



Division of Medical Services
Program Development & Quality Assurance

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October 21, 2011

Cindy Mann, Director
Center for Medicaid and State Operations
Center for Medicare and Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850

Dear Ms. Mann:

The Arkansas Division of Medical Services is submitting this request to amend Arkansas' section 1115 HIFA demonstration waiver (project number 21-W-00051/6 and 11-W00214/6) to provide coverage for a new adult expansion population, adults with incomes up to 133% of the federal poverty level. We are requesting a January 1, 2012 effective date. As per the Special Terms and Conditions, the following information is provided relative to this waiver amendment request.

Description of the Amendment, including Impact on Beneficiaries and Supporting Documentation

Arkansas Department of Human Services, Division of Medical Services (DHS DMS) proposes the addition of a coverage option, called the "University Plan, for a new adult expansion population to the HIFA demonstration. This will be done through a partnership between the DHS DMS and the University of Arkansas for Medical Sciences (UAMS), the state's only academic health center. UAMS is a major Medicaid provider offering comprehensive services and has locations all across the State. It has a long history of working with the DHS DMS to establish innovative programs to improve the health of Arkansas' Medicaid beneficiaries, facilitate convenient and appropriate access to care and serve as a resource for Medicaid providers statewide. The "University Plan" is a further step in this evolving partnership. The new adult expansion population will be comprised of adults age 19 through 64 with incomes up to and including 133% FPL who are not enrolled in Medicare Part A or Part B and who are not otherwise eligible under the State Plan or this demonstration. This new adult expansion population coverage will bridge the gap until full Medicaid coverage is available in 2014 through the Affordable Care Act. The "University Plan" will also help to ease the State's transition to an expanded program in 2014 by facilitating enrollment, addressing unmet healthcare needs early on and providing a regular source of coordinated care for enrollees.

The benefit coverage for this new adult expansion population will consist of all Medicaid-covered services (except outpatient prescription drugs) provided by providers who are part of the "University Plan" delivery system network. Services are covered to the extent the participating providers' capacity permits. The delivery system for this new adult expansion population will consist of the UAMS providers, including the UAMS facilities based in Little Rock, the UAMS

Regional Programs comprised of Area Health Education Centers (AHECs) located throughout the state and inpatient and outpatient professionals providing services at these sites. AHECs serve as the primary educational outreach effort of UAMS and are the principal means of decentralizing medical and other health professions education throughout the state. There are eight teaching centers in El Dorado, Fayetteville/Springdale, Fort Smith, Helena-West Helena, Jonesboro, Pine Bluff, Texarkana, and Batesville/Mountain Home. Through these AHECs future health professionals provide services in underserved communities. What began as medical and residency training now encompasses nursing, pharmacy and allied health professions training as well as continuing professional and public education statewide. Each AHEC serves a multiple county region (see **ATTACHMENT A**). AHECs are a significant provider of primary health care services for Arkansas residents providing 253,815 patient visits annually statewide.

The State will establish enrollment sites at the participating providers including all of the UAMS AHEC sites and at UAMS facilities in Little Rock. The State will use a contractor to process applications taken at the enrollment sites, but final eligibility determinations will be made by individuals employed under merit system principles by the State government. Any applicant who may be eligible for either Medicaid or CHIP will be referred to the county office for an eligibility determination. Any individual eligible for either Medicaid or CHIP is not eligible for enrollment into the “University Plan.” Enrollees in the “University Plan” will be assigned a primary care provider and will be given a choice of at least two such providers. The State will allow enrollees to disenroll from the “University Plan” for any stated reason at any time. Enrollees will be subject to the cost-sharing requirements specified in the State plan.

Explanation of Public Process Used by State Relative to Public Notice and Consultation with Interested Parties

The State’s process for involving the public in the development of a proposed or changes to a demonstration project under section 1115 is done by having regulations, policies, rules and procedures and subsequent changes in association with the demonstration promulgated in accordance with the Arkansas Administrative Procedure Act. This Act allows for an opportunity for public comment. A notice is run in the *Arkansas Democrat Gazette*, the largest circulated newspaper in the state, which describes the major elements of the proposed demonstration or changes to the demonstration. The notice indicates how interested persons can obtain copies of the proposal or changes to the proposal and that written comments will be accepted by the State for a period of 30 days. Promulgation also includes review and advice from the Arkansas Legislative Public Health and Rules and Regulations sub-committees which are open to the public, and the opportunity is given to those wanting to speak in support of or in opposition to the rule. After review and advice from the Public Health and Rules and Regulations sub-committees, the regulations, policies, rules and procedures are adopted and incorporated into the appropriate document. All provider manuals containing program rules are available to all providers and the general public via the DMS website. Toll-free numbers are also available for the public to call with input regarding the demonstration waiver. This process will be used with the inclusion of coverage to this new adult expansion population.

Description of How Evaluation Design will be Modified to Incorporate Amendment Provisions

An evaluation design will be developed and implemented for the “University Plan” via a contract.

Assessment Identifying Specific “With Waiver” Impact of Proposed Amendment on Current Budget Neutrality

Cumulative budget neutrality savings which has accrued for the first five years of the demonstration will be used to offset the cost of the additional population.

Thank you for your consideration of this request. If you need additional information, please contact Dan Adams at 501-6832734 or via e-mail at dan.adams@arkansas.gov or Jean Hecker at 501-682-8361 or via e-mail at jean.hecker@arkansas.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eugene J. Gessow".

Eugene J. Gessow
Director

EIG/jch

Attachment

Cc: LeAnn Edwards, DMS
Dan Adams, DMS
Tamara Sampson, CMS, Dallas
Mark Pahl, CMS, Baltimore

Area Health Education Centers

University of Arkansas for Medical Sciences' (UAMS) Regional Programs, now comprised of the Area Health Education Centers (AHECs) and the Center for Rural Health, serve as the primary educational outreach effort of UAMS and the principal means of decentralizing medical and other health professions education throughout the state.

Eight teaching centers in El Dorado, Fayetteville/ Springdale, Fort Smith, Helena-West Helena, Jonesboro, Pine Bluff, Texarkana and, Batesville/Mountain Home expose future health professionals to underserved communities and provide more varied hands-on experiences than they might receive in a traditional urban, academic environment.

What began with medical and residency training over 35 years ago now encompasses nursing, pharmacy, and allied health professions training as well as continuing professional and public education statewide. Each AHEC serves a multiple county region (see map below).

650 AHEC-trained family physicians currently practice in Arkansas communities, including 67 of the State's 75 counties.



AHECs are a significant provider of primary health care services for Arkansas residents; Providing 253,815 patient visits annually statewide in our six AHEC Family Medicine Clinics, our partner hospitals, emergency rooms, and nursing homes, Including \$2.7 Million in Uncompensated Care



UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES
Amendment of Arkansas's Section 1115 HIFA Demonstration Waiver
Supplemental Information

INTRODUCTION

On October 21, 2011, Eugene Gessow of the Arkansas Department of Human Services Division of Medical Services (DHS DMS) submitted a letter to Cindy Mann, Director of the Center for Medicaid and State Operations, that requested amendment to Arkansas's section 1115 HIFA demonstration waiver (project number 21-W00051/6 and 11-W00214/6) to provide coverage for a new adult expansion population with incomes of up to 133% of the federal poverty level. This proposed amendment, entitled the "University Plan," will expand Medicaid coverage to adults age 19 through 64 for Medicaid-covered services (excluding outpatient prescription drugs) as provisioned by providers who are part of the University Plan delivery system network. The network includes the UAMS Medical Center, the UAMS Area Health Education Center Family Medical Centers, (AHEC Family Medical Centers) and inpatient and outpatient professionals providing services at these sites. The following supplemental information builds upon the earlier submitted letter to highlight the background, benefits, strategy, and budget behind the proposed University Plan.

