

Coverage Expansion Timeline for Adults in Arkansas

January 2018

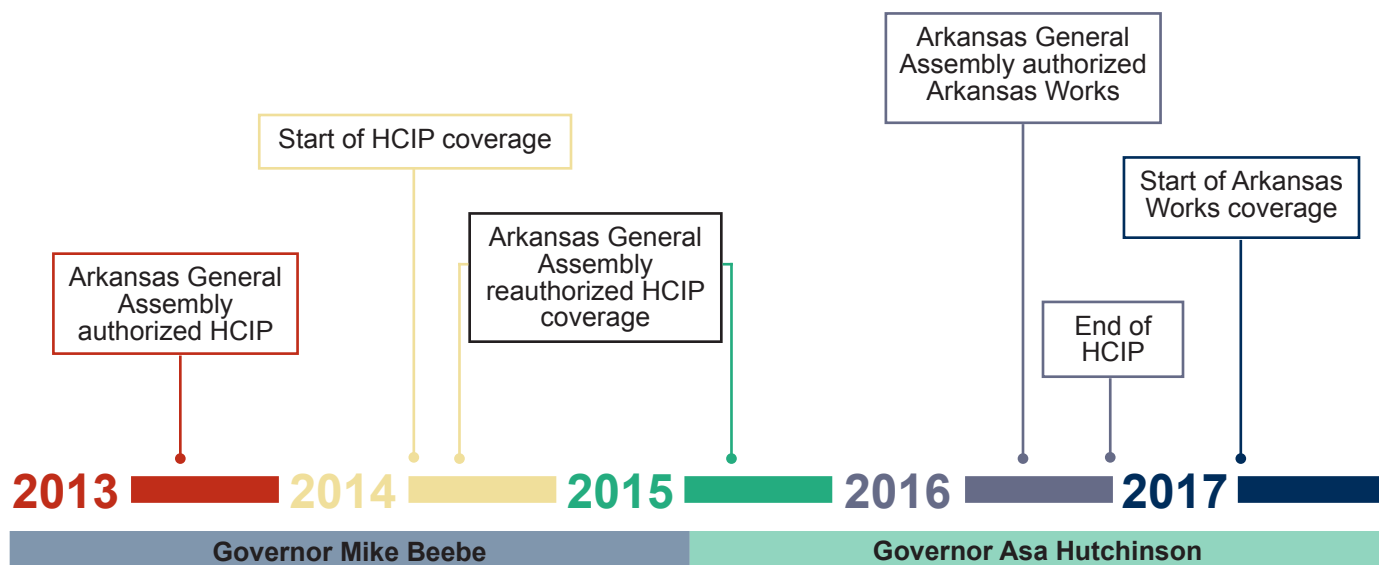
Overview

In 2013, Arkansas opted to expand healthcare coverage to low-income adults earning below 138 percent of the federal poverty level (FPL) through the Patient Protection and Affordable Care Act (ACA). In each subsequent year, the Arkansas General Assembly has authorized continued appropriations for the program with a three-fourths vote. Rather than pursue expanded healthcare coverage through the state's traditional Medicaid fee-for-service program, Arkansas sought and received approval from the Centers for Medicare and Medicaid Services (CMS) for a Section 1115 demonstration waiver under the Social Security Act (Section 1115 waiver) to expand coverage through premium assistance. Colloquially known as the "Private Option," the "Health Care Independence Program" (HCIP) used federal funds allotted for Medicaid expansion under the ACA to purchase qualified health plans (QHPs) available in the Health Insurance Marketplace (HIM). QHP coverage was available for non-medically frail individuals eligible under the ACA's Medicaid expansion. Medically frail individuals received coverage directly through Medicaid.¹

During the life of the waiver, HCIP underwent modifications in response to legislative amendments to the enabling bill—The Health Care Independence Act—including the introduction of health independence accounts (HIAs) to incorporate personal responsibility and limitations on use of non-emergency transportation. At the same time, the Arkansas General Assembly prohibited the state from program advertising and outreach.

Prior to expiration of HCIP on Dec. 31, 2016, Arkansas sought and received approval for a waiver extension to continue the premium assistance model, renamed "Arkansas Works." The five-year waiver extension included requirements for premium payments for individuals earning between 101 and 138 percent of the FPL and an employer-sponsored health insurance (ESI) premium assistance program.²

In 2017, additional modifications to Arkansas Works were legislatively enacted, including eliminating the ESI premium assistance program, capping program eligibility at 100 percent of the FPL, and adding a work requirement as a condition of eligibility.³ The waiver amendment modifications are anticipated to take effect through a phased process upon approval in 2018.⁴



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2013

Health Care Independence Act⁵
Arkansas General Assembly authorizes the state to use Medicaid funding for the premium assistance model.

Supplemental Nutrition Assistance Program (SNAP)-Facilitated Enrollment¹

In September 2013, a one-time SNAP-facilitated enrollment strategy was implemented to enroll potentially eligible beneficiaries. Approximately 45,000 individuals enrolled through this process.

