Arkansas Health and Opportunity for Me (ARHOME) Section 1115 Demonstration Waiver

Q2 Monitoring Report

April-June 2022

ARKANSAS DEPARTMENT OF HUMAN SERVICES

❖ Introduction

The Arkansas Health and Opportunity for Me (ARHOME) program is Arkansas's program to provide Medicaid coverage to the new adult eligibility group created by the federal Affordable Care Act (ACA). The program operates as a demonstration waiver approved under the authority of Section 1115 of the Social Security Act. Under the waiver, the state uses Medicaid funding to purchase coverage through private Qualified Health Plans (QHPs) for eligible individuals. The ARHOME program was previously known as Arkansas Works, but Act 530 of 2021, passed by the Arkansas General Assembly, changed the program to ARHOME, effective January 1, 2022. The Centers for Medicaid and Medicaid Services (CMS) approved the new five-year waiver (January 1, 2022, through December 31, 2026) on December 21, 2021.

The ARHOME program builds on the progress made by the Arkansas Works program in several important ways.

Enhanced focus on improving clients' health. New program provisions require QHPs to provide at least one health improvement incentive to their members or providers to encourage the use of preventive care and one health improvement incentive for each of the following populations:

- Pregnant women, particularly those with high-risk pregnancies
- Individuals with mental illness
- Individuals with substance use disorder
- Individuals with two or more chronic conditions

QHPs are also required to submit an annual strategic plan that includes activities to meet quality and performance metrics and activities to improve the health outcomes of people living in rural areas and the populations listed above. DHS is monitoring improvement in health outcomes by measuring performance on selected health measures, such as the percentage of women receiving a mammogram.

New efforts to reduce poverty and promote economic independence. QHPs are required to offer at least one incentive to encourage advances in beneficiaries' economic status or employment prospects. Additionally, their annual strategic plans must describe these incentives and other activities supporting members' economic independence.

Address social determinants of health through intensive care coordination for high-risk populations. Department of Human Services (DHS) is planning a significant new feature for ARHOME, pending CMS approval. The Life360 HOME project is modeled after the federal community bridge organization concept. Under the Life360 HOME plan, DHS will partner with hospitals to provide additional support for several

ARHOME focus populations:

- Women with high-risk pregnancies
- Individuals in rural areas with behavioral health needs
- Young adults who are most at risk of long-term poverty, including those who were previously in foster care, incarcerated, or in the Division of Youth Services custody and those who are or who are veterans.

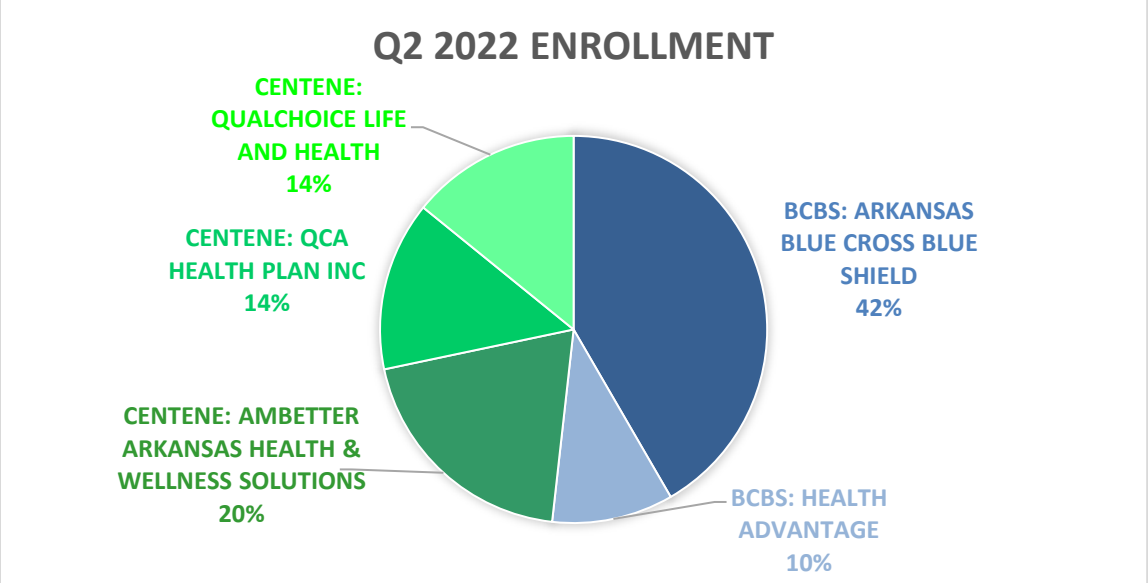
If approved, DHS will contract with hospitals to provide a broad array of intensive care coordination services for these populations within the ARHOME program. The care coordination services include home visitation for women with high-risk pregnancies and assistance addressing social determinants of health needs and enhancing life skills. The Life360 HOME will coordinate with clients' medical providers, but medical services will continue to be covered by the individual's QHP or fee-for-service Medicaid.