BACKGROUND

The University Plan will offer Medicaid enrollment and coverage for qualifying adults who receive healthcare services from providers practicing within the University of Arkansas for Medical Sciences (UAMS) System, which includes clinical delivery sites at the UAMS Medical Center and the AHEC Family Medical Centers. UAMS is the state's only academic medical center that extends clinical services and educational offerings to Arkansas. The UAMS Medical Center is centrally located in Little Rock, Arkansas, and offers state-of-the-art, evidence-based care to inpatients and outpatients from every county in the state. The AHEC Family Medical Centers expand the geographic reach of the UAMS System through 11 clinics that serve 6 regions of Arkansas to provide primary care to patients and families throughout Arkansas.

The proposed University Plan is designed to serve a state in *dire need*. In both health outcomes and healthcare determinants, Arkansas struggles with adversities so great that immediate and rapid solutions are needed to extend needed healthcare services to underserved, low-income patients throughout the state. The following national rankings exemplify just a few shortcomings seen in Arkansas in 2010:

48th	45th	45th
Overall Health	Premature Deaths	Cardiovascular Deaths
44th	45th	41st
Poor Physical Health Days	Cancer Deaths	Diabetes Prevalence
45th	43rd	49th
Stroke Prevalence	Obesity Prevalence	Medical Household Income
43rd	45th	45th
Preventable Hospitalization	Children Living in Poverty	Per Capita Personal Income

United Health Foundation. America's Health Rankings: Arkansas, 2010.

Moreover, the Health Resources and Services Administration designated 73 of Arkansas's total 75 counties as either partially or fully Medically Underserved Areas and 62 counties contain Primary Healthcare Provider Shortage Areas (2010). According to the University of Arkansas's Division of Agriculture's *Rural Profile of Arkansas, 2011*, 63 of Arkansas's total 75 counties were classified as non-metropolitan in the 2000 census, with 51% of Arkansas's population living in those rural, non-metropolitan areas. The University Plan holds the potential to directly address the needs of low-income, medically underserved, and rural patients that receive services through the UAMS System.

UAMS SYSTEM PROVIDERS, SERVICES, AND PATIENTS

Snapshot Overview:

- ☑ Over 1,000 UAMS System providers will participate in the University Plan.
- ☑ Over 100 of those providers practice at the 11 AHEC Family Medical Centers and associated clinics in Arkansas.
- ☑ Around 900 providers practice at the UAMS Medical Center.
- ☑ The UAMS Medical Center provides the full spectrum of inpatient and outpatient hospital and specialty services that emphasize Medicaid and specialty care for some of the state's most complex, high-risk patients.
- ☑ The AHEC Family Medical Centers provide preventative, primary, and specialty services to rural Arkansas geographically separated from the UAMS Medical Center.
- ☑ Most Medicaid-covered services are available within the UAMS System.
- ☑ The UAMS Medical Center provided care for uninsured patients from every county in Arkansas in Fiscal Year 2011, serving 2,321 uninsured inpatients and 55,997 uninsured outpatients living in Arkansas.
- ☑ The UAMS Medical Center provided care for Medicaid patients from every county in Arkansas in Fiscal Year 2011, serving 6,909 Medicaid inpatients and 52,007 Medicaid outpatients living in Arkansas.
- ☑ The AHEC Family Medical Centers provided care to 204,805 outpatients in 2011, of which 49% were Medicaid beneficiaries.
- ☑ The UAMS System offers telemedicine connectivity at its UAMS Medical Center and AHEC Family Medical Centers, allowing rural patients to receive real-time, telemedicine-based specialty care otherwise unavailable in their region.

The University Plan delivery system network of providers will be vast, expanding Medicaid coverage to low-income patients in virtually every corner of the state. While the UAMS College of Medicine staffs 912 clinicians, the AHEC Family Medical Centers staff approximately 135 resident physicians currently in training and approximately 45 board-certified family medicine physicians that oversee the resident services at the 11 AHEC Family Medical Centers and associated clinic locations, as indicated below:

- ✦ **AHEC South Arkansas**
(AHEC Family Medical Center-El Dorado & UAMS Faculty Clinic) (2 Clinics)
- ✦ **AHEC West**
(AHEC Family Medical Center-Fort Smith) (1 Clinic)

- ◆ **AHEC Northeast**
(AHEC Family Medical Center-Jonesboro) (1 Clinic)
- ◆ **AHEC Northwest**
(AHEC Family Medical Center-Fayetteville & AHEC Family Medical Center-Springdale) (2 Clinics)
- ◆ **AHEC South Central**
(AHEC Family Medical Center-Pine Bluff & Justiss –Lindsey Clinic) (2 Clinics)
- ◆ **AHEC Southwest**
(AHEC Family Medical Center-Texarkana & All for Kid Pediatric Clinic-Texarkana, Texarkana Community Clinic) (3 Clinics)

The UAMS Medical Center is home to the majority of the state’s medical specialists and subspecialists, many of whom are among the only specialists in their respective fields practicing in Arkansas. In fact, none of the doctors at the UAMS Medical Center are considered “general practitioners;” each has a specialty or subspecialty area. These specialists and other providers address the comprehensive continuum of care—from neonatal to senior services—for a significant portion of Medicaid beneficiaries in Arkansas. Because of its unique position as the state’s only academic medical center and its high concentration of specialty physicians, UAMS often tackles the most complex, high-risk patients in Arkansas and the entire region. The list below details the services offered at the UAMS Medical Center that, in turn, will be available to University Plan beneficiaries if covered by Medicaid’s State Plan:

- | | | |
|-----------------------------|------------------------------|-------------------------|
| ◆ Adolescent Health | ◆ Allergy Services | ◆ Ancillary / Support |
| ◆ Anesthesiology | ◆ Behavioral / Mental Health | ◆ Cardiology |
| ◆ Cancer | ◆ Primary Care | ◆ Dietetic Services |
| ◆ Dermatology | ◆ Dental Hygiene | ◆ Ear, Nose, and Throat |
| ◆ Diabetes Care | ◆ Emergency & Trauma | ◆ Gastroenterology |
| ◆ Endocrinology | ◆ Eye Care | ◆ Infectious Diseases |
| ◆ Genetics | ◆ Heart and Vascular Care | ◆ Neurosciences |
| ◆ Pain Care | ◆ Kidney / Nephrology | ◆ Pediatrics |
| ◆ Orthopedics | ◆ Palliative Care | ◆ Radiology |
| ◆ Physical Medicine / Rehab | ◆ Pulmonary & Critical Care | ◆ Sickle Cell Anemia |
| ◆ Rheumatology | ◆ Senior Health | ◆ Thyroid Care |
| ◆ Surgery | ◆ Therapy | ◆ Women’s Health |
| | | ◆ Urology |

The AHEC Family Medical Centers and their clinic sites extend the expertise and reach of University’s skilled clinicians by offering preventative, primary, and specialty services to residents in Arkansas’s rural, outlying regions. AHEC Family Medical Centers are a significant provider of primary health care services for Arkansas residents, providing 253,815 patient visits annually statewide at the their clinics, partnering hospitals, emergency rooms, and nursing homes. AHEC Family Medical Centers offer residents in their regions access to primary care physicians who, like those at the UAMS Medical Center, address the continuum of care. The following menu of healthcare services can be found at Arkansas’s AHEC Family Medical Centers and associated clinics:

- | | | |
|-------------------|--------------------|----------------------|
| ◆ Anticoagulation | ◆ Asthma Screening | ◆ Asthma / COPD Care |
|-------------------|--------------------|----------------------|

- ✦ Blood Pressure/Sugar Test
- ✦ Cholesterol Test
- ✦ Depression Screening
- ✦ GI / Colonoscopy / EGD
- ✦ HIV/AIDS
- ✦ Lung Disease Screening
- ✦ Prenatal Care
- ✦ Scoliosis Screening
- ✦ Tobacco Cessation
- ✦ Breast Cancer Screening
- ✦ Colorectal Cancer Screening
- ✦ Developmental Delay Care
- ✦ Hearing / Vision Test
- ✦ Hyperlipidemia
- ✦ Minor Surgery
- ✦ Prescription Assistance
- ✦ Skin Cancer Test
- ✦ Tubal Ligation
- ✦ Childhood Obesity
- ✦ Colposcopy
- ✦ Diabetes
- ✦ High-Risk Obstetrics
- ✦ Infectious Diseases
- ✦ Pediatric Cardiology
- ✦ Prostate Cancer Screening
- ✦ Telemedicine Pacemaker
- ✦ Vasectomy
- ✦ Weight Control

