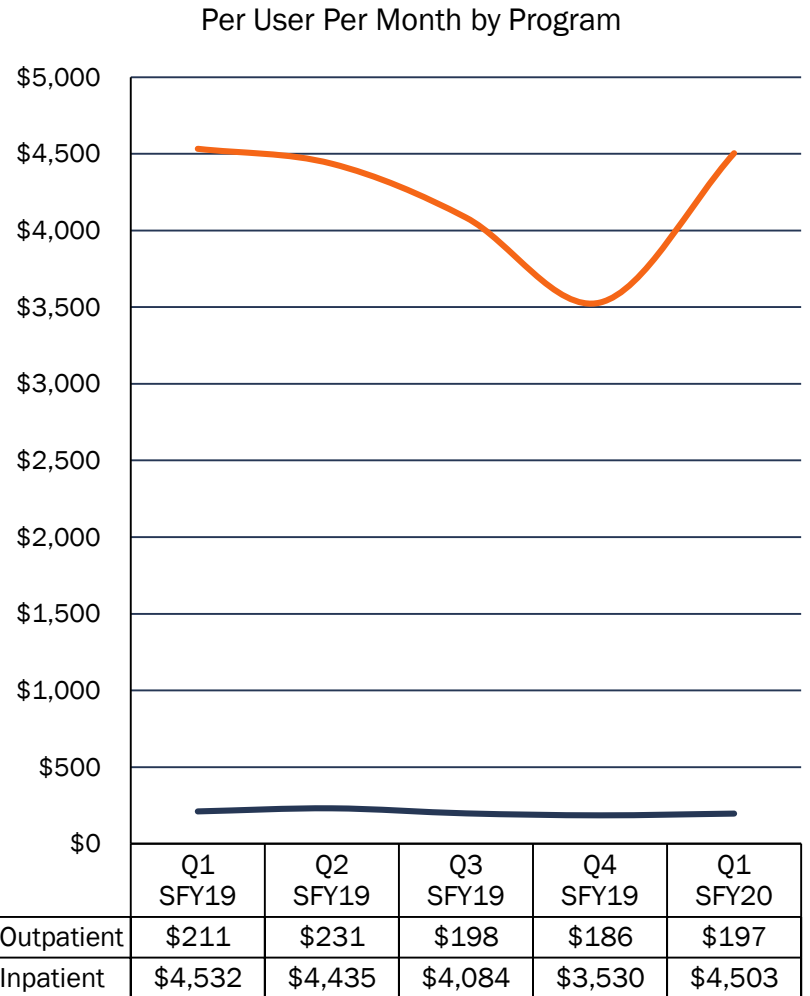
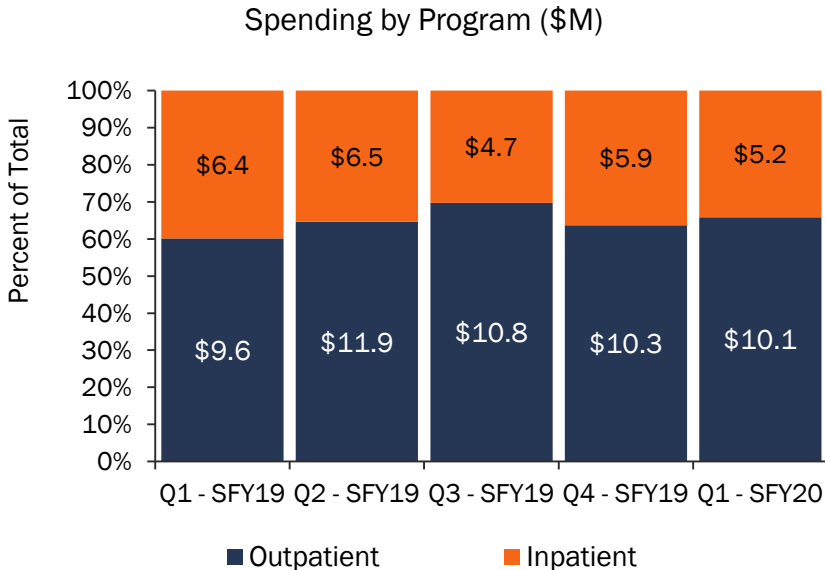
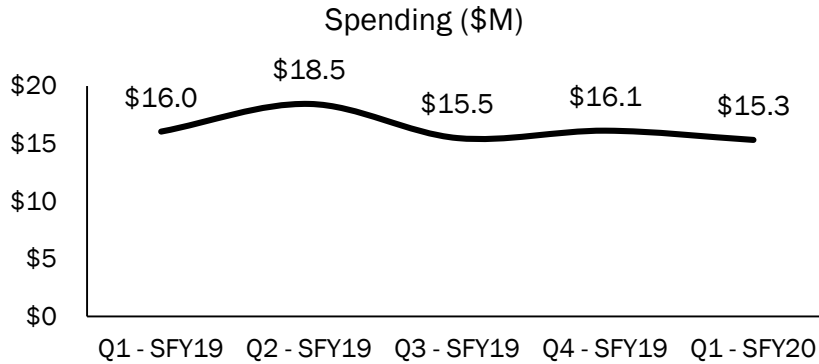
Due to the vast majority of Inpatient and Outpatient BH users transitioning over to the PASSEs, the Scorecard will only measure savings on Non-PASSE users of Inpatient and Outpatient BH services.

As a result, the totals shown on page 25 and 26 reflect those of Non-PASSE users.



Behavioral Health (BH)

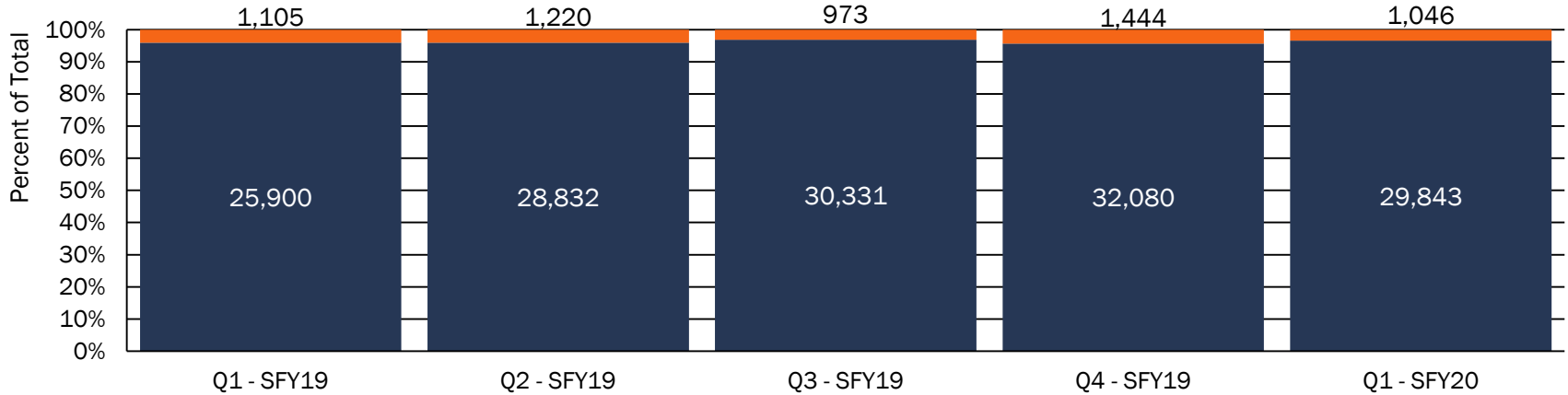
Spending Overview



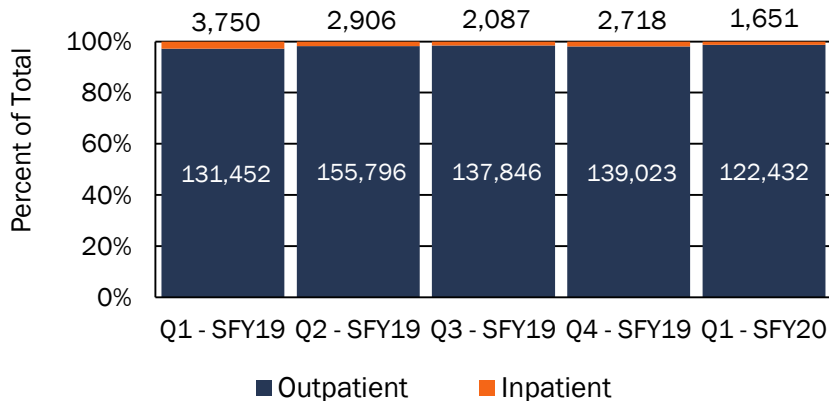
Behavioral Health (BH)