The Life360 HOME model remains under CMS review, and discussions regarding federal approval of this component of the program are ongoing.

❖ Utilization and Budget Neutrality

The ARHOME waiver allows Arkansas Medicaid to purchase private health insurance for the state's Medicaid expansion population. Through the program, DHS purchases for clients the lowest-cost qualifying silver-level plan offered on the Arkansas Health Insurance Marketplace and those whose premiums are within 10% of the lowest cost plan.

The ARHOME program currently purchases QHP coverage from two insurance carriers, Centene and Arkansas Blue Cross and Blue Shield (BCBS). Centene offers three QHPs for ARHOME clients, and BCBS offers two. The following chart shows ARHOME enrollment in each QHP on the first day of the quarter.

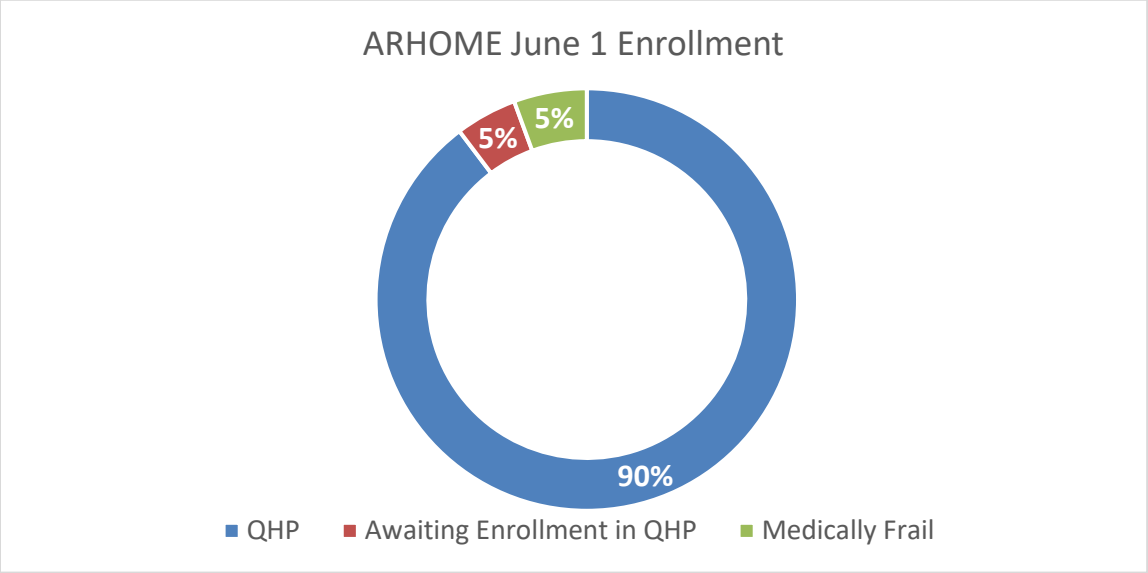


After individuals are determined eligible for ARHOME, they have 42 days to select a QHP. Those who do not select a plan are auto-enrolled in a QHP. Those who are auto-enrolled have 30 days to change their plan before their QHP coverage begins. While individuals wait for QHP enrollment, they receive coverage through traditional fee for service Medicaid. On June 1, the last month of the quarter, ARHOME enrollment was 339,947.

Ninety percent received ARHOME coverage through a qualified health plan (QHP) purchased through the Arkansas Health Insurance Marketplace.

Five percent were designated as medically frail and received services through fee-for-service Medicaid.

Five percent received service through fee for service Medicaid while awaiting enrollment in a QHP.