Many of Medicaid's covered services are offered within the University System, as detailed below in Table 1. To note, the AHEC Family Medical Centers offer a number of similar services found at the UAMS Medical Center and through telemedicine, even a wider array of services could be provided to AHEC Family Medical Centers:

Table 1: Medicaid-Covered Services as found within the UAMS System: UAMS Medical Center and AHEC Family Medical Centers		
Medicaid-Covered Service	Offered at UAMS Medical Center	Offered at AHEC Family Medical Centers
Child Health Management Services (CHMS)*	✓	✓
Dental care*	✓	
Doctor's services	✓	✓
Emergency room services	✓	
Hospital care	✓	
Immunizations	✓	✓
Lab tests and x-rays	✓	✓
Medical Equipment	✓	
Minor Surgery	✓	✓
Podiatrist	✓	
Therapy (physical, occupational, or speech)*	✓	✓
Tobacco Cessation Program	✓	✓
Vision care	✓	
Well-child care*	✓	✓
Women's health	✓	✓
*Age-restricted services		

Moreover, every AHEC Family Medical Center has the capacity to connect telemedically through the UAMS Telemedicine Network to specialists at the UAMS Medical Center, providing AHEC patients the option to receive real-time video clinical consultation from providers oftentimes significant distances away from the patients' AHEC Family Medical Center. This telemedicine support allows patients to stay nearer their home for the specialty diagnosis and guidance they need to better manage their at-risk and high-risk conditions. When needed

specialty healthcare services are otherwise unavailable or very limitedly available in a given region, the telemedicine delivery of such services is eligible for Medicaid reimbursement. In effect, for those specialty healthcare services otherwise unavailable in an AHEC Family Medical Center's respective region, telemedicine can be the means to deliver those services to University Plan beneficiaries. Telemedicine will go to directly benefit University Plan beneficiaries who need and could benefit from the expertise of a distant specialist providing Medicaid State Plan-covered services. In 2010 alone, the UAMS Medical Center provided 929 telemedicine-based patient consultations to participating AHEC Family Medical Centers, including high-risk obstetrics, cardiology, neurology, liver transplant, and other specialty services.

One such successful example of a one-of-a-kind telemedicine offering is currently being delivered at five AHEC Family Medical Centers in Arkansas: The ANGELS high-risk obstetrical telemedicine program allows high-risk pregnant patients at participating AHEC Family Medical Centers to meet genetic counselors and the state's only maternal-fetal medicine specialists at the UAMS Medical Center through real-time interactive video telemedicine consultations. The patient attends a scheduled appointment at her AHEC Family Medical Center to meet her local care provider in person, while also meeting with a specialist virtually through interactive video. The remote specialist can speak to the patient in real-time to discuss her condition and concerns, with the added capacity to view Level II ultrasounds in real time to provide consultation, triage, and care planning for the high-risk patient. Many times, the high-risk pregnant patient may receive the co-management from her local AHEC provider and distant specialist without traveling to the University Medical Center until delivery or as needed. This unique programmatic offering is just one example of a successful telemedicine program provided by the UAMS System. To note, there are a range of existing UAMS-based telemedicine programs and specialty consultation services covered by the Medicaid State Plan that can directly benefit University Plan beneficiaries. The UAMS System is consistently adding specialists to its roster of telemedicine providers who routinely provide needed specialty services to distant patients through telemedicine, so this growing technology-based program will directly respond to the needs of University Plan beneficiaries for their direct benefit.

The following statistics document the patient capacity and composition seen at the UAMS Medical Center in Fiscal Year 2011, where care was provided to inpatients, outpatients, the insured, and uninsured from all of Arkansas's 75 counties:

- ☒ 22,995 inpatient admissions from all 75 counties
- ☒ 356,258 outpatient visits from all 75 counties
- ☒ 2,321 of the 22,995 inpatient admissions were uninsured patients from all 75 counties
- ☒ 55,997 of the 356,258 outpatient visits were uninsured patients from all 75 counties

Moreover, the AHEC Family Medical Centers also provided care to 204,805 outpatients from almost every county in the state in 2011. Of those outpatients, 49% were Medicaid beneficiaries.

The University System will work in concert to serve the preventative, primary, and specialty needs of University Plan beneficiaries. The maps provided in Appendix A illustrate the geographic distribution of these sites and their respective inpatient and outpatient populations by insurance type as seen in Fiscal Year 2011 at the UAMS Medical Center and the AHEC Family

Medical Centers. With the central locality of the UAMS Medical Center and the distribution of AHEC Family Medical Centers and their associated clinics, all state residents live near a UAMS facility, making the University Plan a true statewide solution to expand Medicaid services to those in need.

NATIONALLY RECOGNIZED INNOVATION

Snapshot Overview:

- ☑ UAMS operates and oversees a nationally awarded and recognized telemedicine network that consists of 62 sites.
- ☑ The UAMS Telemedicine Network will soon expand to partner with 440+ hospitals, clinics, and other delivery sites, as made possible through American Recovery and Reinvestment Act funding.
- ☑ UAMS has received numerous national awards for its telemedicine innovation, including awards for telemedicine services delivered to Arkansas's AHEC Family Medical Centers.
- ☑ UAMS is Arkansas's only Level One Trauma Center in Arkansas.
- ☑ UAMS' clinical innovation is realized through a number of statewide "firsts" that exemplify the University's healthcare leadership.

As referenced briefly earlier, the UAMS System's patients enjoy the benefits of an interactive video telemedicine network that virtually connects the UAMS Medical Center and AHEC sites; however, UAMS' telemedical reach extends far beyond those University-owned sites. UAMS operates and oversees a statewide telemedicine network that includes 62 hospitals, clinical, and AHEC Family Medical Centers through which UAMS System specialty healthcare programs are offered directly to patients in rural areas through real-time technologies. Currently, the network offers direct rural access to nephrologists, cardiologists, maternal fetal medicine specialists, genetic counselors, gynecologists, neurologists, radiologists, pediatricians, psychiatrists/psychologists, and a steadily increasing range of other providers who practice at the UAMS Medical Center. Moreover, the network is in the process of consolidating with other statewide networks and expanding to arrive at a statewide telemedicine network managed by UAMS that encompasses over 440 hospitals, county health clinics, centers on aging, federally qualified health centers, mental health clinics, home health agencies, and other clinics, centers, and educational sites. This network, named Arkansas e-Link, is funded by the American Recovery and Reinvestment Act and represents one of the largest telemedicine networks of any state in the nation. The provided funding will upgrade broadband capacity at the AHEC Family Medical Center locations and provide new telemedicine equipment that will accommodate expanded patient populations, such as can be realized through the University Plan. This initiative will upgrade the AHEC Family Medical Centers' telemedicine capacities to enable each site to conduct multiple real-time video consultations simultaneously.

Telemedicine exists as the solution that can dissolve barriers to care in the state's vast medically underserved and rural areas by extending interactive video access to specialty expertise to every county in the state. UAMS' telemedical innovation interprets to direct benefits to Arkansans, especially those who are economically disadvantaged and unable to easily travel to the nearest metropolitan center for specialized healthcare services. For University Plan beneficiaries, telemedicine will allow patients to travel only as far as their nearest AHEC Family Medical Center to receive specialty care oftentimes only available at the UAMS Medical Center.

UAMS' telemedicine efforts have been repeatedly recognized nationally for their innovation, including merit and innovation awards from the American Telemedicine Association, the Council of State Governments, the Agency on Healthcare Research and Quality, the AT&T Center for Telehealth Research and Policy, the Harvard University Ash Institute of Democratic Governance, the Rural Telecommunications Congress, the Computerworld Honors Program, and a range of others.