Program Overview

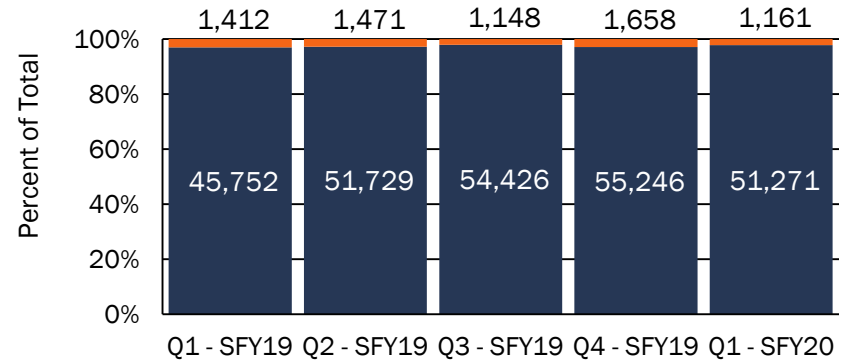
Users by Program



Claims by Program



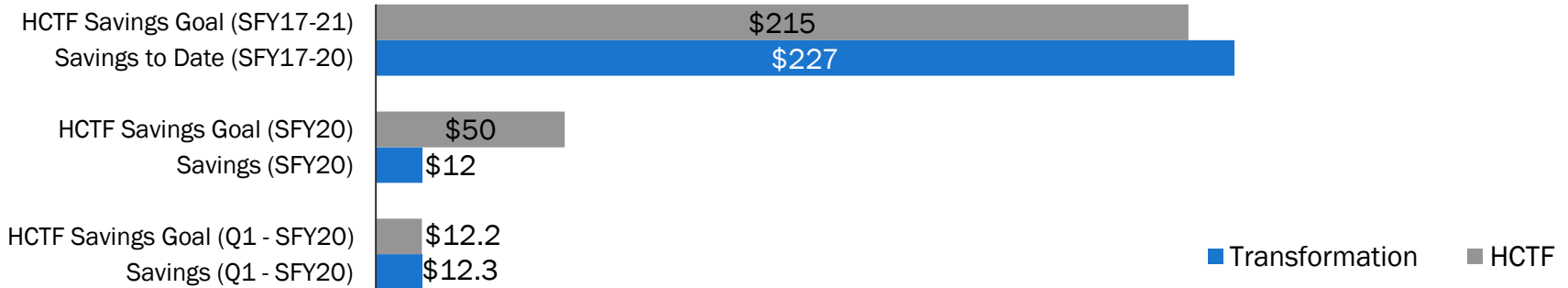
Users Months by Program



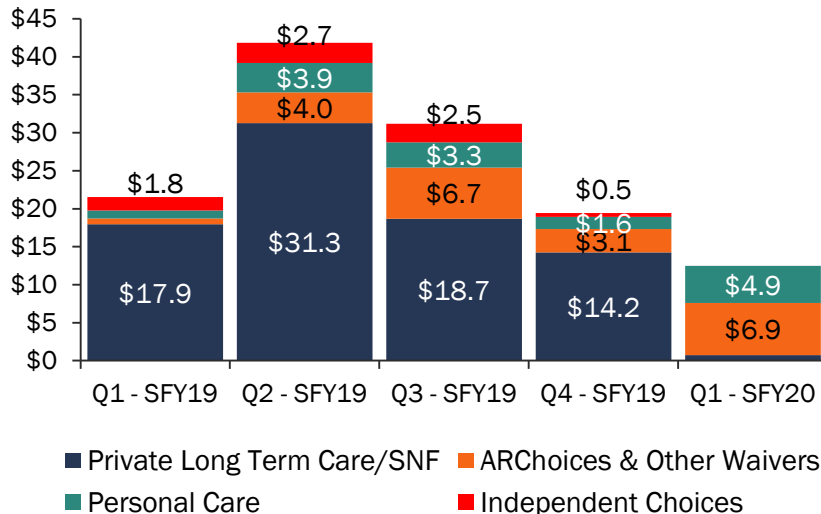
Long Term Services and Supports (LTSS)

Savings Overview

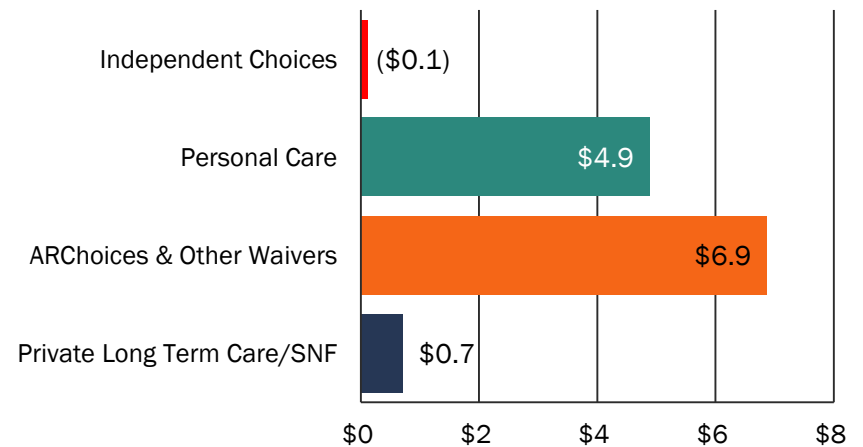
Savings (\$M)



Savings per Quarter (\$M)



SFY 2020 Savings to Date (\$M)



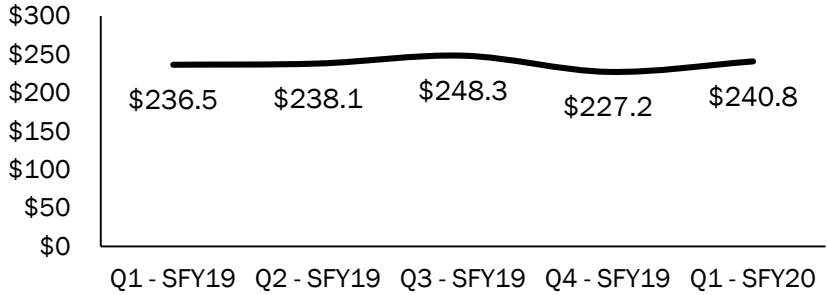
Note(s): In Q1 - SFY 2020, Independent Choices was over their savings target by \$115K.



