

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-01-16
Baltimore, Maryland 21244-1850



Children and Adults Health Programs Group

December 22, 2014

Dawn Stehle
Director, Division of Medical Services
State of Arkansas, Department of Human Services
112 West 8th Street, Slot S401
Little Rock, AR 72201-4608

Dear Mrs. Stehle:

With this letter, the Centers for Medicare & Medicaid Services (CMS) is granting a temporary extension of Arkansas' Tax Equity and Fiscal Responsibility Act (TEFRA)-like section 1115 demonstration (Project No. 11-W-00163) until January 31, 2015. The demonstration is currently operating under the authority of section 1115(a) of the Social Security Act. The current lists of waiver and expenditure authorities and Special Terms and Conditions (STCs) will continue to apply to the TEFRA demonstration until January 31, 2015.

The extension period will give CMS and Arkansas the opportunity to have more detailed discussions of the issues involved in the longer extension of the demonstration. For example, there would be more time to engage in discussions concerning data collection capabilities to capture premium payments and reapplication of terminated demonstration enrollees. CMS approval of this temporary section 1115 demonstration extension is subject to the limitations specified in the approved waiver and expenditure authorities and the list of requirements that are not applicable to the expenditure authorities. The state may deviate from the Medicaid state plan requirements only to the extent those requirements have been specifically listed as waived or not applicable to the expenditure authorities. All requirements of the Medicaid program as expressed in law, regulation and policy statement not expressly waived or identified as not applicable shall apply to Arkansas' TEFRA-like program. This approval is also conditioned upon continued compliance with the enclosed STCs defining the nature, character and extent of federal involvement in this project. The per-member-per-month (PMPM) costs approved for the last demonstration year will be used to determine budget neutrality through this extension period.

We ask that you contact your project officer, Jessica Woodard, in order to facilitate these discussions. Ms. Woodard can be reached at (410) 786-9249 or Jessica.Woodard@cms.hhs.gov. We look forward to continuing to work with you and your staff on your 1115 demonstration extension.

Sincerely,

/s/

Eliot Fishman
Director

Page 2 – Dawn Stehle

cc: Bill Brooks, Associate Regional Administrator, CMS Region VI