UAMS is also Arkansas's only adult Level One Trauma Center as designated by the Arkansas Department of Health. With this designation, the UAMS Medical Center's emergency and trauma medical care is recognized for its ability to offer patients state-of-the-art, life-saving expertise and technologies blended with a patient-friendly design, providing privacy and top-notch care that is vital to patients and families in times of medical need. The UAMS Trauma Center also carries out injury prevention education and outreach programs as well as a program of trauma research that will help refine and perfect trauma systems within Arkansas. The statewide trauma call center has relied on UAMS to provide support to patients in need, having routed 112 of a total 465 calls in its first two months of operation to UAMS for clinical intervention. Moreover, UAMS is fully connected to the other 51 sites within the state's trauma network, which utilizes real-time technologies to maintain the public health and safety of Arkansans. This network is designed to respond to catastrophic, bioterrorist, and other emergent events that affect the welfare of individuals and the public through the use of real-time technologies. University Plan beneficiaries will receive the full benefits of trauma and emergency care through the UAMS Medical Center and can receive referral as needed from providers within the University Plan network.

UAMS is also home to many "firsts" in Arkansas for clinical innovation, which include the following achievements:

- | | |
|---|--|
| ✦ First open-heart surgery | ✦ First and only skull-base surgery |
| ✦ First heart bypass surgery | ✦ First laser lumpectomy for breast tumors |
| ✦ First bone marrow transplant | ✦ First fetal blood transfusion in the womb |
| ✦ First outpatient bone marrow transplant in U.S. | ✦ First in vitro fertilization (IVF) program |
| ✦ First high-risk nursery | ✦ First and only high-risk pregnancy program |
| ✦ First kidney transplant | ✦ First pallidotomy for Parkinson's disease |
| ✦ First and only combined kidney/pancreas transplants | ✦ First gene therapy for multiple myeloma in the U.S. |
| ✦ First to treat sickle cell disease | ✦ First outpatient chemotherapy |
| ✦ First to treat hemophilia | ✦ First cryosurgery for liver tumors |
| ✦ First ophthalmic laser | ✦ First laparoscopic gastric bypass surgery |
| ✦ First eye bank | ✦ First & only gamma knife radiosurgery center |
| ✦ First corneal transplant | ✦ First to offer digital mammography |
| ✦ First breast reconstruction surgery | ✦ First and only liver transplant |
| ✦ First laparoscopically implanted stomach pacemaker | ✦ First and only to use robotics for gynecologic surgery |
| ✦ First articular knee cartilage transplant | ✦ First and only Oculus Pentacam for diagnosing eye problems |

- ✦ First lymph node preservation program for breast cancer and melanoma
- ✦ First and only MDA/Amyotrophic Lateral Sclerosis (ALS) Research and Clinical Centers
- ✦ First unicompartmental knee replacement surgery
- ✦ First to perform balloon dilatation of coronary arteries

MODERNIZED HEALTHCARE DELIVERY

Snapshot Overview:

- ☑ UAMS has been instrumental in modernizing health care in Arkansas, having implemented and engaged in Electronic Medical Record systems, Health Information Technology statewide planning, meaningful use standards, and patient-centered medical home concepts.
- ☑ UAMS tracks and analyzes outcomes and cost effectiveness associated with executing steps that move toward an improved delivery care system.

UAMS has been instrumental in Arkansas in pushing toward the realization of a modernized healthcare delivery system at the University and state levels. In addition to the University Plan, a number of other efforts signify UAMS' dedication to move toward modernized healthcare delivery. To note, the efforts listed below document just a few efforts recently spearheaded by the UAMS System, which includes major strides toward patient centered medical home services, open access scheduling, and disease registries, all of which will go toward directly benefiting University Plan beneficiaries:

- ☑ The UAMS System has collaborated with the Statewide Health Information Technology Coordinator to help devise plans for improved statewide adoption of health information exchange.
- ☑ The UAMS System has implemented an institution-wide Electronic Medical Record system.
- ☑ The UAMS System has established a Center for Clinical and Translational Research made possible by a National Institutes of Health Clinical and Translational Service Award, through which University researchers are translating research from bench to bedside throughout Arkansas.
- ☑ The AHEC Family Medical Centers are in the process of implementing the key components to meeting meaningful use requirements.
- ☑ The AHEC Family Medical Centers are in their second year of implementing the requirements associated with the Patient Centered Medical Home.
- ☑ The AHEC Family Medical Centers have established a system for quality reporting measures associated with improving patient outcomes
- ☑ The AHEC Family Medical Centers have adopted open access schedule to improve availability of appointments for patients when needed.
- ☑ The AHEC Family Medical Centers have made a significant investment in enhancing Electronic Medical Record capabilities by purchasing a disease registry to assist with management of chronic disease.
- ☑ Each of these efforts are being tracked and studied to ascertain whether such practices result in improved outcomes and cost effectiveness.

The proposed University Plan is yet another example how UAMS may be able to improve Arkansas's healthcare delivery system by providing needed Medicaid State Plan services to low-income patients.

BENEFITS

Snapshot Overview:

- ☑ The University Plan will serve a population of uninsured patients who typically do not have dependents and are very poor; are typically aged 26-54; and typically face health problems that may worsen due to their lack of coverage.
- ☑ The UAMS System has the capacity to overcome these shortcomings through geographically dispersed clinical sites with robust services and the ability to connect telemedically to medical specialists.

The University Plan will expand Medicaid coverage to adult patients at or below 133% of the Federal Poverty Level (FPL). In order to better understand the individuals who may qualify for the University Plan, the following Kaiser Family Foundation findings are provided to emphasize key characteristics seen among this low-income population:

- ✦ “Most of the 17.1 million uninsured adults at or below 133% FPL do not have dependent children and are very poor—about half have family incomes below 50% FPL.”
- ✦ “Most uninsured adults in this income group are between ages 26-54; Uninsured parents are predominantly in this age range..., with 81% of these adults falling in the 26-54 year-old age group.”
- ✦ “Many uninsured adults in this income group face health problems that may worsen due to their lack of coverage,” potentially attributable to “higher rates of undiagnosed chronic conditions among the uninsured.”
- ✦ “Uninsured adults at or below 133% FPL have significantly worse access to care and receive less preventive care than their counterparts with Medicaid...,” with “about 60% of these uninsured adults lacking a usual source of care.”

Table 2 summarizes the Kaiser Foundation's data on uninsured adults nationwide at or below 133% FPL, which illustrates the potential health impact the University Plan could have on people in Arkansas.

Table 2. Health, Status, Access to Care, and Utilization of Adults (19-64) at or below 133% FPL Nationwide, 2007		
	Uninsured Adults at or below 133% FPL	
	Population 13,877,185	Percent 100%
Health Status		
General Health: % in Fair / Poor Health	2,217,942	16.3%
Mental Health: % in Fair / Poor Health	1,339,578	9.8%
% with Zero Chronic Conditions	9,462,890	68.2%
% with at least 1 Chronic Condition	2,517,076	18.1%
% with 2 or more Chronic Conditions	1,897,219	13.7%
Access to Care		

No Usual Source of Care	8,078,295	60.5%
No Doctor Visit	9,669,565	69.7%
Unable / Delay in Getting Medical Care	1,835,257	13.5%
Access to Care Among Individuals with 1+ Chronic Conditions		
No Usual Source of Care	2,086,342	48%
No Doctor Visit	1,862,959	42.2%
Unable / Delay in Getting Medical Care	1,033,394	23.6%
Use of Medical Care		
No Medical Care in 2007	7,032,043	50.7%
Check-up in Past 2 Years	5,974,150	46.8%
<i>Source: KFF analysis of 2007 Medical Expenditure Panel Survey Data</i>		

The Kaiser Foundation acknowledges that this diverse group of “uninsured adults are at an increased risk of going without needed medical care and often lack even basic preventative screenings.” The University Plan presents a solution that will introduce these adults into the Medicaid system in receipt of UAMS System provider support, allowing these individuals to secure a medical home through their AHEC Family Medical Center or associated clinic and to establish relationship with a Primary Care Physician, whom can provide the preventative, primary, and/or specialty care and education needed to improve health outcomes. With UAMS System provider expertise, these new Medicaid beneficiaries can begin to better manage their daily health and chronic conditions that all too often result in unnecessary Emergency Room visits and hospitalizations.

