

Arkansas

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1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 11-2-23)

Arkansas isn't a Medicaid managed care state; however, the state enacted legislation in March 2017 that establishes Provider-owned Arkansas Shared Savings Entities (PASSEs) for 45,000 Medicaid members with significant behavioral health needs and those with intellectual or developmental disabilities. Arkansas Total Care, Empower Healthcare Solutions, and Summit Community Care were cleared by the state to move ahead with full implementation of PASSE and began taking full risk March 1, 2019. In 2022, Arkansas passed a readiness review, allowing the plan to once again enroll new members after a brief suspension. CareSource joined the program on January 1, 2022, after receiving licensure approval and contracting with the Arkansas Department of Human Services (DHS).

Arkansas is currently re-procuring its Independent Verification and Validation services program for the new Arkansas Medicaid Enterprise System (MES). The anticipated contract start date is July 1, 2024. The first system to be implemented under the new Arkansas MES will be the Arkansas Medicaid Pharmacy Program in June 2024, with awards to be announced on January 5, 2024.

Arkansas released a request for proposals (RFP) in September 2023, to procure a new Medicaid dental managed care services vendor. Incumbents are Delta Dental of Arkansas and Managed Care of North America (MCNA). The anticipated implementation date is set for April 1, 2024.

Arkansas received federal approval for its Arkansas Health and Opportunity for Me (ARHOME) waiver, which uses Medicaid funds to cover individuals eligible for expansion through subsidized Exchange plans. However, federal regulators did not approve a plan to continue requiring certain individuals to pay a share of premiums after 2022. The new expansion program also does not include work requirements. However, in February 2023, Arkansas Governor Sarah Huckabee Sanders directed the DHS to reimplement Medicaid work requirements for the ARHOME program through a Section 1115 waiver.

Arkansas became the first state to launch Medicaid work requirements in 2018, which impacted 39,000 adults. The program, called Arkansas Works, allowed the use of Medicaid funds to provide health plan coverage to expansion members through the Exchange.

HMA Managed Medicaid Opportunity Assessment for Arkansas	
Positive Metrics	Strong Indicators
<ul style="list-style-type: none"> PASSE Medicaid managed care enrollment was 45,806 in July 2019. 	<ul style="list-style-type: none"> The ARHOME waiver received federal approval in December 2021.
Negative Metrics	Weak Indicators
	<ul style="list-style-type: none"> Arkansas Governor Sarah Huckabee Sanders directed the DHS to reimplement work requirements for ARHOME.
Source: HMA	

In the impoverished Arkansas Delta – the region with the poorest health outcomes and a large portion of the state's Medicaid population – most Medicaid members are required to choose a primary care provider through the state's ConnectCare Primary Care Case Management program. Since 2012, Arkansas has also participated in CMS's four-year, multi-payer Comprehensive Primary Care Initiative. Separately, Arkansas has launched a Patient Centered Medical Home initiative, which provides physician practices with per member per month

