

**State:** Arkansas

**Demonstration Name:** Arkansas Safety Net Benefit Program

**Description & Status:**

The Arkansas Safety Net Benefit Program is part of a Health Insurance Flexibility and Accountability (HIFA) initiative that targets populations with incomes at or below the 200 percent of the Federal poverty level (FPL). Using a private insurance company, Arkansas's Safety Net Benefit Program offers qualified, small to mid-size employers (500 or less employees), the ability to offer employees group health insurance. The program reduces the number of working uninsured by promoting the coordination of health care between public and private sectors. The program is a unique in that it provides a benefit package to employers who had previously not been able to provide health care coverage to their employees.

**Populations:**

The Arkansas Safety Net Benefit Program provides a limited benefit package to parents and spouses of Medicaid and CHIP children with family income up to and including 200 percent of the FPL, and Childless adults and spouses with income up to and including 200 percent of the FPL. Most Medicaid eligibles in the State participate in the Demonstration in order to receive primary care case management through the ConnectCare Program.

**Approval Date:** March 3, 2006

**Effective Date:** October 1, 2006

**Renewal Date:** February 7, 2008

**Second Renewal Date:** January 1, 2012

**Expiration Date:** December 31, 2013

**Pending Actions:**

In October 2011, the State proposed an amendment to extend health coverage to adults with incomes up to 133 percent of FPL.

**ARKANSAS SAFETY NET BENEFIT PROGRAM  
SECTION 1115 DEMONSTRATION  
FACT SHEET**

<b>Name of Section 1115 Demonstration:</b>	AR Safety Net Benefit Program
<b>Waiver Number:</b>	21-W-00051/6 and 11-W-00214/6
<b>Date Initial Proposal Approved:</b>	March 3, 2006
<b>Date Initial Demonstration Implemented:</b>	October 1, 2006
<b>Date Initial Demonstration Expired:</b>	September 30, 2011
<b>Date 1<sup>st</sup> Extension Proposal Approved:</b>	December 29, 2011
<b>Date 1<sup>st</sup> Extension Expired:</b>	December 31, 2013*

\*The title XXI funded parents' coverage expansion is approved through September 30, 2012, under section 2111(b)(2) of the Social Security Act.

**SUMMARY**

The Arkansas Safety Net Benefit Program provides health insurance coverage through a public/private partnership. The Demonstration allows participating employers who have not previously provided health care coverage to their employees to provide a limited health care benefit package.

Additionally, the State transitioned its ConnectCare 1915(b) waiver population of approximately 410,000 individuals into the Demonstration. The benefits and service delivery were not impacted for the ConnectCare population.

**ELIGIBILITY**

Parents and spouses of Medicaid and CHIP children and childless adults and their spouses, who are aged 19 – 64, who have family income up to and including 200 percent of the Federal poverty level, who are not themselves eligible for Medicaid, and who are employed by a participating employer, may receive coverage under the Demonstration. Employers are eligible to participate in the program if they have not offered group health insurance in the past 12 months. Eligible employers voluntarily participate in the program.

The following Medicaid eligible groups participate in the Demonstration and receive their coverage under ConnectCare: AFDC and AFDC-related family members, poverty level pregnant women and children, blind and disabled, Foster Care children, and children with incomes up to 200 percent of FPL eligible under a CHIP Medicaid expansion.

## **DELIVERY SYSTEM**

Services provided under the “safety net” benefit package are delivered through the NovaSys Health provider network. Provider reimbursement is on a fee-for-service basis.

The ConnectCare population continues to receive services through the State’s ConnectCare PCCM Program network of providers. Services are reimbursed on a fee-for-service basis.

## **BENEFITS**

Benefits for the previous 1915(b) population are the same as previously provided under the Medicaid State plan and ConnectCare Program. The Demonstration also provides enrollees additional smoking cessation, preventive and wellness services through the Health and Wellness Benefits Program (HWBP).

The “safety net” benefit package, available to participating employers under the public/private partnership, consists of a total of 15 days of service: six outpatient visits per year, two outpatient hospital visits per year, two prescriptions per month, and seven days inpatient coverage per year.

## **COST SHARING**

Cost sharing for the ConnectCare population is consistent with the Medicaid State plan.

For coverage under the safety net benefit package, the State requires cost sharing as follows: \$100 deductible, 15 percent co-insurance for all services except pharmacy, and a \$1,000 out of pocket maximum per year for the co-insurance and deductibles. Payments toward tiered drug co-payments do not count toward the out-of-pocket maximum.

## **QUALITY AND EVALUATION PLAN**

Arkansas must conduct an evaluation of the Demonstration that at a minimum will assess the effectiveness of the Demonstration in achieving the goals and objectives of the Demonstration. The State must submit its progress in conducting the evaluation in each of the quarterly and annual Demonstration reports.

## **FUNDING SOURCES**

Funding for Demonstration expenditures is provided through title XIX funds with the exception of funding for parents covered under the public/private component of the Demonstration. Funding for this population is provided through available title XXI funds. A priority order of coverage has been established to ensure that title XXI funds are used to cover the costs associated with title XXI children prior to covering the costs associated with parents.

The State of Arkansas certifies that State/local monies are used as matching funds for the Demonstration and that such funds shall not be used as matching funds for any other Federal grant or contract, except as permitted by law.

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