In particular to Arkansas’s proposed University Plan population to be served by AHEC Family Medical Centers and associated clinics, the vast majority of qualifying patients will originate from medically underserved, healthcare provider shortage, and rural areas. This combination of shortcomings only exaggerates this low-income population’s inability to access needed care, as care is not only beyond their available income, it is also beyond their geographic reach. AHEC Family Medical Centers bring needed care to larger cities and towns nestled in rural areas, making preventative, primary, and specialty healthcare accessible to even the most rural of residents. Further, telemedicine connectivity through real-time interactive video will provide University Plan beneficiaries the specialty support and consultation only available at the UAMS Medical Center. Whereas this population primarily lacks healthcare access and insurance coverage, the University Plan can effectively overcome a range of obstacles keeping those individuals from receiving the care and attention they need to improve their health.

STRATEGY

Snapshot Overview:

- ☑ The UAMS System has an existing referral network that ensures seamless patient transitions between AHECs, associated clinics, and the UAMS Medical Center.
- ☑ An eligibility process flow chart has been provided in Appendix B.

A key part of the University Plan strategy is a strong, established referral network. University Plan beneficiaries seen at the AHEC Family Medical Centers and associated clinics will benefit

from a currently implemented referral network that ensures any patient in need of a face-to-face visit or surgery at the UAMS Medical Center will receive all the care coordination needed to guarantee seamless care transitions between the AHEC Family Medical Center and hospital settings. The referral network involves a care coordination team, including a nurse, referral coordinator, or a referring physician that wishes to coordinate UAMS System specialty care for their patient. On behalf of the patient, the nurse or referral coordinator will directly contact the needed UAMS System specialty area to schedule the appointment for the patient and provide this information to the patient for their future reference. The care coordination team will complete and send paperwork to the UAMS Medical Center to confirm the referral process and provide the specialty provider with relevant information related to the nature of the case. Once the services have been rendered at the UAMS Medical Center, the AHEC Family Medical Center will follow up with UAMS to verify and receive information related to services provided by the specialty physician and to coordinate follow-up services at the local level with the patient, if necessary. For urgent care, a similar but expedited process ensures that patients are immediately transitioned to the UAMS Medical Center for treatment.

The proposed eligibility process for the University Plan is outlined in the provided flow chart found in Appendix B.

BUDGET

Snapshot Overview:

- ☒ A detailed budget and a Budget Neutrality Worksheet detail the costs associated with implementation of the University Plan.
- ☒ The University Plan is projected to serve a total of 96,000 patients across three Fiscal Years.

The University Plan projects expenses through Fiscal Year 2014, as detailed in the budget provided in Table 3.

Table 3: University Plan Detailed Budget, Fiscal Years 2012 - 2014			
	FFY12 <i>(9 mos)*</i>	FFY13 <i>(12 mos)</i>	FFY14 <i>(12 mos)</i>
<u>UAMS Medical Center</u>			
Inpatient Patients - Non Psych	968	1,329	1,369
Inpatient Costs - Non Psych	\$9,913,156	\$13,614,067	\$14,022,489
Inpatient Patients - Psych	68	93	95
Inpatient Costs - Psych	\$742,248	\$1,019,354	\$1,049,935
Outpatient Services - Patients	24,309	33,384	34,386
Outpatient Services - Costs	\$5,229,821	\$7,182,287	\$7,397,755
Physician Services Costs	\$13,171,628	\$18,089,036	\$18,631,707
<u>UAMS AHEC Family Medical</u>			

Centers			
Physician Services Costs	\$1,774,322	\$2,436,736	\$2,509,838
Grand Total Program Costs	\$30,831,175	\$42,341,480	\$43,611,724
Total Patients (UAMS Medical Center)	25,344	34,806	35,850
<i>* assumes program begins Jan 2012.</i>			

To estimate the projected patients which could be served by University Plan along with the related medical costs for those patients, the following methodology was employed:

First, an analysis was performed of the actual patient utilization data for medical services provided to the uninsured population at UAMS for the recent fiscal year ended June 30, 2010. This analysis encompassed hospital inpatient and outpatient services provided through UAMS Medical Center and the UAMS Psychiatric Research Institute (PRI), and all physician services provided through the Faculty Group Practice of the College of Medicine, including PRI, as well as the AHEC sites throughout the state.

Referencing sources which peg the level of uninsured in the state to be in the range of 400,000 to 500,000, and studies which estimate that moving coverage up to 133% of FPL will convert approximately 230,000 to 280,000 from uninsured status, it was assumed that approximately half of the uninsured population currently being served at UAMS would also fall into this category. Since UAMS is the only academic medical center located centrally in the state, and serving patient populations in all counties of the state, it is believed that this is a reasonable assumption that the characteristics of the uninsured population UAMS currently serves in all probability closely mirrors the above general description of the state uninsured. Therefore, in modeling the impact, a conversion rate of 50% of FY10 utilization from uninsured status to one of being covered by Medicaid was assumed.

Based on this assumption, the medical costs of serving this population was modeled at the current Medicaid payment rates and reimbursement mechanisms applicable to UAMS in its capacity as a state operated teaching hospital.

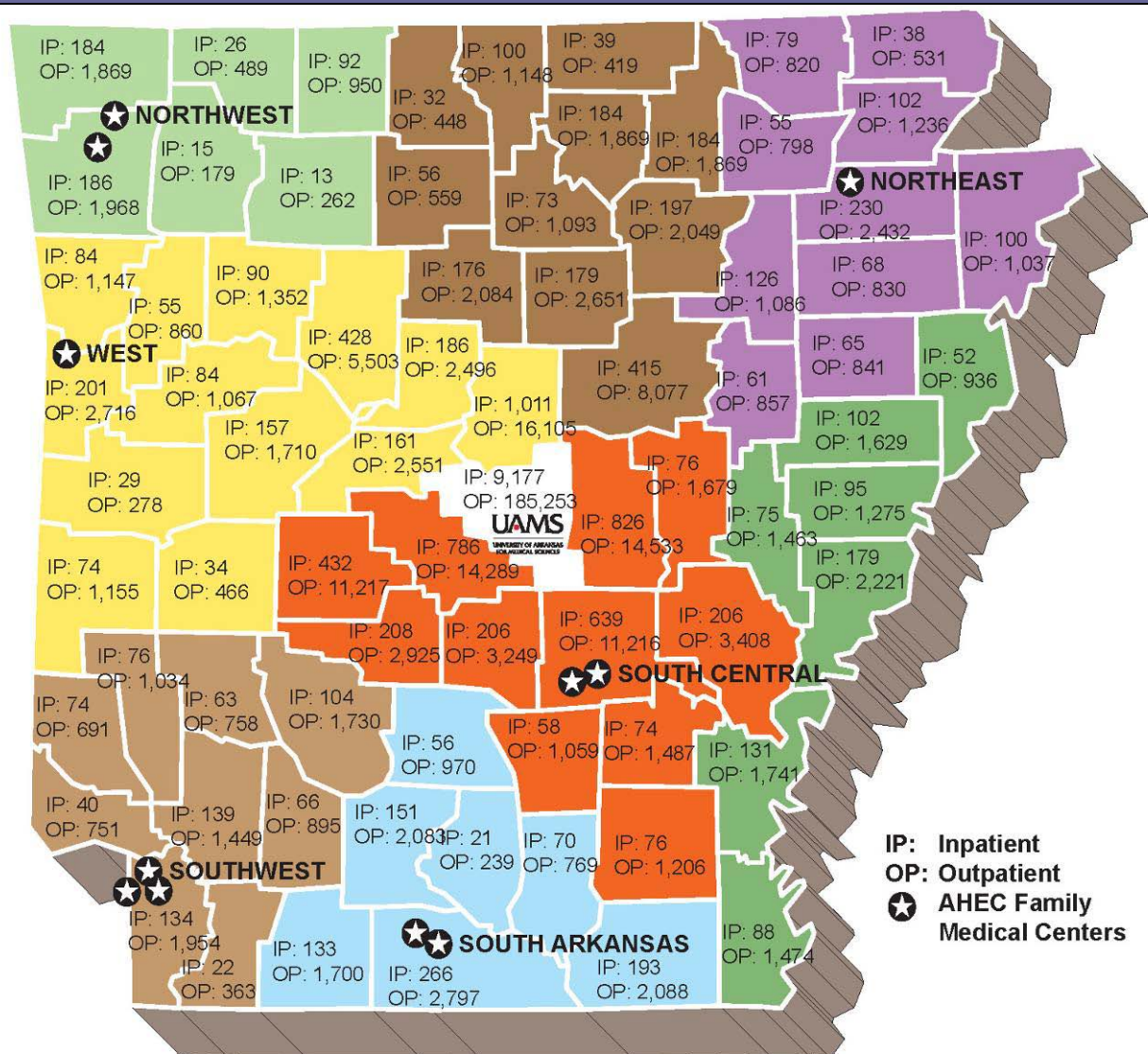
The HIFA waiver's budget neutrality worksheet, which includes University Plan expenditures for the period January 1, 2012 through September 30, 2014, appears in Appendix C.