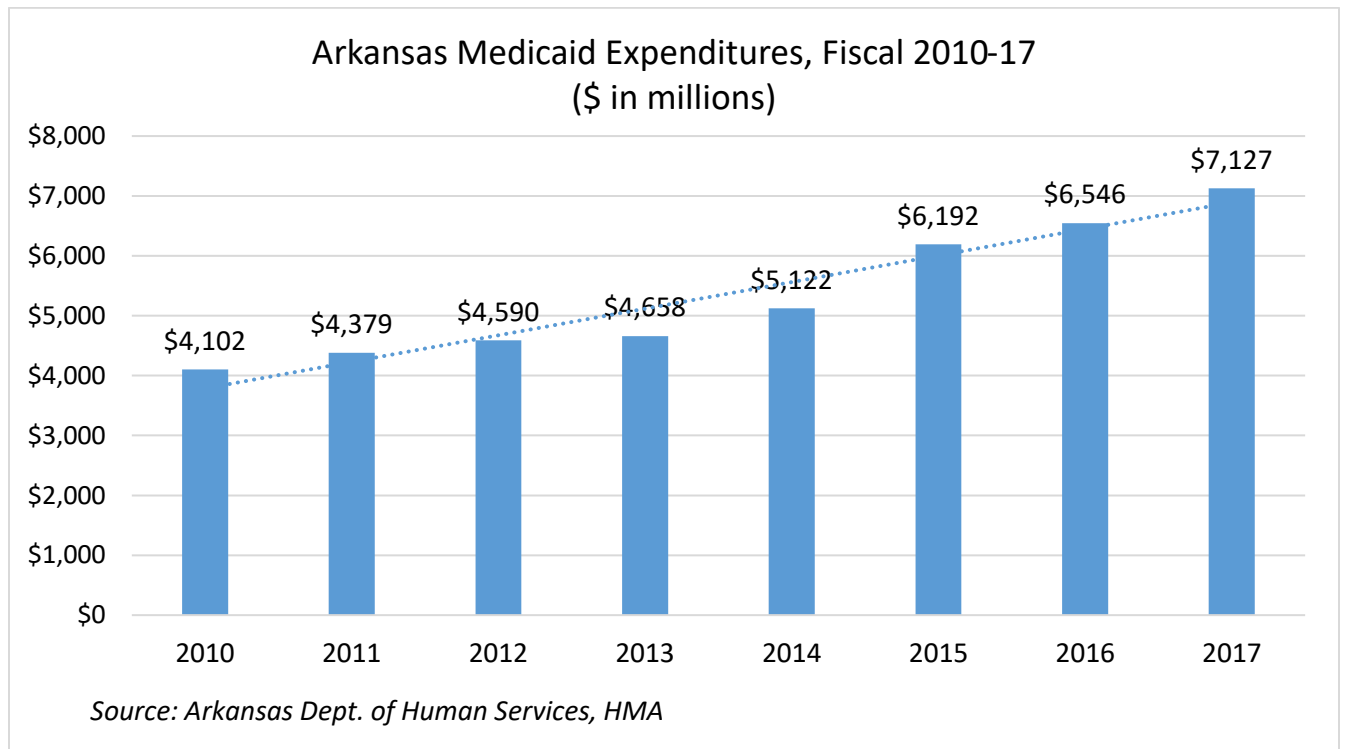
payments to coordinate care, share savings incentives, and practice transformation funding. The CPC and PCMH initiatives, with more than 310,000 Medicaid members combined, both build off the PCCM program. In the PCMH program, the state has contracted with Community Care of North Carolina to provide local care coordination support.

2. MEDICAID EXPENDITURES

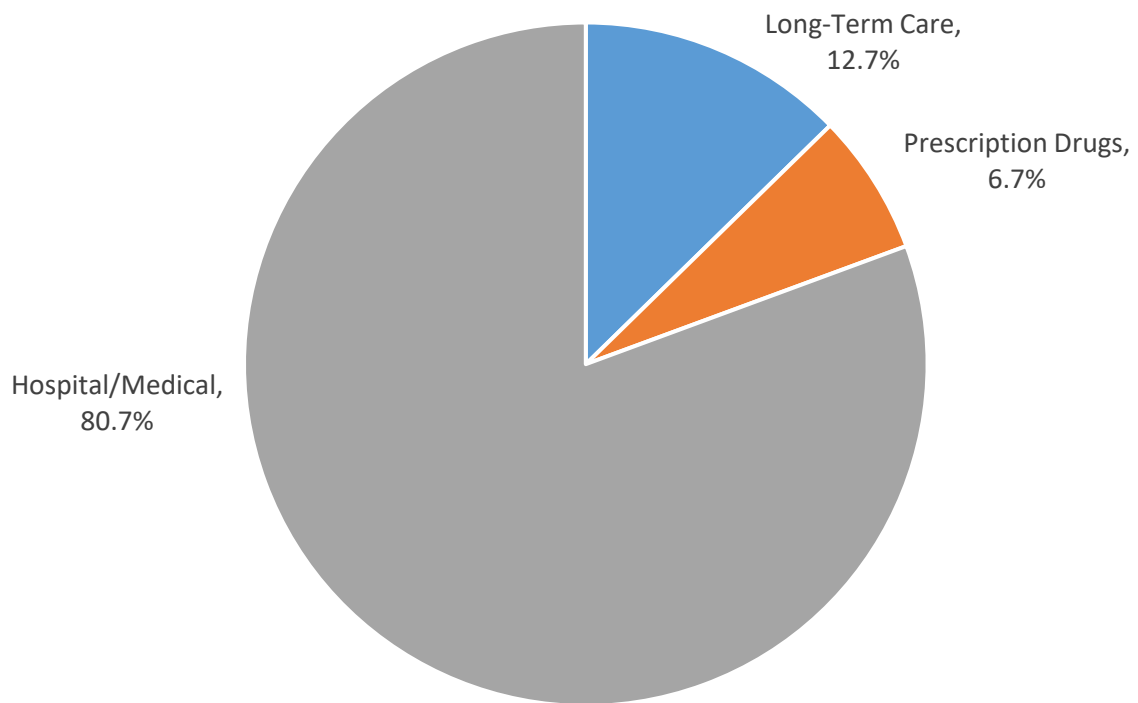
Arkansas Medicaid expenditures reached \$7.1 billion in fiscal 2017, ended June 30, an 8.9% increase from the prior year, following a 5.7% increase in 2016. Hospital and medical care accounted for 80.7% of spending, long-term care 12.7%, and prescription drugs 6.7%. About 30% of Medicaid expenditures are funded by the state, and 70% are funded by the federal government.