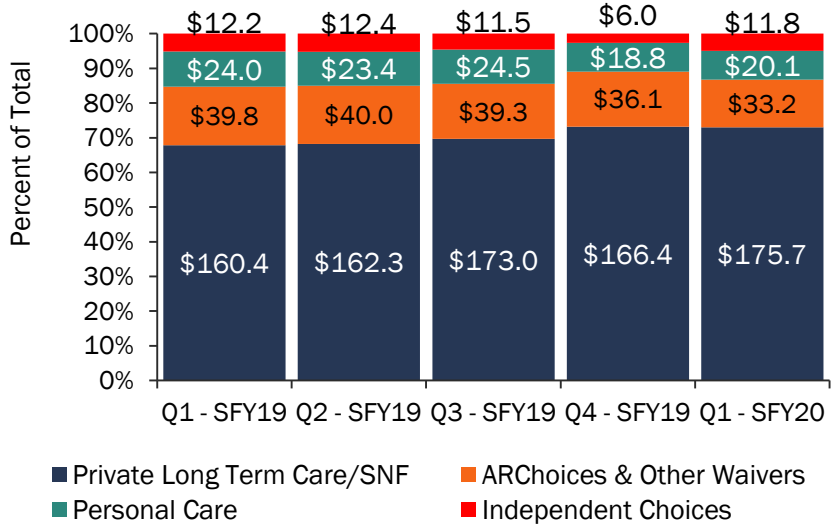
Long Term Services and Supports (LTSS)

Spending Overview

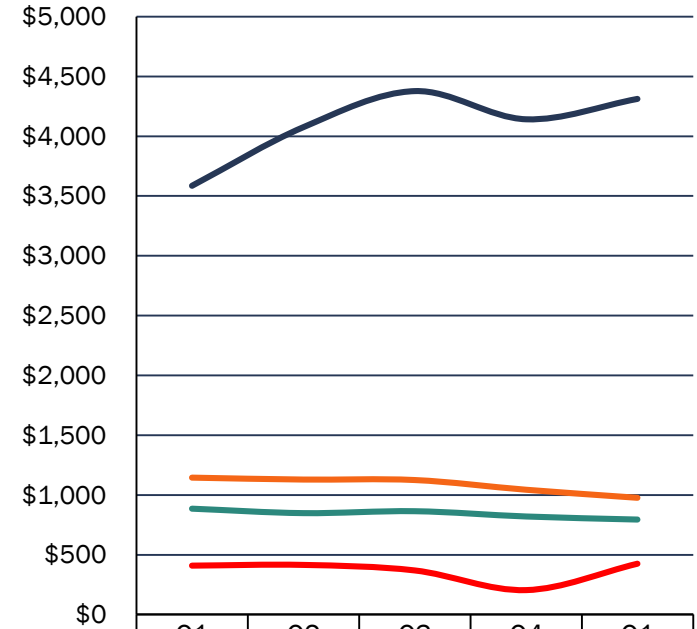
Spending (\$M)



Spending by Program (\$M)



Per User Per Month by Program

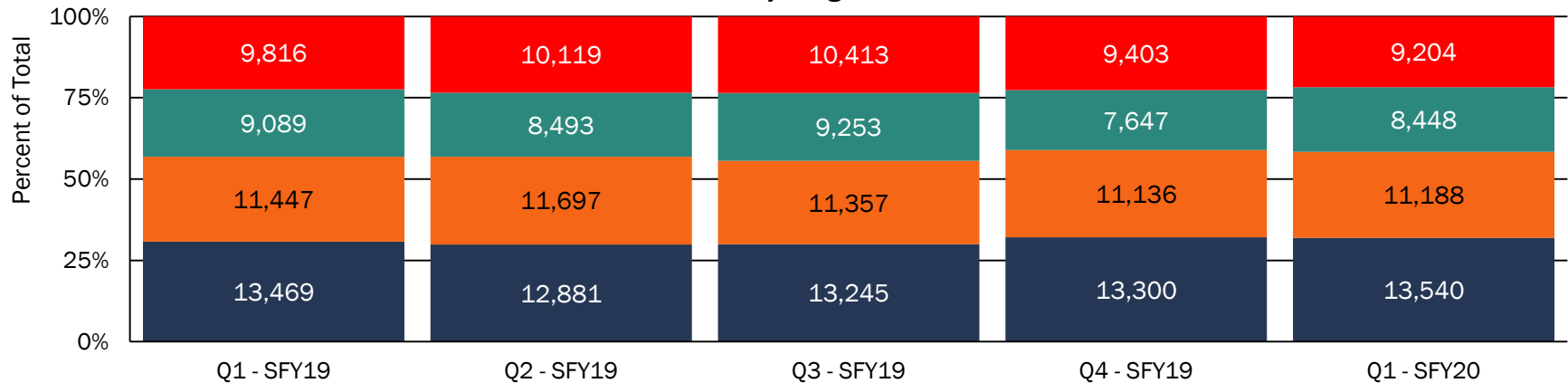


	Q1 SFY 19	Q2 SFY 19	Q3 SFY 19	Q4 SFY 19	Q1 SFY 20
Private Long Term Care/SNF	\$3,586	\$4,075	\$4,376	\$4,141	\$4,311
ARChoices & Other Waivers	\$1,146	\$1,130	\$1,126	\$1,045	\$978
Personal Care	\$885	\$848	\$864	\$820	\$795
Independent Choices	\$409	\$415	\$369	\$205	\$425

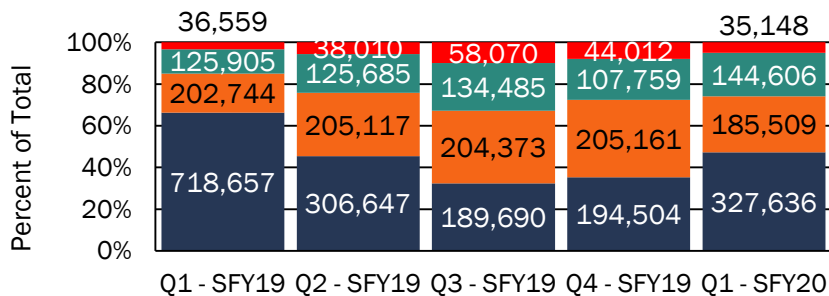


Long Term Services and Supports (LTSS) Program Overview

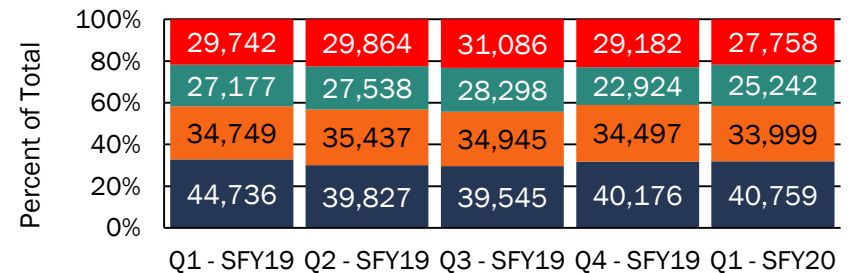
Users by Program



Claims by Program



Users Months by Program



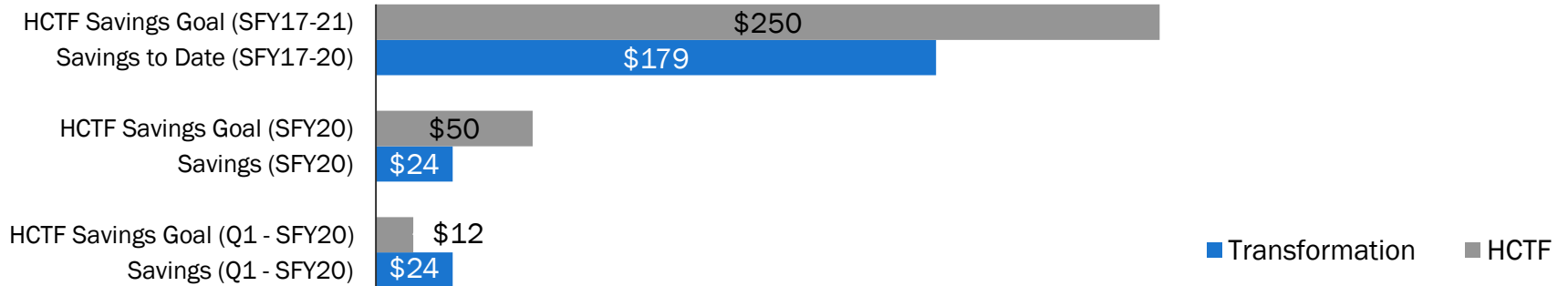
■ Private Long Term Care/SNF ■ ARChoices & Other Waivers
■ Personal Care ■ Independent Choices