REFERENCES

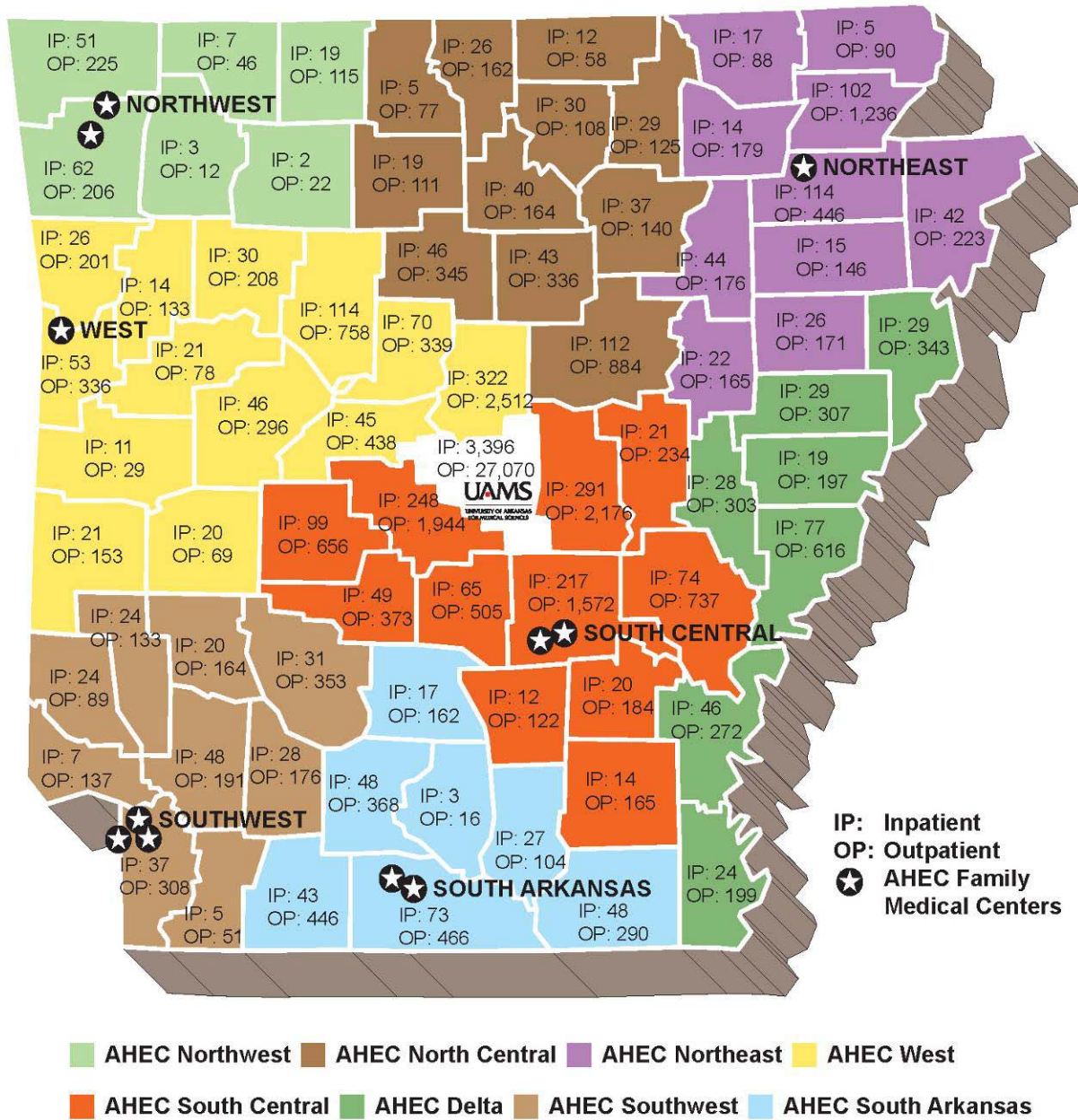
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APPENDIX A:
MAPS 1, 2, 3 UAMS MEDICAL CENTER INPATIENT / OUTPATIENT BY TYPE
MAP 4: AHEC FAMILY MEDICAL CENTERS OUTPATIENT BY TYPE

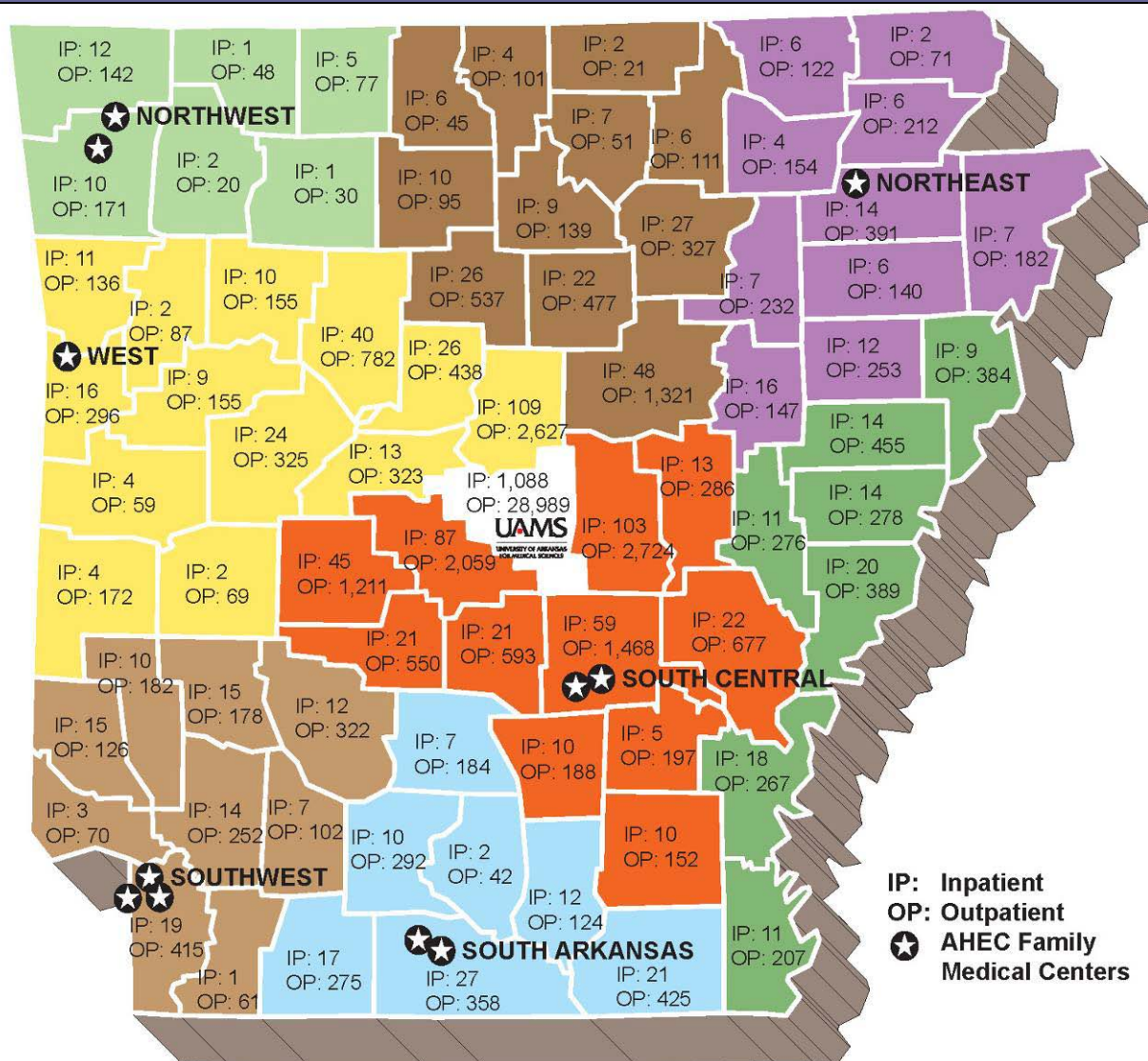
Map 1: UAMS Medical Center - Total Inpatient and Outpatient Cases by County, Fiscal Year 2011