Arkansas Medicaid Expenditures Fiscal 2010-17, Ended June 30 (\$ in millions)								
	2010	2011	2012	2013	2014	2015	2016	2017
Expenditures	\$4,102	\$4,379	\$4,590	\$4,658	\$5,122	\$6,192	\$6,546	\$7,127
% y/y		6.8%	4.8%	1.5%	10.0%	20.9%	5.7%	8.9%
State Share	22.1%	20.7%	29.1%	29.7%	29.9%	29.1%	30.0%	30.3%
Federal Share	77.9%	79.3%	70.9%	70.3%	70.1%	70.9%	70.0%	69.7%

Source: Arkansas Dept. of Human Services, HMA



Arkansas Medicaid Share of Expenditures by Type of Provider,
Fiscal 2017, Ended June 30 (Based on \$7.1 Billion in Total Spending)



Source: Arkansas Dept. of Human Services, HMA

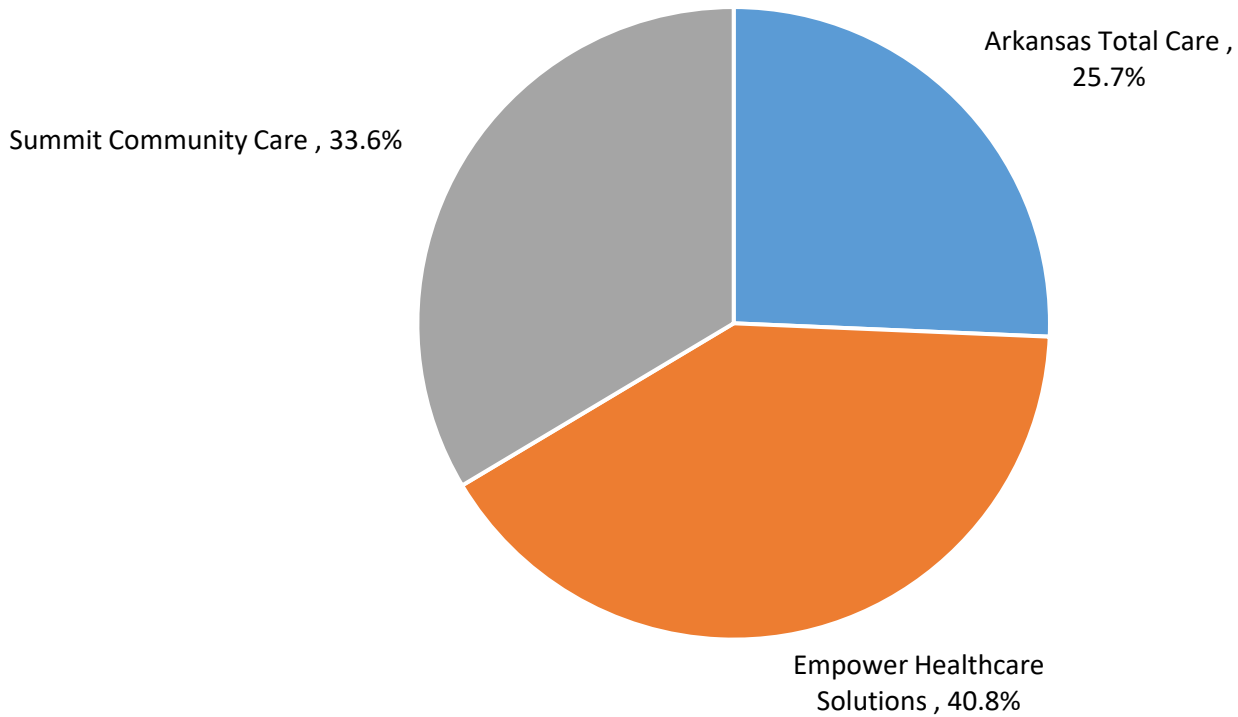
3. MEDICAID ENROLLMENT

Arkansas PASSE enrollment was 45,806 in July 2019. Arkansas enacted legislation in March 2017 that established Provider-owned Arkansas Shared Savings Entities (PASSEs) for Medicaid members with significant behavioral health needs and those with intellectual or developmental disabilities. Members enrolled in a long-term services and supports program are not eligible to enroll in a provider-led entity.

