

Public Notice

The Arkansas Department of Human Services (DHS), Division of Medical Services (DMS) is providing additional information on the written request submitted to the Centers for Medicare and Medicaid Services (CMS) to extend the Tax Equity and Fiscal Responsible Act (TEFRA) 1115 (a) demonstration waiver for an additional three years.

The State has requested CMS to extend the TEFRA 1115 (a) demonstration waiver for an additional three years to be effective January 1, 2018 after the current renewal period ends December 31, 2017. The State is making no changes to the TEFRA-like 1115 (a) demonstration waiver.

The renewal application document is available for review at the Division of Medical Services, Office of Policy Development, 2nd floor Donaghey Plaza South, 700 South Main Street, P. O. Box 1437, S-295, Little Rock, Arkansas 72203-1437 or by telephoning 501-320-6429 or can be reviewed and downloaded at

<https://medicaid.mmis.arkansas.gov/Download/general/comment/TEFRARenewalSupportDoc.doc>.

Comments may be provided in writing to the Division of Medical Services, Office of Policy Development at the address indicated above or by e-mail to becky.murphy@dhs.arkansas.gov. All comments must be submitted by no later than October 17, 2017.

Public Meetings Held

On May 26, 2017 from 10:00 a.m. – 11:00 a.m., the Arkansas Department of Human Services, Division of Medical Services held a public hearing in the Conference Room at the Garland County DHS Office, 115 Stover Lane in Hot Springs, Arkansas. No public presented at this hearing.

On May 30, 2017 from 2:30 p.m. – 3:30 p.m., the Arkansas Department of Human Services, Division of Medical Services held a public hearing in Conference Room A on the first floor of the Donaghey Plaza South Building, 700 South Main Street in Little Rock, Arkansas. One individual presented at this hearing. This individual works with the Title V Arkansas Children with Special Healthcare Needs program. It was expressed the TEFRA program in Arkansas has been a benefit to families who have children with significant health issues. It was further expressed gratitude for the TEFRA program, because it is a vital program for many, many families in the state of Arkansas.

Program Overview

The TEFRA demonstration was implemented January 1, 2003. The State's goal was at that time and still is, to provide medical services to children age 18 and under with substantial disabilities who meet the medical necessity requirement for institutional placement, but whose medical services must be available to provide care to the child in the home, and it must be appropriate to provide such care outside an institution. The child must be disabled according to the SSI

definition of disability. If disability has not been established by SSA, it must be determined by the State's Medical Review Team. At the time of TEFRA demonstration waiver's initial implementation, the State's objective was to replace the Medicaid state plan optional TEFRA aid category with a TEFRA-like demonstration. The State, with its budgetary limitations, wanted to continue to provide services to this special group of children. Using the flexibility available within a demonstration waiver, Arkansas developed and implemented a sliding scale premium fee structure based on the family's income, effectively passing a portion of the cost to the eligible child's family. The State's objective today is to continue to provide medical services to disabled children eligible for Medicaid under section 134 of the Tax Equity and Fiscal Responsibility Act (TEFRA) through the TEFRA-like 1115 demonstration waiver.

Services provided under the State's TEFRA-like demonstration waiver are delivered through the State's existing network of Medicaid providers. Families of demonstration waiver beneficiaries select a primary care physician for their child(ren) enrolled in the TEFRA-like demonstration waiver program. Children enrolled in the TEFRA-like demonstration receive the full range of State Medicaid benefits and services.

The TEFRA-like demonstration waiver allows the State to require a sliding-scale premium fee structure based upon the income of the custodial parent(s). Those custodial parents with incomes above 150% of the federal poverty level and in excess of \$25,000 annually are subject to a sliding scale monthly premium. A family's total annual out-of-pocket cost sharing cannot exceed 5% of the family's gross income. There are no co-payments charged for services to TEFRA children.

Program Authorities

The requested waivers and expenditure authorities for the State's TEFRA-like demonstration waiver proposed extension renewal period are as follows:

Expenditure authority:

- Demonstration Waiver Population- Expenditures for services provided to children age 18 and under, who require an institutional level of care, and would otherwise be Medicaid-eligible under a TEFRA state plan option.

Waiver authority:

- Section 1902 (a) (14) insofar as it incorporates Section 1916 to enable Arkansas to charge a sliding scale monthly premium to custodial parent(s) of eligible children with annual family income above \$25,000, except that no premium may be charged to families with incomes less than 150% of the federal poverty level (FPL).

Financial/Enrollment Projections

Over the past seven years, enrollment in the TEFRA waiver demonstration has averaged 4,715 beneficiaries each calendar year. Annual aggregate expenditures is \$54,472,110.20. It is expected that annual enrollment will remain at an average of 4,700 beneficiaries for each year of the requested extension period. Annual aggregate expenditures are expected to remain at \$54,000,000 for each year of the requested extension period.