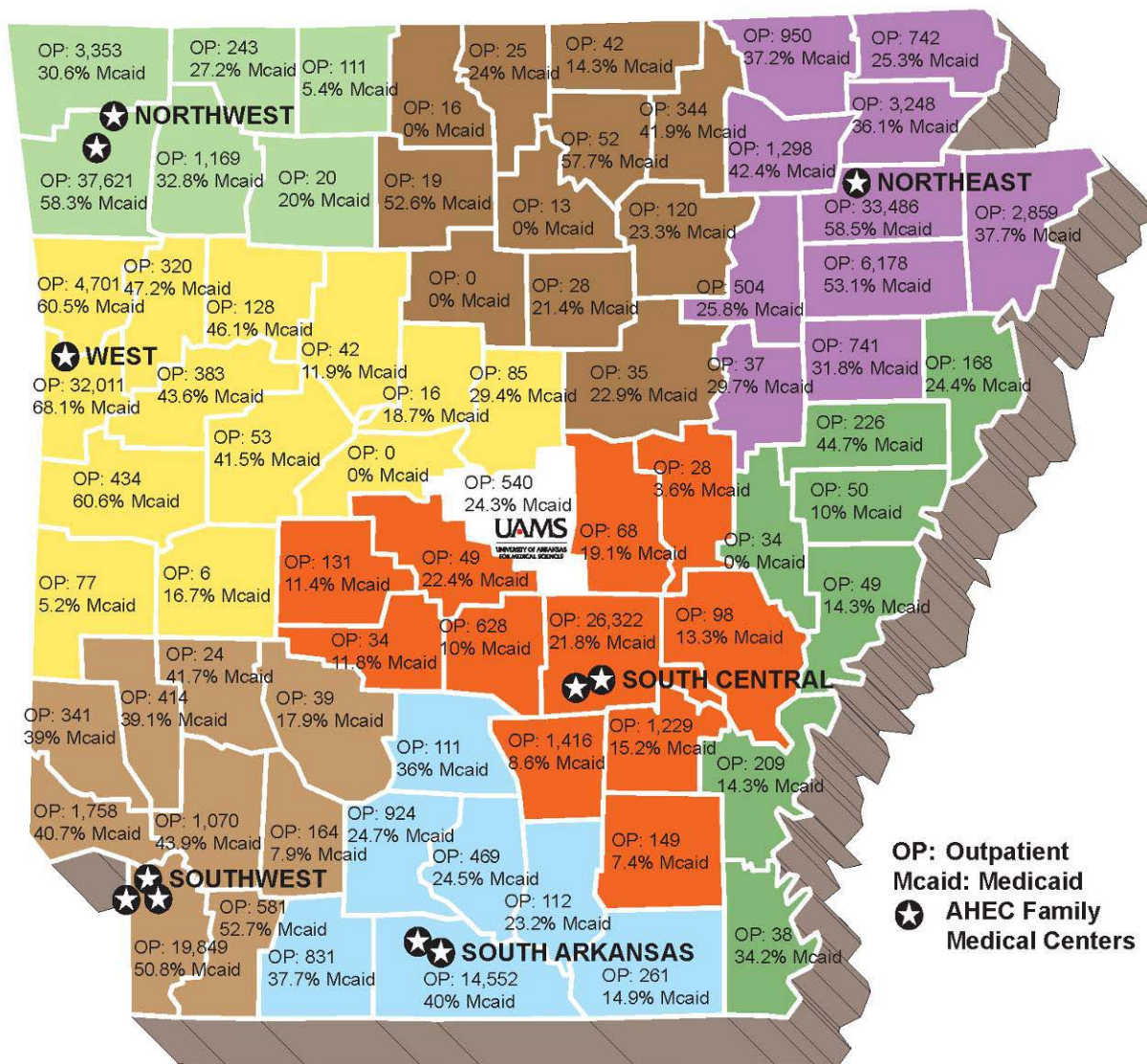
Map 2: UAMS Medical Center - Medicaid Inpatient and Outpatient Cases by County, Fiscal Year 2011



Map 3: UAMS Medical Center - Uninsured Inpatient and Outpatient Cases by County, Fiscal Year 2011

