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December 30, 2020

Anne Marie Costello  
Acting Deputy Administrator, and Director  
Center for Medicaid and CHIP Services  
Centers for Medicaid and Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

Dear Ms. Costello:

The current Section 1115 Arkansas Work Demonstration Project will expire on December 31, 2021. In accordance with 42 C.F.R. 431.412 and the Special Terms and Conditions of the Arkansas Works Demonstration Project, the state is required to submit a request to extend an existing Demonstration at least 12 months prior the expiration date. The state is also required to submit a transition and phase-out plan at least six months prior to the expiration date if the state chooses to terminate its Demonstration.

As you know, the Arkansas Department of Human Services (DHS) staff has advised your office that the state intends to submit an application for approval of a new Demonstration after the upcoming state General Assembly session. The new Demonstration is proposed to include key components of the existing waiver such as beneficiary engagement in increasing opportunities for economic independence. The correlation between poverty, poor health, and shortened life expectancy has been recognized as to be beyond question for decades. For example, *The Healthy People 2020* report from the U.S. Department of Health and Human Services states: "... researchers agree that there is a clear and established relationship between poverty, socioeconomic status and health outcomes—including risk for disease and premature death."

We anticipate the new Demonstration will also include new proposals to assist pregnant women with high risk pregnancies, build capacity in rural counties to treat individuals with serious mental illness and substance use disorders, and provide new opportunities for young adults to increase earnings, finish their education, and successfully re-enter their communities after involvement with the child welfare or justice system.

Therefore, Arkansas will not seek an extension of the existing Demonstration. We look forward to working with you and your staff on the new Demonstration next year. If you have any questions, please do not hesitate to call Dr. Dawn Stehle at 501-682-8650.

Sincerely,

A solid black rectangular box redacting the signature of the Secretary.

Cindy Gillespie, Secretary