Evaluation

CFR §431.424 and the Special Terms and Conditions agreement between the State and the Secretary to implement the TEFRA-like 1115 demonstration waiver's May 12, 2015 – December 31, 2017 approved renewal period specifies an evaluation design be developed discussing the demonstration hypotheses that are being tested, the data to be utilized, the baseline value for each measure, methods of data collection, and how the effects of the waiver demonstration will be isolated from those other changes occurring in the State at the same time through the use of comparison or control groups to identify the impact of significant aspects of the demonstration. The evaluation design becomes the blueprint for the evaluation report developed for the current TEFRA-like 1115 demonstration waiver renewal period.

The study population for the TEFRA-like evaluation consists of all beneficiaries covered under Title XIX of the Social Security Act in the State of Arkansas younger than 19 years of age who meet the medical necessity requirement for institutional care, have income that is less than the long-term care Medicaid limit and do not have countable assets greater than \$2,000. The study population is divided into two groups to operationalize the evaluation---i.e., the study group and a comparison group, where appropriate. The study group is the TEFRA-like demonstration waiver group that consists of beneficiaries enrolled in the Arkansas TEFRA-like program. The comparison group consist of Medicaid ARKids First-A (ARKids-A) program members. ARKids-A provides health insurance to children who qualify based on family income level. Analyses conducted with this comparison focus on cross-sectional analyses.

Arkansas Division of Medical Services (DMS) and its contractor use multiple sources of data to assess the research hypotheses. The data collected include both data from administrative sources and survey-based data (TEFRA Beneficiary Satisfaction Survey, Consumer Assessment of Health Care Providers and Systems (CAHPS), TEFRA Lock-Out Survey). Administrative data sources include information extracted from the DMS' Medicaid Management Information System (MMIS) and associated the Decision Support System (DSS), as well as TEFRA-like program data such as results of the premium payment monitoring data.

The five hypothesizes assumptions being studied in the TEFRA evaluation:

1. The beneficiaries of the Arkansas TEFRA-like demonstration have equal or better access to health services compared to the Medicaid fee-for-service population (Medicaid ARKids First-A);

2. Access to timely and appropriate preventive care remained the same or improved over time for beneficiaries of the Arkansas TEFRA-like demonstration;
3. Enrollment in the TEFRA-like demonstration has improved the patient experience for program beneficiaries by increasing the patients' access to health care services;
4. Patient satisfaction for the quality of care received by the beneficiaries in the Arkansas TEFRA-like demonstration has remained the same or improved over time; and
5. The proportion of beneficiaries participating in the TEFRA-like demonstration who experience a lockout period is less than the proportion expected by the State. A "lock-out" period is when a custodial parent(s) of a TEFRA beneficiary fails to pay TEFRA contribution premiums for three months. A 10-day advance notice of closure is sent to the custodial parent(s). If back premium contribution payments are not made within the 10-day window, the TEFRA case is closed. A closure due to nonpayment of premium contributions is called a "lock-out". A new application must be made before eligibility can resume. Eligibility will be re-determined at the time the new application is made. If the case has been closed less than 12 months because of failure to pay to pay TEFRA premiums, the past due premiums must be paid in full before the child can be re-approved for TEFRA services. If a case is closed 12 months or more due to failure to pay premiums, payment of the past due premiums will not be required to reopen the case. In addition, the contractor will incorporate several supplemental analyses designed to highlight the impact of the program's lockout mechanism. Specifically, the supplemental analyses will address the following lockout-related study questions:
 - A. Does the proportion of TEFRA-like demonstration beneficiaries experiencing the lockout differ significantly by monthly premium or family incomes?
 - B. Does the proportion of beneficiaries experiencing the lockout differ significantly by the financial burden of the monthly premium?
 - C. What health care needs were unmet during a beneficiary's lockout period, and what were the reason(s) they were unable to make the monthly premium payment to maintain eligibility?
 - D. During the lockout period, were there health care needs that the beneficiary was able to get covered through other means? If so, what were those needs and by what means were they able to resolve them?

The CMS approved Evaluation Design for the TEFRA demonstration waiver's 5/12/15 – 12/31/17 renewal period can be viewed at <https://medicaid.mmis.arkansas.gov>; on the screen that comes up, click on "General" found at the top of the screen; on the next

screen, on the left hand side, click on “Arkansas Medicaid Reports and Data for Public Access”; on the next screen under the Header “Arkansas Medicaid Reports and Data for Public Access”, click on “CMS Evaluation Design”.

The Interim Evaluation Report for the 5/12/15 – 6/30/17 period of the TEFRA demonstration waiver’s 5/12/15 – 12/31/17 renewal period is ATTACHMENT L of the TEFRA demonstration waiver’s renewal application and can be viewed at <https://medicaid.mmis.arkansas.gov/Download/general/comment/TEFRARenewalSupportDoc.doc>.

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/s/ Rose Naff _____
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