Note(s): (1) During Q3 - SFY18, enrollment of new beneficiaries in ARChoices was frozen due to litigation. Regular enrollment of new beneficiaries did not resume until Q2 - SFY19.
 (2) The increase in Private Long Term Care/SNF claims in Q1 SFY19 is due to a mass adjustment of rates for those services

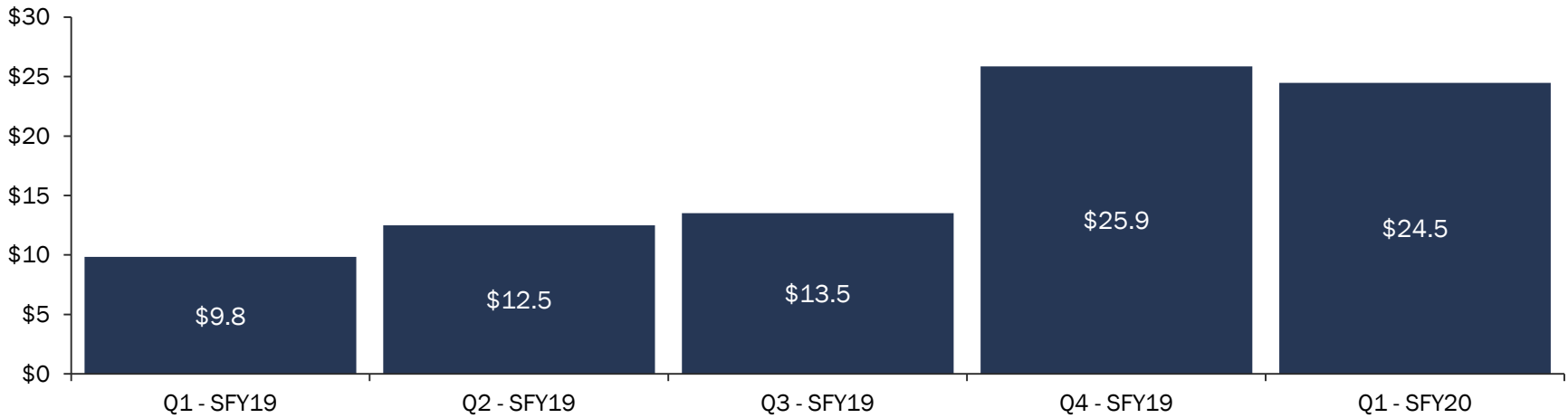


Pharmacy Savings Overview

Savings (\$M)



Savings per Quarter (\$M)

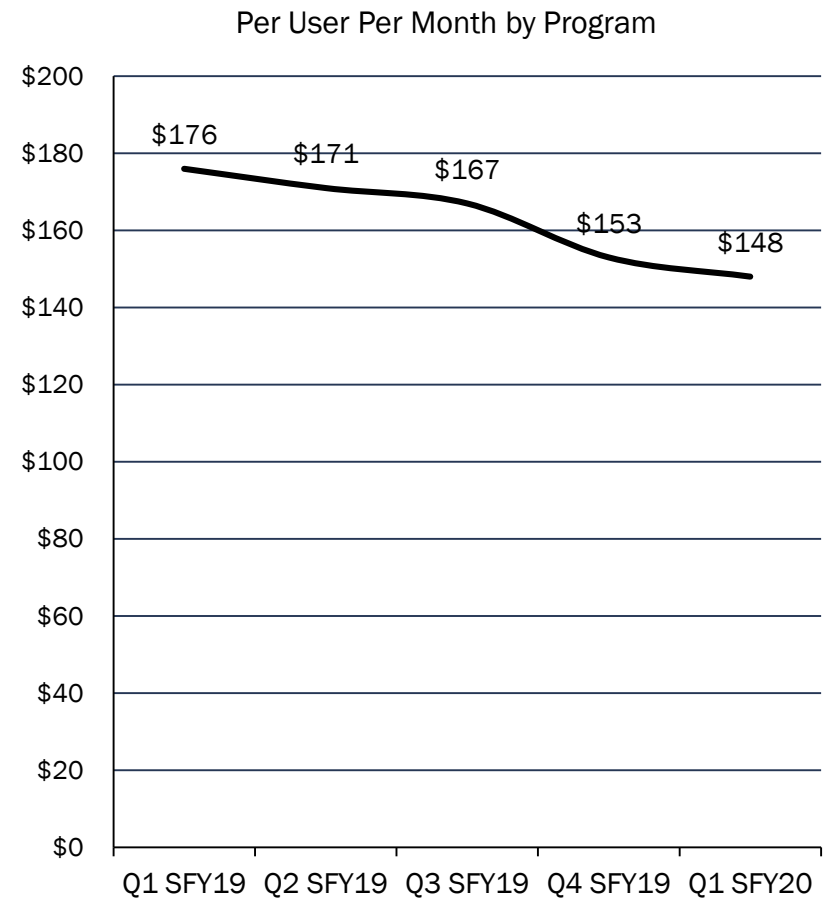
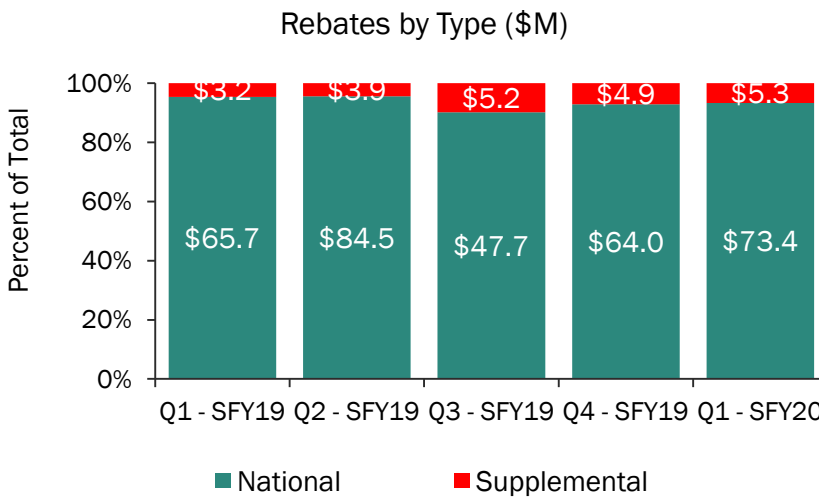
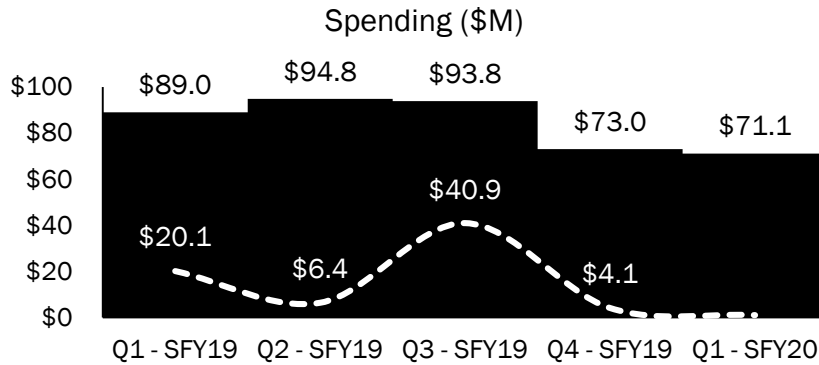


Note(s): Pharmacy savings does not factor in drug rebates. It is calculated using gross pharmacy expenditures.