The table below shows the total enrollment numbers by month for ARHOME this quarter:

ARHOME Enrollment and Premium Information (April-June 2022)				
Month	**Number of Individuals Enrolled**	**Number of Individuals Awaiting Assignment**	**Number of Medically Frail Individuals**	**Number of Individuals Enrolled in a QHP**
April	341,830	23,496	19,713	298,621
May	341,887	21,325	19,416	301,146
June	339,947	16,033	19,008	304,906

Enrollment numbers reflect enrollment on the first day of each month, as of June 6, 2022.

Individuals at or below 100% of the federal poverty level do not pay a premium or any copays for the care they receive. Individuals above 100% pay a $13 premium each month for their coverage. They also pay a $4 or $8 copay when they access medical services, up to a maximum of $60 per quarter.

EXPENDITURES AND BUDGET NEUTRALITY

During this quarter, the total DHS payment for ARHOME clients enrolled in a QHP was $636,463,375. Of this amount:

- $441,294,624 was paid for premiums.
- $191,949,109 was paid for advance cost-sharing reductions.
- $3,219,642 was the total amount for wrap costs, which includes Non-Emergency Medical Transportation (NET) and Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) for 19- and 20-year-olds.

During the quarter, the program operated below the 2022 budget neutrality cap of $717.25 per member per month.[1]

Month	Members with a Paid Premium	Premium Expenditures	Advance Cost Share Payments	Wrap Costs	PMPM	Budget Neutrality Limit
April	299,686	$146,076,493	$63,512,837	$1,056,553	$702.85	$717.25
May	301,720	$146,944,247	$63,912,212	$1,083,012	$702.42	$717.25
June	305,060	$148,273,884	$64,524,060	$1,080,077	$701.07	$717.25

During this quarter, the payments for all clients who received ARHOME coverage through QHPs remained below the budget neutrality cap. These payments do not include the final cost share reduction (CSR) reconciliation that is made at the conclusion of each waiver year. The current Memorandum of Understanding (MOU) with the carriers limits the total cost per individual to the budget neutrality per member per month (PMPM) cap.

❖ Operational Updates

PUBLIC FORUMS

Act 530 of 2021 created the Health & Economic Outcomes Accountability Oversight Advisory Panel to monitor ARHOME's progress toward meeting economic independence outcomes and health improvement outcomes. The Advisory Panel consists of legislators, state agency leadership, and other stakeholders and meets quarterly. The Advisory Panel's quarterly meeting was held on June 13, 2022, in

[1] Does not include total CSR payments, which are settled the subsequent year.

Jonesboro, AR. Discussion topics included:

- Birth outcomes among pregnant women in the ARHOME population, including the percentage of preterm births and the percentage of babies born with low birth weight and very low birth weight. The information provided rates by qualified health plan, rural and urban areas of the state and the mother's race.
- ARHOME clients' access to low-income childcare assistance, their employment earnings, their former incarceration status by age and gender, and their past and present enrollment in post-secondary education programs.
- ARHOME program operations, including the qualified health plans participating in the program, the premiums paid to them and client utilization of medical services.

DHS held a post-award forum public forum this quarter on June 13, 2022, to meet the annual requirement of 42 CFR 431.420(c), and as required by #52 of the Special Terms and Conditions. The public forum was held in conjunction with the ARHOME Advisory Panel and included a Zoom option for individuals who could not attend in person. No members of the public attended. The public forum provided the following information:

- Overview of ARHOME and implementation timeline
- Examples of ARHOME health measures, QHP performance on those measures and target performance levels for 2022
- Updates on pending program changes
  - Life360 HOME program
  - Changes to the cost sharing structure
- Updates on plan changes to be implemented July 1, 2022
  - Allowing ARHOME members to be enrolled in a Provider-led Shared Savings Entity (PASSE)
  - Retroactive eligibility reduced from 90 days to 30 days

HEALTH OUTCOME PERFORMANCE TARGETS

During the first two meetings held in September and December 2021, the Panel reviewed the baseline performance on selected claims-based health outcome measures and approved the 2022 performance targets that QHP are required to meet.