Enrollment in Arkansas Managed Medicaid by Plan, July 2019	
Plan	Jul-19
Arkansas Total Care/ Centene	11,756
<i>+/- between reporting periods</i>	NA
<i>% chg. between reporting periods</i>	NA
<i>% of total</i>	25.7%
Empower Healthcare Solutions	18,680
<i>+/- between reporting periods</i>	NA
<i>% chg. between reporting periods</i>	NA
<i>% of total</i>	40.8%
Summit Community Care/Anthem	15,370
<i>+/- between reporting periods</i>	NA
<i>% chg. between reporting periods</i>	NA
<i>% of total</i>	33.6%
Total, 3 AR PASSEs	45,806
<i>+/- between reporting periods</i>	NA
<i>% chg. between reporting periods</i>	NA

Source: 2019 Data: Arkansas Department of Human Services, ScoreCard Q12020

Arkansas Medicaid Managed Care Market Share
by Total Enrollment, 3 Plans,
July 2019



Source: Arkansas Department of Health and Environment

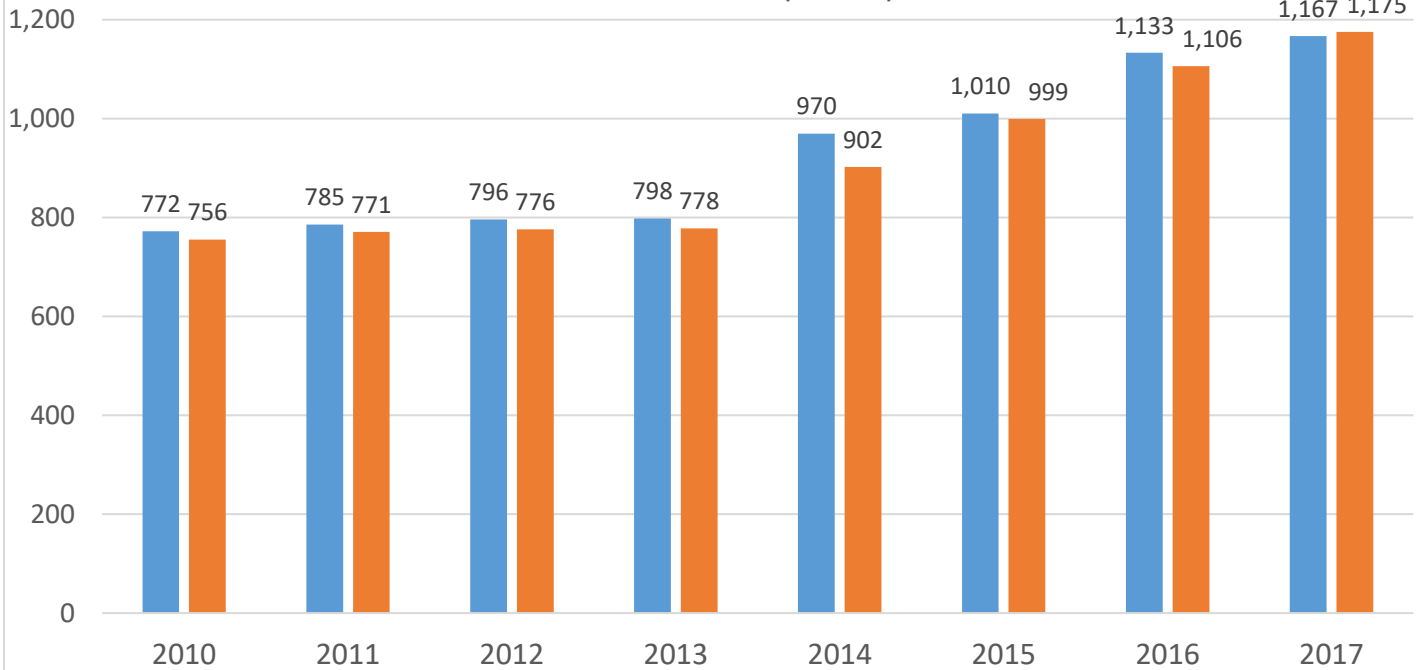
Arkansas served a total of 1.18 million unduplicated Medicaid recipients in fiscal 2017, ended June 30, up 6.2% from the prior fiscal year.