Pharmacy

Spending Overview



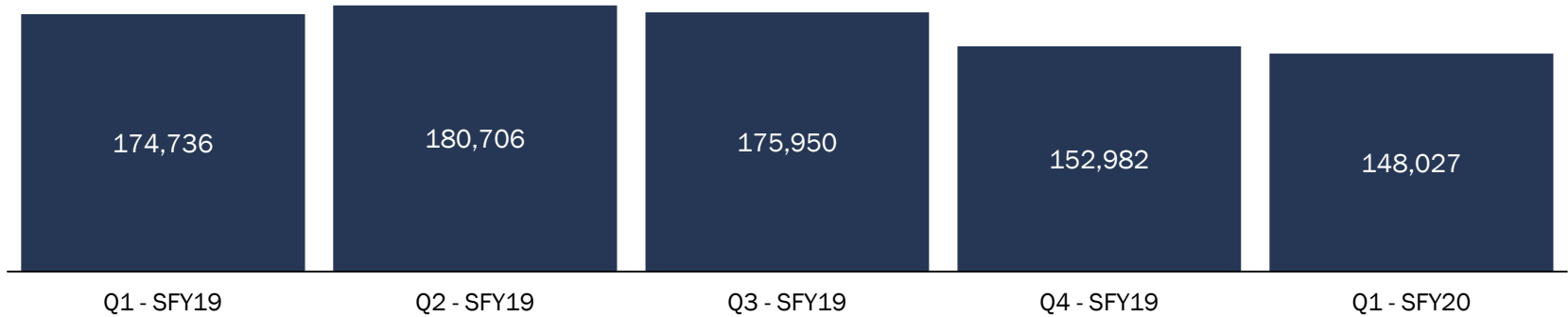
Note(s): Rebates are collected from drug manufacturers. If the cost of prescription drugs were to appropriately account for rebate, it would reduce spending by more than 50-percent. The dotted line represents spending net of rebates. In Q1 - SFY 2020 there were more drug rebates (\$78M) than actual prescription drug spending (\$71M).



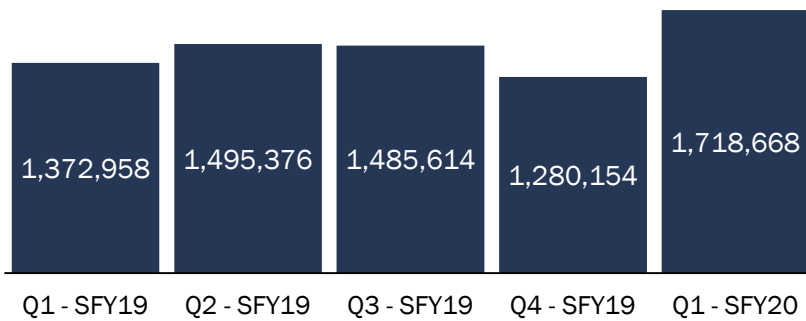
Pharmacy

Program Overview

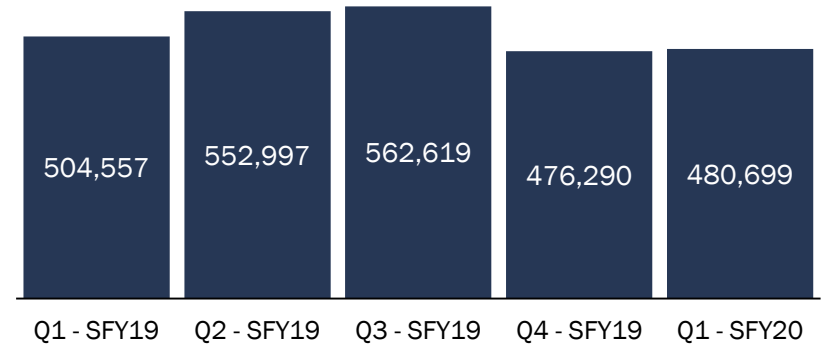
Users by Program



Claims by Program

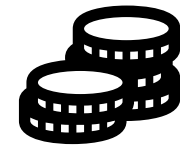
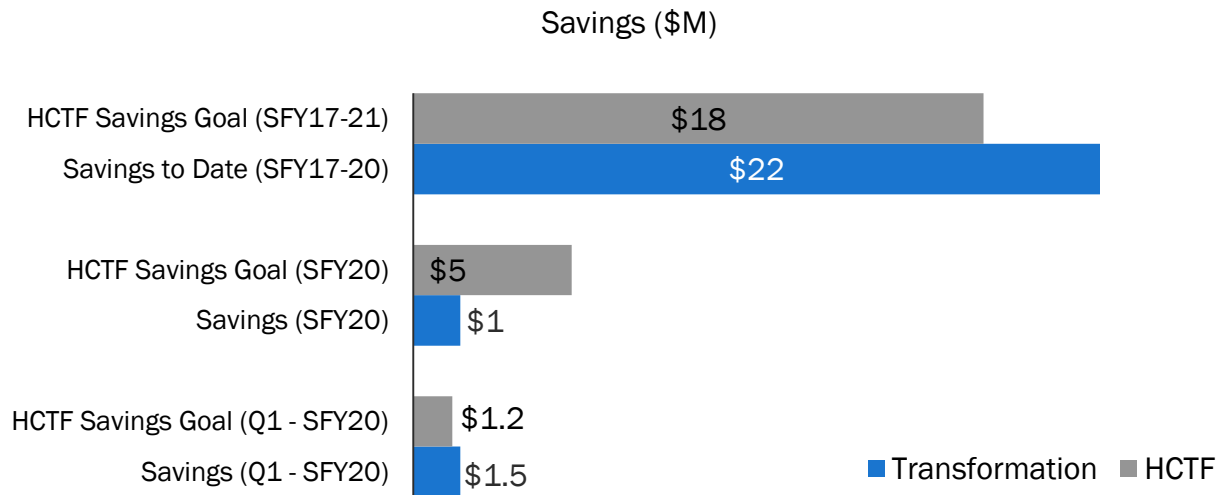