The following table provides the program and QHP performance on selected health quality metrics for 2019 and 2020. Program breakouts on the metrics are also available by race and by rural/urban areas of the state. DHS, with input from the Advisory Panel, set the QHP's performance targets based on the level of the highest performing plan in 2019 and 2020 for each measure. The established targets are based on the concept that all plans can and should be achieving at the level of the highest performer. The established performance targets for 2022 are shown in the following table in green.

Measure	Reporting Category	CY	Arkansas Works Overall[x]	By Qualified Health Plan				Segments within Arkansas Works					
								By Urban/Rural		By Race/Ethnicity			
				Blue Cross Blue Shield	Ambetter	QCA	Qual Choice	Urban	Rural	White	Black	Other	Unknown
TOTAL ENROLLEES		2020	**282,096**	**122,741**	**53,378**	**41,790**	**39,587**	**158,640**	**121,874**	**153,926**	**51,093**	**20,926**	**56,151**
Primary Care Access and Preventive Care													
Cervical Cancer Screening (CCS-AD)	Ages 21-64	2019	**46.0%**	44.4%	42.1%	31.0%	30.2%	46.2%	45.9%	45.3%	50.4%	50.9%	41.0%
		2020	**43.5%**	41.3%	38.4%	29.3%	29.6%	43.8%	43.2%	43.0%	48.6%	46.4%	38.0%
Chlamydia Screening (CHL-AD)	Ages 21-24	2019	**53.9%**	53.6%	53.6%	**55.5%**	55.2%	52.7%	55.5%	49.5%	65.6%	57.0%	50.9%
		2020	**52.5%**	49.7%	54.7%	52.3%	55.4%	52.4%	52.6%	46.8%	65.0%	50.3%	53.7%
Breast Cancer Screening	Ages 50-64	2019	**50.8%**	**54.0%**	49.1%	38.7%	42.2%	50.5%	51.0%	49.0%	55.4%	57.9%	50.7%
		2020	**47.7%**	50.9%	47.1%	40.5%	41.0%	48.2%	47.2%	46.0%	52.8%	52.6%	47.5%
Maternal and Perinatal Care													
Contraceptive Care – Postpartum Women (CCP-AD)	Most or Moderately Effective Contraception – 60 Day: Ages 21-44	2019	**54.3%**	54.7%	53.9%	50.4%	**58.4%**	52.7%	56.6%	55.3%	54.5%	49.4%	53.6%
		2020	**48.9%**	46.6%	50.0%	46.5%	49.8%	47.3%	51.3%	52.5%	48.1%	40.7%	43.9%
Contraceptive Care – All Women (CCW-AD)	Most or Moderately Effective Contraception: Ages 21-44	2019	**25.5%**	**27.0%**	24.0%	24.3%	24.3%	25.7%	25.3%	25.2%	26.0%	26.4%	25.6%
		2020	**23.8%**	25.2%	22.3%	22.4%	21.5%	24.1%	23.4%	23.5%	24.2%	23.9%	24.1%
Care of Acute and Chronic Conditions													
Diabetes Short-Term Complications Admission Rate, per 100,000 Member Months (PQI01-AD)	Ages 19-64	2019	**26.2**	**14.2**	16.8	16.4	22.4	27.4	24.8	26.6	26.8	20.2	26.7
		2020	**21.4**	14.2	15.5	30.9	27.5	24	18.2	22.6	26.2	10.2	17.7
COPD or Asthma in Older Adults Admission Rate, per 100,000 Member Months (PQI05-AD)	Ages 40-64	2019	**40.9**	24.9	32.2	**18.3**	23.4	39.3	42.8	45.8	26.4	33	41.1
		2020	**23.2**	14.3	17.2	19.2	7.7	22.5	24.1	25.6	20.4	8.5	23.4
Heart Failure Admission Rate, per 100,000 Member Months (PQI08-AD)	Ages 19-64	2019	**23.9**	13.9	13.5	**12.3**	13.9	28.1	18.8	19.4	36.8	13.7	28.7
		2020	**22.8**	14.4	16.3	18.3	10.9	27	17.4	19.8	36.8	13.8	21.6
Asthma in Younger Adults Admission Rate, per 100,000 Member Months (PQI15-AD)	Ages 19-39	2019	**4.8**	3.1	3.3	**2.1**	**2.1**	5.1	4.5	4.1	9.6	2.4	2.9
		2020	**2.1**	1.6	2	1.7	2.8	2	2.2	1.9	4.5	1.4	0.6