Arkansas Unduplicated Medicaid Eligibles and Enrollees,
Fiscal 2010-17, Ended June 30

	2010	2011	2012	2013	2014	2015	2016	2017
Eligibles	771,918	785,446	795,889	798,188	969,699	1,009,856	1,132,517	1,166,967
+/- y/y		13,528	10,443	2,299	171,511	40,157	122,661	34,450
% y/y		1.8%	1.3%	0.3%	21.5%	4.1%	12.1%	3.0%
Enrollees	755,607	770,792	776,050	777,922	902,378	998,530	1,106,471	1,175,155
+/- y/y		15,185	5,258	1,872	124,456	96,152	107,941	68,684
% y/y		2.0%	0.7%	0.2%	16.0%	10.7%	10.8%	6.2%
% of eligibles	97.9%	98.1%	97.5%	97.5%	93.1%	98.9%	97.7%	100.7%

Source: Arkansas Dept. of Human Services, HMA

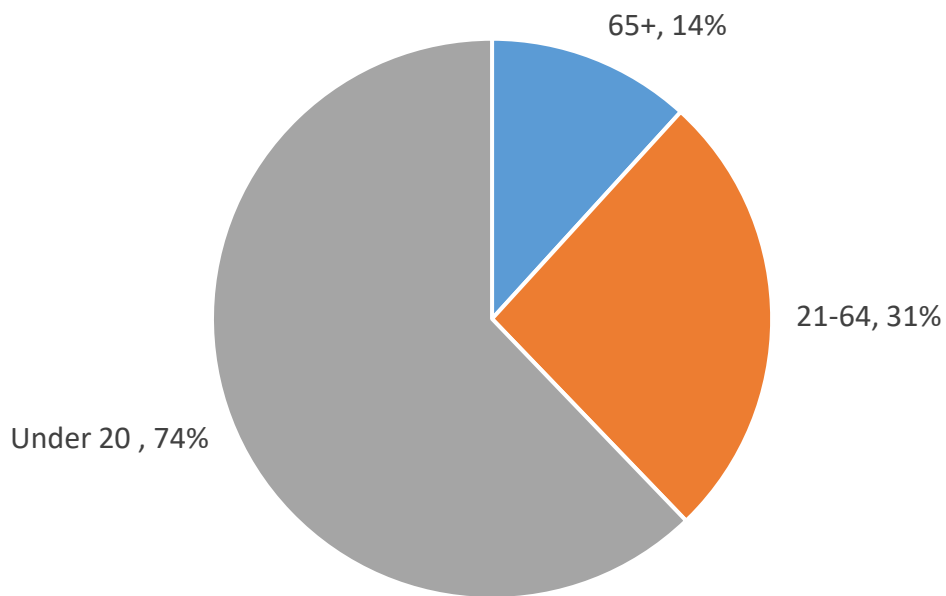
Arkansas Unduplicated Medicaid Eligibles and Enrollees, Fiscal 2010-17, Ended June 30 (in 000)



Source: Arkansas Dept. of Human Services, HMA

■ Eligibles

Arkansas Unduplicated Medicaid Enrollment by Age, Fiscal 2017, Ended June 30



Source: Arkansas Dept. of Human Services, HMA

4. RFP DEVELOPMENTS AND ANALYSIS (UPDATED 11-2-23)

Arkansas released a request for proposals (RFP) in October 2023 to procure a new vendor for Independent Verification and Validation services for the new Arkansas Medicaid Enterprise System (MES). Arkansas will award one contract, to run for three years, with four one-year contract extensions. Proposals are due November 22, 2023, with awards expected on January 26, 2024. The anticipated contract start date is July 1, 2024. The first system to be implemented under the new Arkansas MES will be the Arkansas Medicaid Pharmacy Program in June 2024, with awards to be announced on January 5, 2024.