Users Months by Program



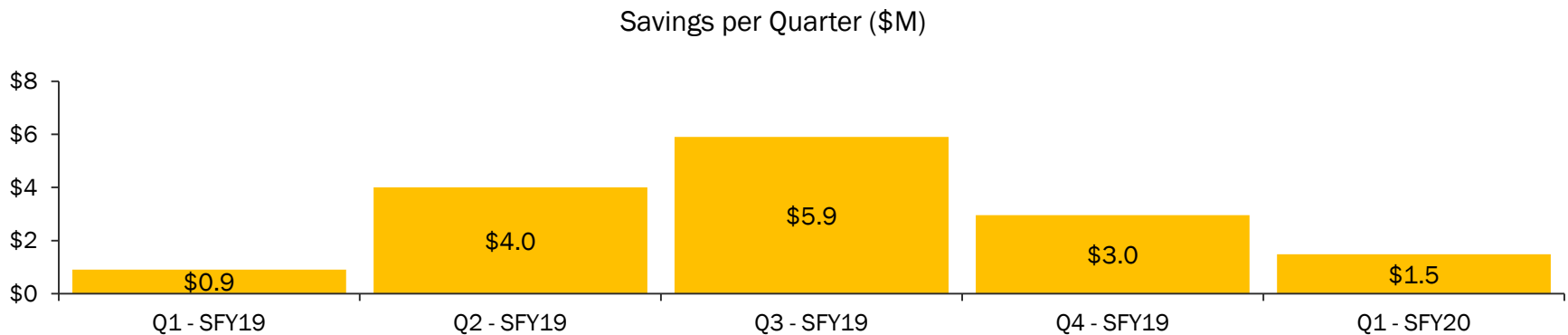
Dental

Savings Overview



\$1.9M

Premium Taxes paid by Dental MCOs in SFY 2019



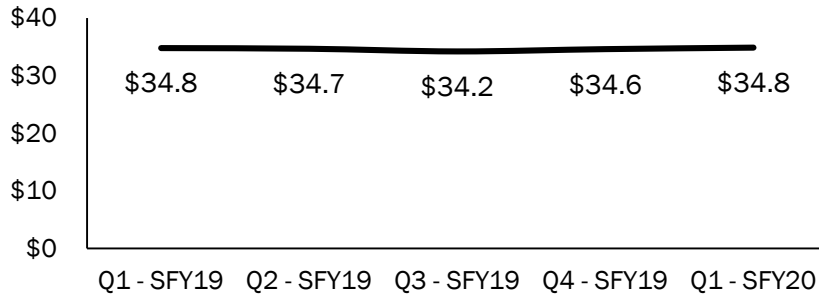
Note(s): The Arkansas Insurance Department (AID) collects premium taxes on Dental Managed Care and PASSE organizations 45 days following the end of the quarter. As a result, the scorecard can only report the previous quarter's premium tax payments.



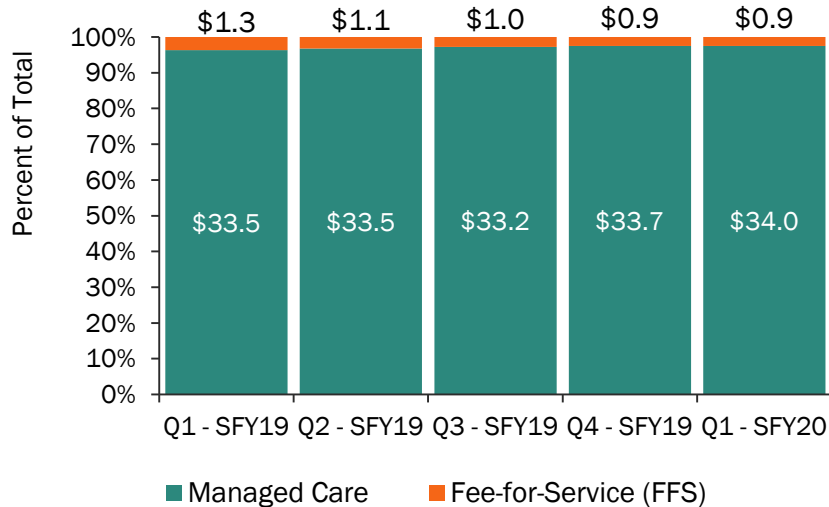
Dental

Spending Overview

Spending (\$M)



Spending by Program (\$M)



Per User Per Month by Program



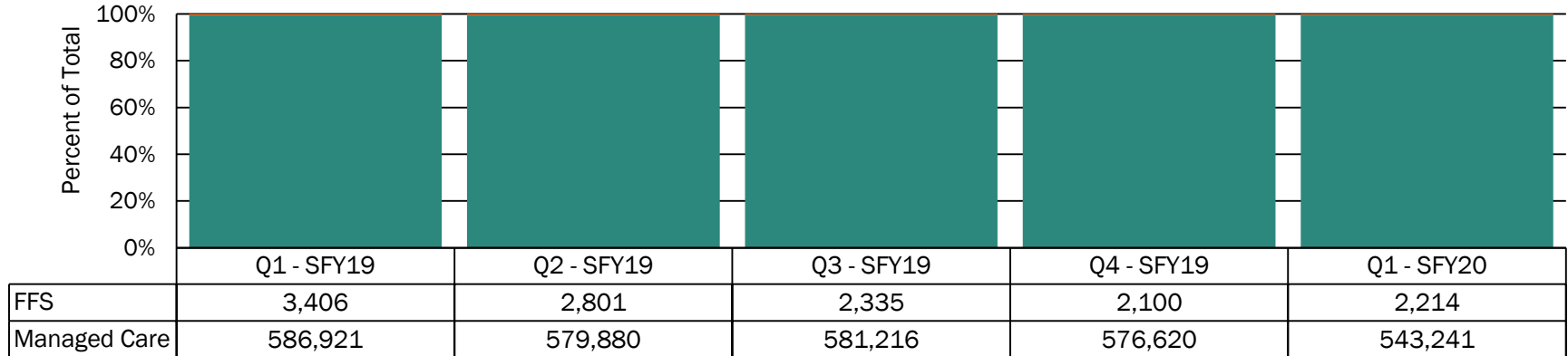
	Q1 SFY19	Q2 SFY19	Q3 SFY19	Q4 SFY19	Q1 SFY20
Managed Care	\$19	\$19	\$19	\$19	\$20
Fee-for-Service (FFS)	\$116	\$113	\$119	\$116	\$121



