July 12, 2021

Ms. Cindy Gillespie
Secretary, Department of Human Services
PO Box 1437, Slot S201
Little Rock, AR 72203

Dear Secretary Gillespie:

The Arkansas Center for Health Improvement (ACHI) appreciates the opportunity to provide comment on the Arkansas Health and Opportunity for Me (ARHOME) demonstration waiver program, the proposed overhaul of Arkansas's Medicaid expansion program known currently as Arkansas Works. ACHI is an independent, non-partisan health policy organization dedicated to improving the health of Arkansans. The proposed five-year ARHOME waiver represents a continuation of the state's innovative efforts over the last eight years to provide affordable, quality coverage to low-income Arkansans through the Medicaid program, and we are supportive of that goal, as well as new opportunities to address social needs in target populations through Life360 HOMEs.

We are pleased to see that ARHOME — like its predecessor programs — has at its core the premium assistance model, which uses Medicaid funding to purchase individual qualified health plans (QHPs) available on the Health Insurance Marketplace instead of administering coverage through the Medicaid fee-for-service program. The federally required evaluation of the premium assistance model in the Health Care Independence Program showed that Medicaid enrollees in QHPs experienced better perceived and actual access than enrollees in fee-for-service. The use of premium assistance has also benefitted the individual insurance market in Arkansas by promoting enhanced competition and stabilizing premiums.

While we recognize that the proposal to "reassign" beneficiaries who are "inactive" from QHPs to the Medicaid fee-for-service program has some budgetary benefit, the reassignment waiver feature also raises some concerns. First, being reassigned could certainly be viewed as a penalty by the beneficiary. After all, the stigma of Medicaid has been documented and is among the many reasons that Arkansas initially opted for a premium assistance model. Second, as a basic tenet of insurance, the QHPs rely on beneficiaries with low or no utilization to offset high utilization among other beneficiaries. Wholesale reassignment of beneficiaries without utilization could be detrimental to this balance of risk and result in higher QHP premiums for the program. Finally, the reassignment feature — which the waiver proposes to test to understand whether beneficiaries "in a QHP recognize and value the health coverage as insurance above and beyond Medicaid medical assistance" — sparks broader questions about compliance with federal "equal access" requirements, particularly when there is objective evidence that access differences between the care delivery strategies exist. We welcome the opportunity for input into the operationalization of "inactive" beneficiary provisions before the proposed implementation date in 2023, and we hope that the Medicaid reimbursement adequacy review currently underway informs the broader "equal access" questions raised by this proposed feature.

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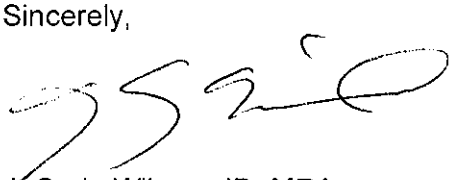
We commend the Department of Human Services for incorporating the Life360 HOME concept into the waiver proposal to provide more intensive levels of intervention, care coordination, and linkages to community-based services for at-risk populations. The targeted populations for Life360 HOMEs have consistently experienced health disparities and profound social needs that serve as a barrier to improved outcomes. We are hopeful that there will be robust participation in the Life360 HOMEs by both providers and enrollees, and that the Life360 HOMEs will include evidenced-based interventions that have been shown to improve health outcomes. We would also invite state officials to explore promising models such as the Following Baby Back Home program developed by the University of Arkansas for Medical Sciences' Department of Pediatrics, which has been shown to prevent three in four infant deaths, improve immunization completion, and increase the completion of needed healthcare utilization among high-risk newborns.

We are also supportive of new quality measurement provisions for the QHPs, which will provide both an opportunity for quality improvement within the ARHOME program and a comparator for QHP performance in the subsidized population above income eligibility levels for Medicaid expansion. As waiver components continue to evolve from previous iterations and throughout the life of the waiver, we would urge regular compliance monitoring and rigorous state and federal evaluations that carefully assess results against stated objectives to inform both state and national awareness. Opportunities exist to learn from waiver strategies that are successful, as well as those that fall short of expectations or have unintended consequences. Regarding the latter, the following waiver provisions merit heightened scrutiny:

- Cost-sharing exposure for individuals with household incomes beginning at 21% of the federal poverty level, or roughly $2,700 annually for a single individual and $5,500 for a household of four. Even relatively small levels of cost-sharing are associated with reduced use of care, including necessary services.
- The ability of providers to refuse service following one instance of non-payment. This could certainly have the potential to limit access for needed services and could divert those with the inability to pay to safety net providers, such as federally qualified health centers, which must provide services without regard to an individual's ability to pay.
- The limit on retroactive eligibility to 30 days. This waiver feature was previously approved by the Centers for Medicare and Medicaid Services and implemented as part of Arkansas Works but was discontinued. The interim evaluation of Arkansas Works was unable to fully assess this waiver feature.

ACHI encourages the Centers for Medicare and Medicaid Services to approve the state's waiver proposal request to continue Medicaid expansion coverage in Arkansas. Thank you again for the opportunity to provide comment on the ARHOME proposal.

Sincerely,



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