Arkansas released a request for proposals (RFP) in September 2023, to procure a new Medicaid dental managed care services vendor. Arkansas will award at least two to three one-year contracts, with six one-year contract extensions. Current incumbents are Delta Dental of Arkansas and Managed Care of North America (MCNA). Proposals are due November 9, 2023, with awards expected on December 8, 2023. The anticipated implementation date is set for April 1, 2024.

Arkansas released a request for proposal (RFP) in August 2023 to procure a new pharmacy vendor. Arkansas will award one contract, to run for three years, with four one-year contract extensions. Incumbent Magellan currently has five one-year contract extensions available, with an end date of July 1, 2027. Proposals are due October 2, 2023, with awards expected on or around January 5, 2024. The anticipated implementation date is set for June 1, 2024. The state will also reprocure the Core/MMIS contract with Gainwell, ending July 1, 2027, and the Decision Support System contract with Optum, ending December 1, 2028.

Arkansas, which had historically shied away from full-risk managed care, enacted legislation in March 2017 that establishes provider-led managed care entities for Medicaid members with significant behavioral health needs and those with intellectual or developmental disabilities. Members enrolled in a long-term services and supports program are not eligible to enroll in a provider-led entity. Arkansas Total Care, Empower Healthcare Solutions, and Summit Community Care began taking full risk on March 2019. CareSource joined the program on January 1, 2022 after receiving licensure approval and contracting with the Arkansas Department of Human Services.

Arkansas received federal approval for its Arkansas Health and Opportunity for Me (ARHOME) waiver that uses Medicaid funds to cover individuals eligible for expansion through subsidized Exchange plans. However, federal regulators did not approve a plan to continue requiring certain individuals to pay a share of premiums. The current \$13 monthly premium for individuals with incomes about 100 percent of poverty expired at the end of 2022. The current expansion program also does not include work requirements. However, in February 2023, Arkansas Governor Sarah Huckabee Sanders directed the DHS to reimplement Medicaid work requirements for the ARHOME program through a Section 1115 waiver.

5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Arkansas was 1,041,085 in 2022. Total Medicaid expenditures in Arkansas were more than \$8.5 billion in 2022, with about 16.8% through managed care and the rest through fee-for-service.

Arkansas Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-22

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures ⁽¹⁾	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
2022	\$8,533,079,808	\$1,432,773,352	16.8%	1,041,085	55,000	5.3%
2021	\$7,135,715,024	\$1,224,013,853	17.2%	965,168	55000 ⁽²⁾	5.7%
2020	\$6,619,665,977	\$1,183,955,645	17.9%	892,423	45,629	5.1%
2019	\$6,842,930,884	\$1,019,868,413	14.9%	851,557	45,629	5.4%
2018	\$6,308,079,740	\$88,753,381	1.4%	836,534	NA	NA
2017	\$6,363,923,522	\$0	NA	902,279	NA	NA
2016	\$5,955,864,929	\$0	NA	942,076	NA	NA
2015	\$5,469,730,653	\$0	NA	839,277	NA	NA
2014	\$4,840,075,746	\$0	NA	824,529	NA	NA

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

(2) Provider-owned Arkansas Shared Savings Entities (PASSEs) enrollment as of March 2022

Sources: CMS64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

6. SPECIAL NEEDS PLANS

Arkansas had 90,381 Special Needs Plan members as of March 2023.

Arkansas SNP Enrollment by Plan, March 2023					
Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
UnitedHealthCare ¹	67,783	47,742	20,041	0	75.0%
Humana	13,573	13,063	510	0	15.0%
Centene	5,487	5,487	0	0	6.1%
Tribute Health/ Arkansas Superior Select	1,712	1,712	0	0	1.9%
CVS Health	1,330	246	0	1,084	1.5%
Cigna	291	291	0	0	0.3%
Vantage Health Plan	205	205	0	0	0.2%
Totals	90,381	68,746	20,551	1,084	100%

¹UnitedHealthCare DSNP and CSNP enrollment includes members from Missouri

Source: CMS, HMA