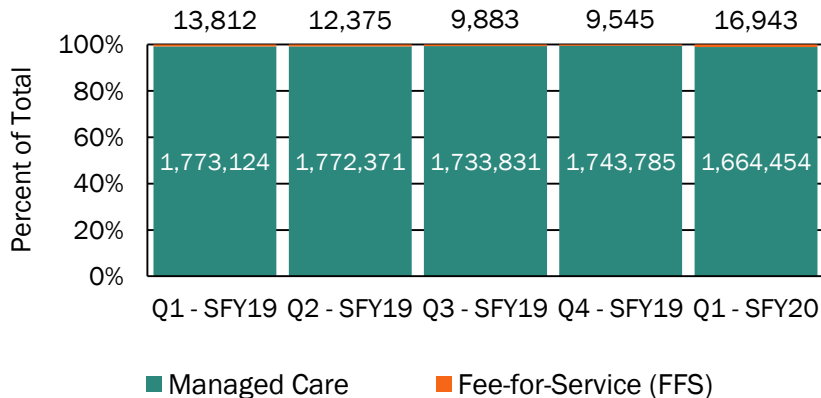
Dental

Program Overview

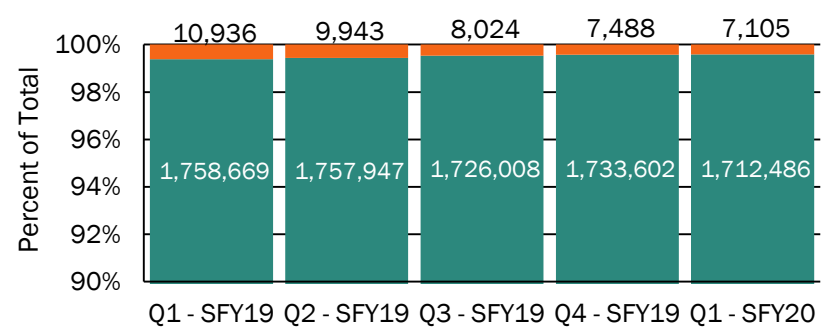
Users by Program



Claims by Program



Users Months by Program

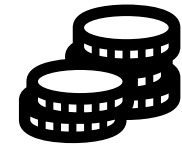
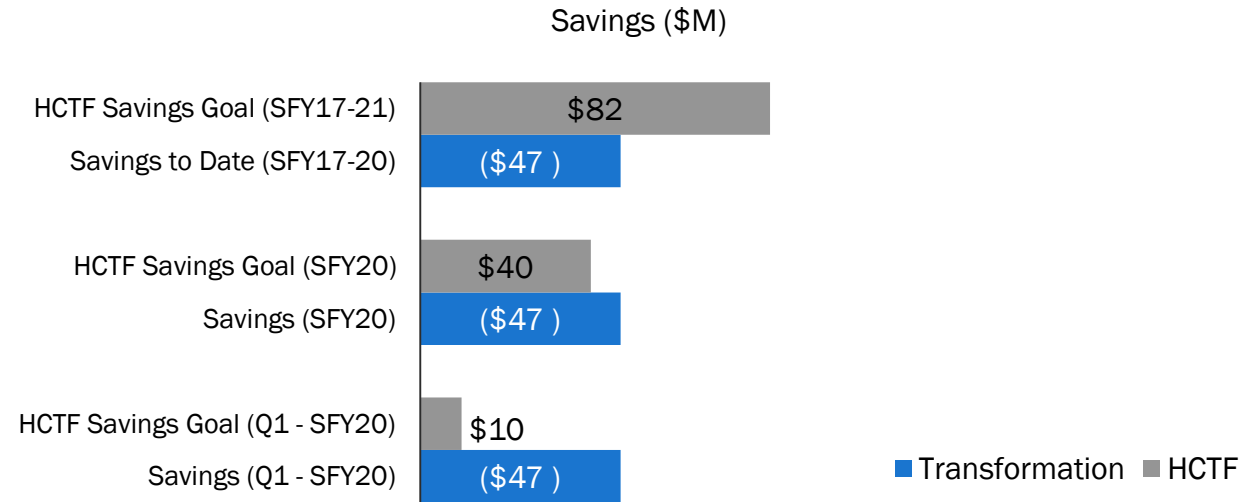


SECTION IV

Provider-led Arkansas Shared Savings Entity (PASSE)

Provider-Led (PASSE)

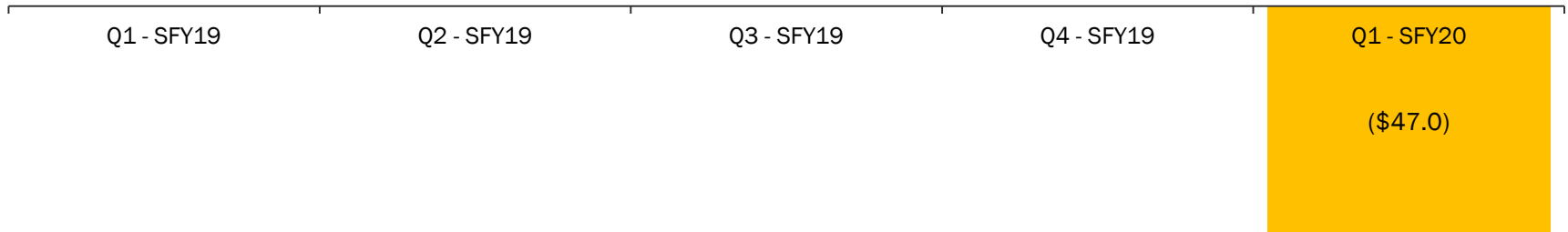
Savings Overview



\$13.5M

Premium Taxes paid by the PASSEs in SFY 2019.

Savings per Quarter (\$M)



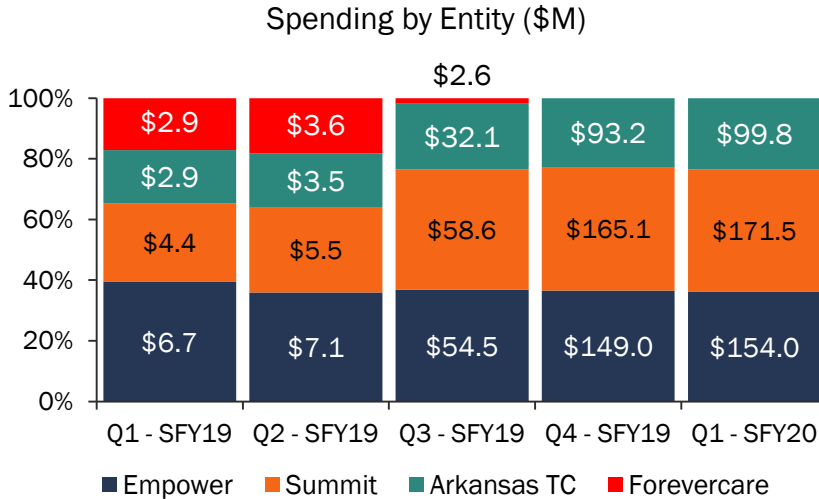
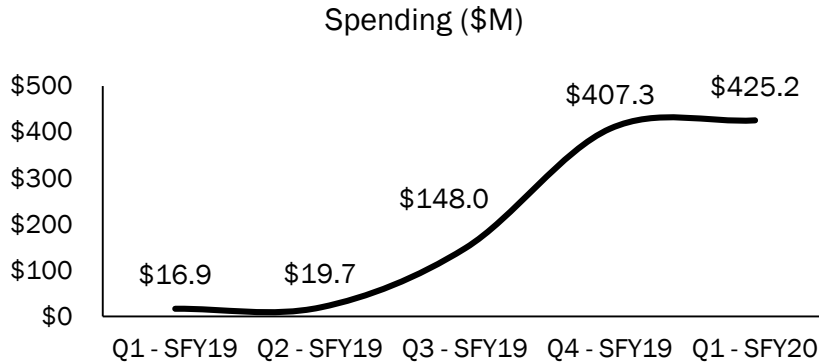
Note(s): (1) See page 13 for how PASSE savings is calculated.

(2) The Arkansas Insurance Department (AID) collects premium taxes on Dental Managed Care and PASSE organizations 45 days following the end of the quarter. As a result, the scorecard can only report the previous quarter's premium tax payments.

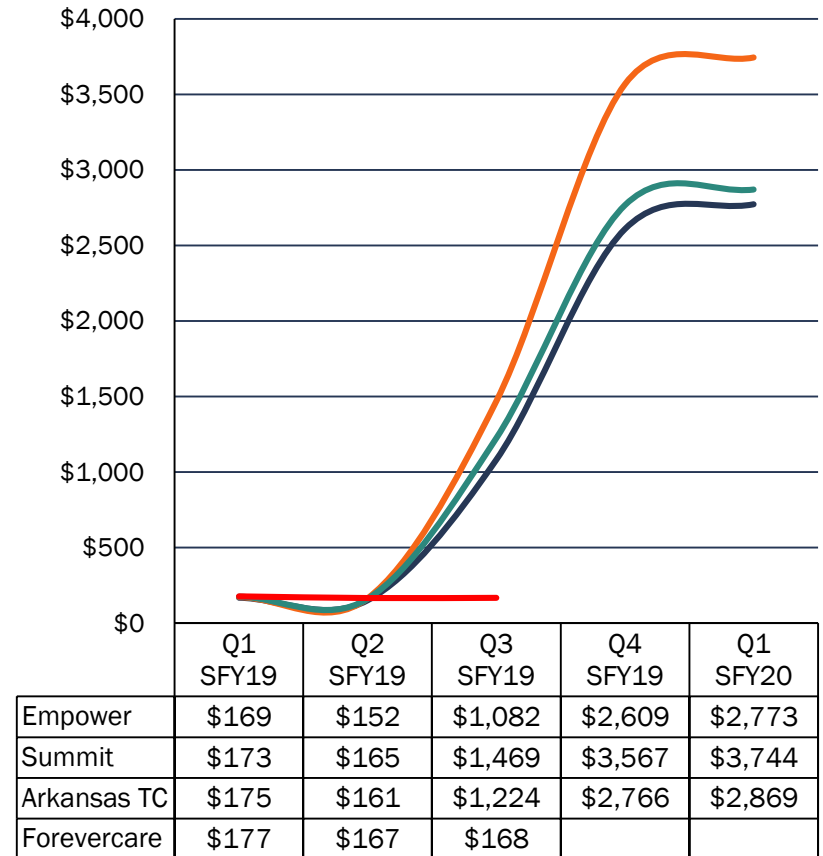


Provider-Led (PASSE)