Measure	Reporting Category	CY	Arkansas Works Overall¥	By Qualified Health Plan				Segments within Arkansas Works					
								By Urban/Rural		By Race/Ethnicity			
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Plan All-Cause Readmissions (PCR-AD)	Observed/ Expected Ratio: Ages 19-64	2019	**0.8506**	0.8071	0.8003	0.7065	0.9174	0.8268	0.8801	0.8635	0.8239	0.719	0.8502
		2020	**0.7743**	0.7072	0.7528	0.4663	0.3911	0.7834	0.7624	0.7967	0.8003	0.7193	0.6705
Asthma Medication Ratio (AMR-AD)	Ages 19-64	2019	**46.9%**	48.4%	45.3%	50.0%	**54.5%**	50.2%	43.3%	47.6%	47.4%	51.0%	42.9%
		2020	**42.4%**	43.6%	36.9%	43.0%	36.1%	45.6%	38.2%	43.3%	40.0%	41.9%	41.7%
Behavioral Health Care													
Initiation and Engagement of Alcohol and Other Drug (AOD) Abuse or Dependence Treatment (IET-AD)	Initiation – Total AOD Treatment: Ages 19-64	2019	**37.9%**	37.4%	38.5%	**44.0%**	41.5%	37.3%	38.8%	39.1%	31.8%	36.9%	39.5%
		2020	**39.2%**	39.8%	40.2%	37.4%	38.5%	39.3%	39.2%	40.5%	32.5%	37.7%	41.2%
	Engagement - Total AOD Treatment: Ages 19-64	2019	**8.6%**	9.6%	9.8%	10.3%	8.6%	8.3%	9.0%	9.5%	5.1%	8.6%	8.4%
		2020	**9.7%**	9.5%	**12.0%**	9.1%	10.1%	9.2%	10.4%	10.7%	4.6%	9.8%	10.6%
Antidepressant Medication Management (AMM-AD)	Effective Acute Phase Treatment: Ages 19-64	2019	**52.9%**	55.5%	56.0%	48.7%	54.8%	52.6%	53.3%	55.0%	40.5%	48.2%	56.6%
		2020	**54.0%**	**56.7%**	55.1%	50.8%	52.2%	54.4%	53.4%	56.6%	39.4%	51.9%	56.6%
	Effective Continuation Phase Treatment:	2019	**37.1%**	39.6%	39.2%	35.6%	35.6%	38.0%	36.0%	39.3%	25.6%	32.0%	39.7%
		2020	**38.1%**	**41.3%**	38.3%	35.2%	35.0%	38.2%	38.0%	40.5%	24.6%	37.0%	40.7%
Adherence to Antipsychotics for Individuals With Schizophrenia (SAA-AD)	Ages 19-64	2019	**44.1%**	47.2%	34.8%	**65.0%**	38.5%	41.1%	47.3%	47.5%	36.6%	41.2%	42.1%
		2020	**47.2%**	44.2%	46.4%	52.1%	43.3%	45.7%	49.1%	50.8%	43.2%	48.5%	39.1%
Use of Pharmaco-therapy for Opioid Use Disorder (OUD-AD)	Overall Total: Ages 19-64	2019	**39.0%**	47.1%	36.5%	40.2%	45.1%	35.0%	45.4%	42.3%	15.6%	28.6%	34.4%
		2020	**51.3%**	54.0%	54.1%	**55.3%**	51.6%	49.4%	54.1%	55.2%	19.9%	45.0%	49.6%
Diabetes Screening for People With Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications (SSD-AD)	Ages 19-64	2019	**79.2%**	80.5%	80.6%	75.2%	**81.1%**	79.6%	78.8%	80.3%	75.2%	78.9%	78.3%
		2020	**77.6%**	78.3%	79.2%	76.0%	79.4%	77.3%	78.1%	78.1%	79.5%	73.2%	75.7%
Use of Opioids at High Dosage in Persons Without Cancer (OHD-AD)	Ages 19-64	2019	**1.1%**	1.3%	1.1%	1.1%	0.7%	1.4%	0.7%	1.0%	0.8%	0.7%	1.5%
		2020	**1.0%**	1.4%	1.2%	0.3%	0.2%	1.5%	0.6%	1.0%	0.8%	1.5%	1.3%