April 23
Health Care Independence Act authorization⁵

October 1
Start of HCIP application acceptance⁸

September 27
CMS approves HCIP Section 1115 waiver⁷

August 2
HCIP Section 1115 waiver submission⁶

Auto-Assignment
Individuals who did not select a QHP were auto-assigned to a QHP in their region. The auto-assignments were distributed among insurers to enhance competition by providing each issuer a target minimum market share of enrollees.⁶

QHP Enrollment¹
Eligible individuals enrolled by completing the Health Care Needs Assessment and selecting a plan at the insureark.org portal.

January 1
Start of HCIP coverage⁹

2014

HCIP Section 1115 Waiver Amendments^{10, 11, 12}

- Non-emergency transportation use limitations
- Establishment of health independence accounts
- Cost-sharing for beneficiaries with incomes above 50 percent FPL

HIM Issuer Participation	2 nd Lowest Silver Monthly Premium ⁸
4	\$306* (before tax credits)

March 7 and 13
The Arkansas General Assembly prohibits HCIP advertising and outreach by state agencies in appropriation bills^{10,11,12}

September 15
HCIP Section 1115 Waiver amendment submission

June 5
AID/DHS release guidance restricting enrollment to plans that provide only essential health benefits (EHB)¹⁴

March 24
CMS approves the Section 1115 waiver evaluation design¹³

December 31
CMS approves HCIP Section 1115 waiver amendment¹⁵

* Monthly premium for a 40-year-old non-smoker earning \$30,000 a year in Little Rock

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HIAs¹⁶

HCIP beneficiaries earning between 101 and 138 percent of FPL contribute \$10-15, depending on income, into HIAs to cover cost-sharing expenses in subsequent months.

2015

HIM Issuer Participation	2 nd Lowest Silver Monthly Premium ⁸
5	\$299* (before tax credits)

February 12
Arkansas Health Reform Act authorization¹⁹

March 5
DHS/AID release guidance on price sensitive plan purchasing strategy²⁰

January 1
Start of HIAs¹⁷

January 30
State plan amendment for limitations on non-emergency transportation use approval¹⁸

Arkansas Health Reform Act¹⁹
Creates the Health Reform Legislative Task Force to recommend an alternative coverage model and ensure continued coverage. Suspends provision requirements for:

- Transition of ARKids B-eligible children and Medicaid beneficiaries from zero to 17 percent FPL into the HIM; and
- Cost sharing for HCIP beneficiaries earning below 100 percent FPL.

August 14
CMS approves the Arkansas Health Care Independence Accounts Operational Protocol²³

July 14
Submission of technical corrections to the Section 1115 waiver to suspend cost-sharing requirements for HCIP beneficiaries earning below 100 percent FPL²²

June 15
Conditional approval from CMS to establish a state-based marketplace (SBM)²¹

2016

January 1
Price sensitive plan purchasing strategy effective

June 30
End of HIAs²⁷

June 28
Section 1115 waiver extension application submission to transition to Arkansas Works²⁶

HIM Issuer Participation	2 nd Lowest Silver Monthly Premium ²⁴
6	\$310* (before tax credits)

Price Sensitive Purchasing Strategy²⁰
In each service area, DHS will only purchase the EHB-only, silver-level QHPs within 10 percent of the second lowest cost QHP.

Arkansas Works Act²⁵
Establishes Arkansas Works, a program that retains the foundation of the HCIP, but adds new features, including:

- ESI premium assistance program;
- Premium payments of less than 2 percent of income for beneficiaries earning between 100 and 138 percent FPL;
- Elimination of the 90-day retroactive eligibility coverage;
- Referral of beneficiaries with incomes up to 50 percent FPL to the Department of Workforce Services for participation in job training and job search programs; and
- A wellness visit requirement with a primary care provider within the first year of program participation.

April 8
Arkansas Works Act authorization²⁵

December 8
CMS approves Arkansas Works Section 1115 waiver extension²⁸

December 31
End of HCIP

* Monthly premium for a 40-year-old non-smoker earning \$30,000 a year in Little Rock

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2017

HIM Issuer Participation	2 nd Lowest Silver Monthly Premium ²⁴
5	\$314* (before tax credits)



January 1
Start of Arkansas Works coverage



January

February

March

April

Arkansas Works Act Amendments³

Amends the Arkansas Works Act to allow state flexibility in determining whether to be an assessment or determination state, eliminates the ESI premium assistance program, and requires a small employer health insurance coverage study. The state must also seek state plan amendment or waiver changes to:

- Cap eligibility at 100 percent FPL; and
- Establish work requirements for beneficiaries with certain exemptions.

May



May 4
Amendments to the Arkansas Works Act signed³

October

September

August

July

June

Arkansas Works Section 1115 Waiver Amendment²⁹

The waiver amendment requests:

- Termination of the ESI premium assistance program;
- Work requirements as a condition of eligibility for individuals between ages 19–49 with certain exemptions;
- Lowering the Arkansas Works income eligibility upper limit from 138 percent FPL to 100 percent FPL;
- Elimination of the 90-day retroactive eligibility coverage; and
- Transitioning Arkansas from a determination to an assessment state.



June 30
Arkansas Works Section 1115 waiver amendment submission²⁹



November

December

* Monthly premium for a 40-year-old non-smoker earning \$30,000 a year in Little Rock

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