Spending Overview



Per Member Per Month by Program



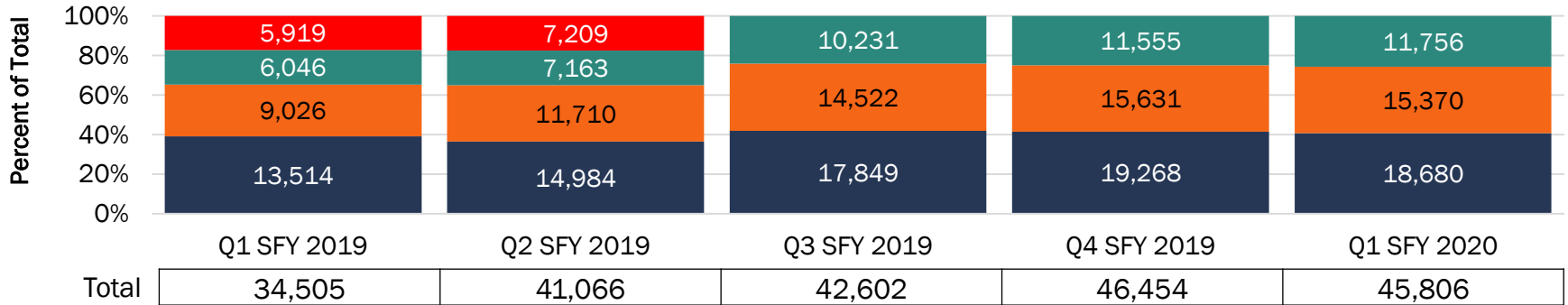
Note(s): (1) Forevercare ended its participation in the PASSE program in Q3 - SFY19. Their members were reassignment to one of the three remaining PASSEs.
 (2) PASSEs assumed full-risk (Phase II) on March 1, 2019.



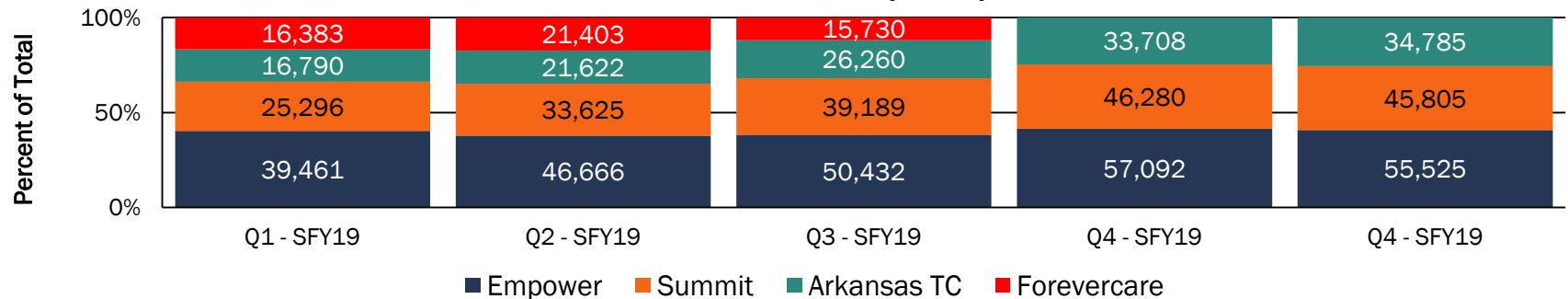
Provider-Led (PASSE)

Program Overview

PASSE Enrollment by Quarter



Member Months by Entity



- Note(s):** (1) This point-in-time report was run on Jul. 10, 2019. Enrollment for each quarter is counted on the last day of each month and DOES NOT include retro-active eligibility for each month and as a result do not change Scorecard to Scorecard.
 (2) Forevercare ended its participation in the PASSE program in Q3 - SFY19. Their members were reassignment to one of the three remaining PASSEs.
 (3) PASSEs assumed full-risk (Phase II) on March 1, 2019.



APPENDIX

Detailed Spending by State Fiscal Quarter

Developmentally Disabled (DD)

SFY 2019-20

Spending & Savings by Year & Program Dollars in Millions (\$M)	Q1 – SFY19 Actual	Q2 – SFY19 Actual	Q3 – SFY19 Actual	Q4 – SFY19 Actual	Q1 – SFY20 HCTF Topline (5% Annual Increase)	Q1 – SFY20 Actual	Q1 – SFY20 Savings
Therapy Caps	\$39.3	\$46.9	\$44.9	\$46.4	\$45.0	\$38.6	\$6.5
EIDT/ADDT (Formerly CHMS & DDTCS)	\$50.4	\$52.5	\$48.2	\$70.0	\$49.8	\$44.4	\$5.4
Total DD	\$89.7	\$99.4	\$93.0	\$116.5	\$94.8	\$83.0	\$11.9

Note(s): The vast majority of ICF and DD Waiver (Autism and CES) users have transitioned over to the PASSEs. As a result, the Scorecard will only measure savings on Therapy Caps and EIDT/ADDT going forward.



Behavioral Health (BH)

SFY 2019-20

Spending & Savings by Year & Program Dollars in Millions (\$M)	Q1 – SFY19 Actual	Q2 – SFY19 Actual	Q3 – SFY19 Actual	Q4 – SFY19 Actual	Q1 – SFY20 HCTF Topline (5% Annual Increase)	Q1 – SFY20 Actual	Q1 – SFY20 Savings
Inpatient	\$6.4	\$6.5	\$4.7	\$5.9	\$9.8	\$5.2	\$4.6
Outpatient	\$9.7	\$11.9	\$10.8	\$10.3	\$15.9	\$10.1	\$5.8
Total BH	\$16.1	\$18.5	\$15.5	\$16.1	\$25.7	\$15.3	\$10.4

Note(s): Due to the vast majority of Inpatient and Outpatient BH users transitioning over to the PASSE, the Scorecard will only measure savings on Non-PASSE users of Inpatient and Outpatient BH services. As a result, the totals shown above reflect those of Non-PASSE users.



Long Term Services and Supports (LTSS)

SFY 2019-20

Spending & Savings by Year & Program Dollars in Millions (\$M)	Q1 – SFY19 Actual	Q2 – SFY19 Actual	Q3 – SFY19 Actual	Q4 – SFY19 Actual	Q1 – SFY20 HCTF Topline (5% Annual Increase)	Q1 – SFY20 Actual	Q1 – SFY20 Savings
Independent Choices	\$12.2	\$12.4	\$11.5	\$6.0	\$11.7	\$11.8	(\$0.1)
Personal Care	\$24.0	\$23.4	\$24.5	\$18.8	\$24.9	\$20.1	\$4.9
ARChoices & Other Waivers	\$39.8	\$40.0	\$39.3	\$36.1	\$40.1	\$33.2	\$6.9
Private Long Term Care / SNF	\$160.4	\$162.3	\$173.0	\$166.3	\$176.4	\$175.7	\$0.7
Total LTSS	\$236.5	\$238.1	\$248.3	\$227.1	\$253.1	\$240.8	\$12.3



Pharmacy and Dental

SFY 2019-20

Spending & Savings by Year & Program Dollars in Millions (\$M)	Q1 – SFY19 Actual	Q2 – SFY19 Actual	Q3 – SFY19 Actual	Q4 – SFY19 Actual	Q1 – SFY20 HCTF Topline (5% Annual Increase)	Q1 – SFY20 Actual	Q1 – SFY20 Savings
Total Pharmacy	\$89.0	\$94.8	\$93.8	\$73.0	\$95.6	\$71.1	\$24.5
Managed Care	\$33.5	\$33.5	\$33.3	\$33.7	\$35.4	\$34.0	\$1.4
Fee for Service	\$1.3	\$1.1	\$1.0	\$0.9	\$0.9	\$0.9	\$0.1
Total Dental	\$34.8	\$34.7	\$34.2	\$34.6	\$36.3	\$34.8	\$1.5