Measure	Reporting Category	CY	Arkansas Works Overall¥	By Qualified Health Plan				Segments within Arkansas Works					
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Concurrent Use of Opioids and Benzo-diazepines (COB-AD)	Ages 19-64	2019	**20.9%**	21.5%	17.8%	**16.0%**	20.0%	21.6%	20.1%	23.7%	11.1%	17.7%	20.8%
		2020	**18.9%**	20.9%	16.3%	13.8%	15.0%	19.2%	18.5%	21.2%	11.0%	18.6%	18.3%
Follow-Up After Emergency Department Visit for Alcohol and Other Drug (FUA-AD)	Follow-Up Within 30 Days: Ages 19-64	2019	**8.7%**	8.6%	11.8%	4.3%	2.9%	8.7%	8.7%	9.1%	7.2%	8.8%	8.7%
		2020	**11.0%**	8.5%	**16.8%**	10.3%	9.1%	10.7%	11.5%	12.5%	5.9%	9.0%	11.3%
Follow-Up After Emergency Department Visit for Mental Illness (FUM-AD)	Follow-Up Within 30 Days: Ages 19-64	2019	**37.3%**	**41.7%**	35.4%	30.1%	18.6%	33.9%	42.2%	40.3%	26.6%	33.3%	40.5%
		2020	**33.0%**	32.6%	27.7%	27.8%	33.3%	30.9%	35.9%	35.1%	28.2%	31.0%	31.2%
Follow-Up After Hospitalization for Mental Illness (FUH-AD)	Follow-Up Within 30 Days: Ages 19-64	2019	**37.0%**	**43.4%**	24.6%	37.2%	35.6%	37.8%	36.0%	36.6%	32.7%	37.4%	41.2%
		2020	**36.7%**	41.6%	39.0%	23.5%	29.7%	37.2%	36.1%	37.2%	33.1%	38.4%	37.2%

LITIGATION

There were no lawsuits involving ARHOME during Q2 2022.

APPEALS

During the second quarter of 2022, 124 appeals involving ARHOME members were filed with the DHS Office of Appeals and Hearings.

ARHOME members also can use the appeals process established by their QHP to appeal denials of benefits. If they are unsatisfied with the results of the QHP appeals process, they can request additional external review from the Arkansas Insurance Department (AID). The following table shows the number of external reviews AID processed during the second quarter of 2022.

Month	External Reviews Processed	Granted	Denied	Dismissed	Pending	Withdrawn
April	2	0	2	0	0	0
May	2	0	1	0	1	0
June	2	0	1	0	1	0

❖ Evaluation Progress and Activities

In March 2022, DHS hired General Dynamics Information Technology (GDIT) to provide an independent evaluation the ARHOME program, in accordance with Section XIII of the Special Terms and Conditions. GDIT submitted a draft evaluation design to DHS on April 29, and the final draft was submitted to CMS on June 17, 2022. The evaluation will examine four demonstration goals:

1. Providing continuity of coverage for individuals
2. Improving access to providers
3. Improving continuity of care across the continuum of coverage
4. Furthering quality improvement and delivery system reform initiatives that are successful across population groups

The evaluation will use data from eligibility, claims, surveys, interviews, focus groups, commercial insurance, and cost reporting. DHS asked GDIT to develop a consulting committee of Arkansas subject-matter experts with experience with ARHOME, the population and program evaluation to guide GDIT's work and provide real world context and perspective to guide the evaluation calculations. Current committee members are a

licensed University of Arkansas Medical Sciences (UAMS) physician with experience in health services performance measurement, a Ph.D. prepared UAMS faculty with experience in economic evaluation of health services and research experience with Arkansas' healthcare delivery/finance system, and a Ph.D. prepared researcher at Oregon Health and Science University with experience in administration of Arkansas Medicaid expansion program and healthcare performance measurement. The committee met several times in May to review and provide recommendations on the ARHOME evaluation design. The advisors also supported GDIT's presentation of the evaluation design to DHS leadership.

In June 2022, GDIT drafted and reviewed the client satisfaction surveys with the advisory committee and DHS. The client surveys are based on the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey for Medicaid clients, but GDIT has developed additional ARHOME program questions to measure client's awareness of the QHP incentives to improve health and economic independence outcomes and client's participation in the incentives.