

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-25-26  
Baltimore, Maryland 21244-1850



---

## State Demonstrations Group

November 28, 2022

Ms. Dawn Stehle  
Deputy Director for Health and State Medicaid Director  
Department of Human Services  
P.O. Box 1437, Slot S201  
Little Rock, AR 72203-1437

Dear Ms. Stehle:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved a temporary extension of the state's section 1115 demonstration, entitled "Arkansas TEFRA-like Section 1115 Demonstration" (Project Number 11-W-00163/6), in order to allow the state and CMS to continue negotiations over the state's June 30, 2022 extension application. This demonstration will now expire December 31, 2023.

CMS's approval is conditioned upon the state's continued compliance with the special terms and conditions (STC) defining the nature, character, and extent of anticipated federal involvement in the project. The current STCs and expenditure authorities will continue to apply during the temporary extension period of this demonstration. The state's current budget neutrality agreement and per member per month amounts will continue to apply as described in the STCs, until December 31, 2023 or until the demonstration is extended, whichever is sooner.

For this temporary extension period, the state must continue to monitor its demonstration as stipulated in the current STCs. In addition, the state is required to include the temporary extension period in its demonstration's evaluation. The state may include the temporary extension period within its summative evaluation for the demonstration approval period from May 9, 2018 through December 31, 2022. In this case, the Summative Evaluation Report is due 18 months after the end of the temporary extension period. Alternatively, if CMS approves an extension beyond December 31, 2023, the state may include the temporary extension period in the Evaluation Design and activities of the next full demonstration approval period. In this case, the Summative Evaluation Report for the current demonstration approval period from May 9, 2018 through December 31, 2022 will still be due to CMS no later than July 1, 2024 and will be developed in alignment with the Evaluation Design approved on September 26, 2019. In the event that the state does not obtain an extension beyond December 31, 2023, the state must include the temporary extension period in its Summative Evaluation Report.

Page 2 – Ms. Dawn Stehle

Your CMS project officer for this demonstration is Ms. Felicia Pailen. She is available to answer any questions concerning your section 1115 demonstration. Ms. Pailen can be reached at [Felicia.Pailen@cms.hhs.gov](mailto:Felicia.Pailen@cms.hhs.gov).

Sincerely,

Judith Cash  
Director

Enclosure

cc: Michala Walker, State Monitoring Lead, Medicaid and CHIP Operations Group