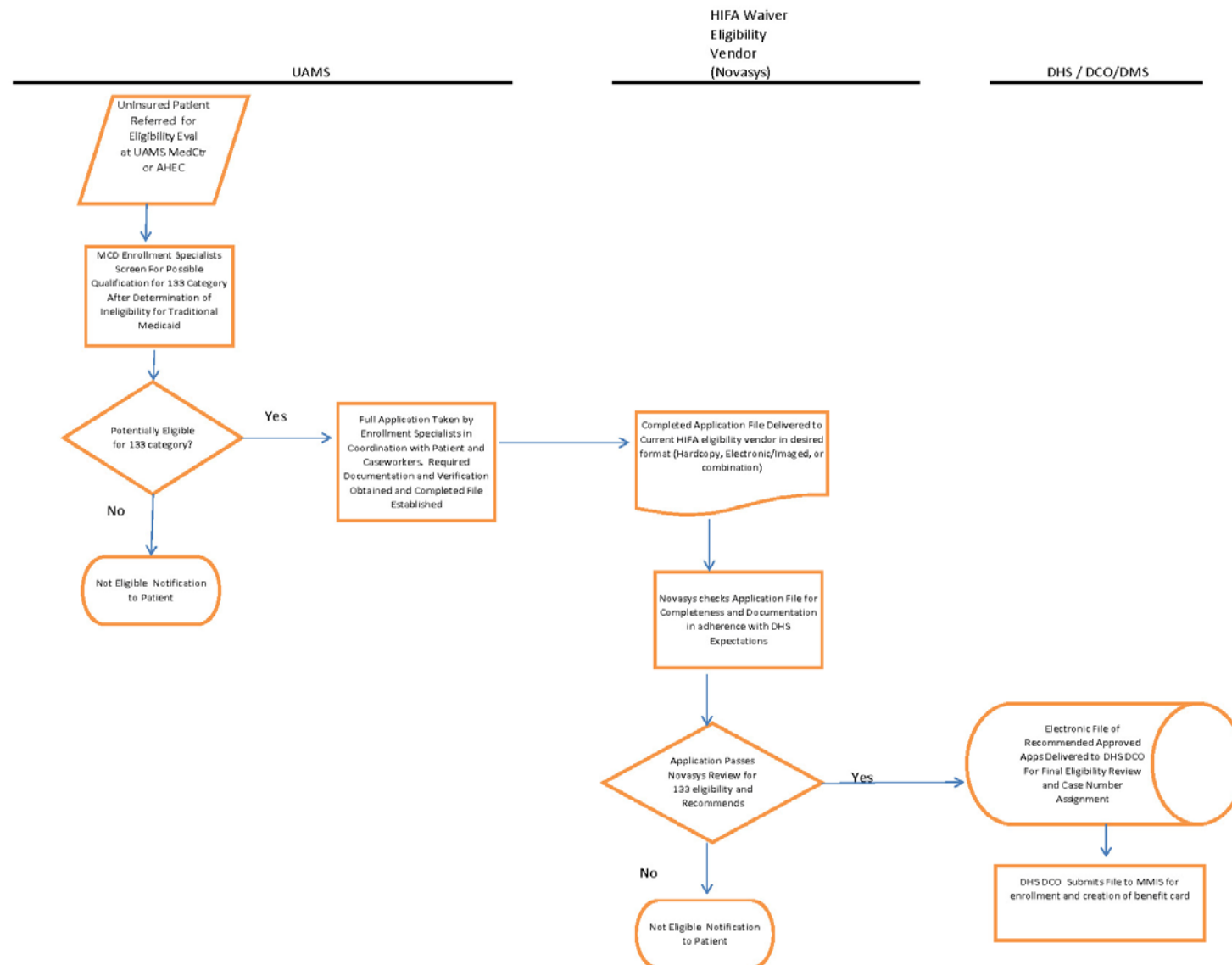


Map 4: AHEC Family Medical Centers – Total Outpatient Cases by County and Percent who were Medicaid Beneficiaries, 2011



■ AHEC Northwest ■ AHEC North Central ■ AHEC Northeast ■ AHEC West
■ AHEC South Central ■ AHEC Delta ■ AHEC Southwest ■ AHEC South Arkansas

APPENDIX B: UNIVERSITY PLAN ELIGIBILITY PROCESS



APPENDIX C: BUDGET NEUTRALITY WORKSHEET

HIFA forecast									
ELIGIBILITY GROUP		FFY 07	FFY 08	FFY 09	FFY 10	FFY 11	FFY 12	FFY 13	FFY 14
Blind/Disabled									
Member months		890,484	917,944	951,121	976,739	970,440	991,527	1,013,071	1,035,084
Expenditures	\$	605,162,760	\$ 655,361,932	\$ 736,532,862	\$ 808,468,607	\$ 871,726,545	\$ 939,934,045	\$ 1,013,478,384	\$ 1,092,777,136
Cost Ceiling	\$	614,905,917	\$ 677,855,747	\$ 751,100,254	\$ 824,865,853	\$ 876,423,773	\$ 949,195,469	\$ 1,028,009,585	\$ 1,113,367,837
PMPM		\$679.59	\$713.95	\$774.38	\$827.72	\$898.28	\$947.97	\$1,000.40	\$1,055.74
PMPM ceiling	\$	690.53	\$ 738.45	\$ 789.70	\$ 844.51	\$ 903.12	\$ 957.31	\$ 1,014.75	\$ 1,075.63
Savings (per member month)		\$10.94	\$24.50	\$15.32	\$16.79	\$4.84	\$9.34	\$14.34	\$19.89
Aged									
Member months		15,773	13,738	12,146	11,675	12,516	12,516	12,516	12,516
Expenditures	\$	4,036,412	\$ 3,439,399	\$ 4,020,948	\$ 6,184,391	\$ 6,668,284	\$ 7,190,038	\$ 7,752,616	\$ 8,359,213
Cost Ceiling	\$	5,181,431	\$ 4,781,511	\$ 4,478,959	\$ 4,561,423	\$ 5,180,998	\$ 5,351,971	\$ 5,528,586	\$ 5,711,030
PMPM		\$255.91	\$250.36	\$331.05	\$376.53	\$428.26	\$487.10	\$554.02	\$630.13
PMPM ceiling	\$	328.50	\$ 348.05	\$ 368.76	\$ 390.70	\$ 413.95	\$ 427.61	\$ 441.72	\$ 456.30
Savings (per member month)		\$72.59	\$97.69	\$37.71	\$14.17	(\$14.31)	(\$59.49)	(\$112.30)	(\$173.83)
Children									
Member months		3,389,269	3,373,528	3,460,191	3,581,583	3,589,656	3,641,577	3,694,250	3,747,684
Expenditures	\$	709,959,967	\$ 730,559,711	\$ 821,846,898	\$ 862,066,665	\$ 929,518,337	\$ 1,002,247,707	\$ 1,080,667,725	\$ 1,165,223,650
Cost Ceiling	\$	758,721,758	\$ 807,217,780	\$ 885,013,052	\$ 979,168,976	\$ 1,048,969,276	\$ 1,116,284,654	\$ 1,187,919,854	\$ 1,264,152,090
PMPM		\$209.47	\$216.56	\$237.51	\$240.69	\$258.94	\$275.22	\$292.53	\$310.92
PMPM ceiling	\$	223.86	\$ 239.28	\$ 255.77	\$ 273.39	\$ 292.22	\$ 306.54	\$ 321.56	\$ 337.32
Savings (per member month)		\$14.39	\$22.72	\$18.26	\$32.70	\$33.28	\$31.32	\$29.03	\$26.40
Adult									
Member months		544,523	530,303	530,171	541,124	540,884	540,884	540,884	540,884
Expenditures	\$	175,957,650	\$ 174,002,345	\$ 185,837,748	\$ 197,338,304	\$ 212,778,871	\$ 229,427,573	\$ 247,378,938	\$ 266,734,892
Cost Ceiling	\$	171,399,505	\$ 178,324,990	\$ 190,458,630	\$ 207,667,157	\$ 221,751,622	\$ 233,504,458	\$ 245,880,195	\$ 258,911,845
PMPM		\$323.14	\$328.12	\$350.52	\$364.68	\$393.39	\$424.17	\$457.36	\$493.15
PMPM ceiling	\$	314.77	\$ 336.27	\$ 359.24	\$ 383.77	\$ 409.98	\$ 431.71	\$ 454.59	\$ 478.68
Savings (per member month)		(\$8.37)	\$8.15	\$8.72	\$19.09	\$16.59	\$7.54	(\$2.77)	(\$14.46)
Total Expenditures	\$	1,494,967,293	\$ 1,563,363,387	\$ 1,748,238,456	\$ 1,874,057,968	\$ 2,020,692,037	\$ 2,178,799,363	\$ 2,349,277,662	\$ 2,533,094,891
Total Cost Ceiling	\$	1,550,208,610	\$ 1,668,180,027	\$ 1,831,050,895	\$ 2,016,263,409	\$ 2,152,325,670	\$ 2,304,336,553	\$ 2,467,338,220	\$ 2,642,142,802
University Plan							\$30,831,175	\$42,341,480	\$43,611,724
University Plan Unduplicated Recipients							25,344	34,806	35,850
Safety Net expenditures		\$500,928	\$3,300,828	\$7,338,457	\$12,723,078	\$15,459,476	\$18,551,372	\$22,261,646	\$26,713,975
HWPB expenditures		\$5,744,394	\$4,060,378	\$4,947,984	\$5,005,807	\$5,064,306	\$5,123,488	\$5,183,362	\$5,243,936
		FFY 07	FFY 08	FFY 09	FFY 10	FFY 11	FFY 12	FFY 13	FFY 14
Savings (WOW minus: WW, Safety net, and HWPB expenditures)	\$	48,995,995	\$ 97,455,434	\$ 70,525,998	\$ 124,476,556	\$ 111,109,851	\$ 71,031,155	\$ 48,274,069	\$ 33,478,276
Cumulative Savings	\$	48,995,995	\$ 146,451,429	\$ 216,977,427	\$ 341,453,983	\$ 452,563,834	\$ 523,594,990	\$ 571,869,059	\$ 605,347,335

Expenditure growth rate (2007 - 2010) 7.82%

2009 division of expenditures between MEGS carried forward
Negative population growth trends manually converted to zero - aged & adult

HWPB Growth 1.17%

STC Ceiling trends FFY 12 - 14 = B & D 6%, Child 4.9%, Aged 3.3%, Adult 5.3%
With waiver expenses = 64 report
Member months = MMIS

STC ceiling trend rates = pres budget, per June 22 call...

as of: 10/27/2011