DEPAR1MENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850

Center for Medicaid and CHIP Services

Children and Adults Health Programs Group

NOV 29 2012

Dr. Andrew Allison
Director
Division of Medical Services Department of Human Resources
103 E. 7th Street
P. 0. Box 1437, Slot S411
Little Rock, AR 72203

Dear Dr. Allison,

Recognizing that you and your staff are beginning to plan for the future of the Arkansas "TEFRA-like" section 1115 demonstration (Project No. 11-W-00163/6), which is set to expire on December 31, 2013, we wanted to clarify the timeframes in which the state may submit a request to extend its demonstration should you choose to do so. Submission of a request for extension of your demonstration, under applicable regulations at 42 C.P.R. §431.412(c) and the Special Terms and Conditions for your demonstration, is required 12 months prior to the expiration date. This requirement was codified in the final rule on section 1115 demonstration procedures, issued at 77 Fed. Reg. 11678 (Feb. 27, 2012).

In order to allow states more time in which to consider which 1115 authorities they wish to extend beyond 2013, we will consider an initial extension request that simply indicates the state's interest in extending the demonstration to fulfill the requirement for submission 12 months in advance of the demonstration's expiration. This request mu8t be submitted in time to meet the December 31, 2012 submission deadline. As we explain below, that initial extension request can then be supplemented or supplanted by a revised extension request that includes all the required information for a complete extension request. This process will allow more time for the state to consider its options and engage in preliminary discussions with CMS as well as to hold preliminary discussions with CMS regarding any extension requests.

The initial extension request need not include all of the elements outlined in section 431.412(c) of the transparency regulation in order for the request to fulfill the advance submission requirement. The submission of a subsequent revised extension request that identifies the specific authorities the state seeks to extend along with the elements outlined in section 431.412(c), including a completed state-level public notice process, will be considered to supplant the original request without affecting compliance with the advance submission requirement. CMS will consider the application complete and further process the extension request, however, once your state has conducted the required public notice and consultation process and submitted a revised request reflecting those activities.

In order to give CMS and the state sufficient time for review and consideration of the demonstration extension, as well as an opportunity for the federal comment period, we ask for submission of all revised extension requests completing or supplanting the initial submission no later than June 30, 2013. You are welcome to submit your complete extension request at any earlier point if you are ready to do so.

Assistance in developing your extension request is available through the State Operational Technical Assistance process, as well as through your project officer. If you have questions with respect to this letter, or on your demonstration, including the possibility of an extension, please feel free to contact me or Angela Garner, Deputy Director, Division of State Demonstrations and Waivers at (410) 786-1074. My staff and I look forward to continuing to work with you.

Sincerely,

/Victoria Wachino/

Victoria Wachino
Director

Cc: Cindy Mann, CMCS
Angela Garner, CMCS
Jessica Woodard, CMCS
Bill Brooks, CMS Regional Office