

EXHIBIT P

DEPARTMENT OF HUMAN SERVICES, MEDICAL SERVICES

SUBJECT: ARKIDS 2-14 and CHIP State Plan Amendment

DESCRIPTION: DHS, Medical Services is providing public notice of its intent to transition the ARKids First-B program from an 1115(a) demonstration waiver to CHIP separate child health program, to add additional services to the ARKids First-B benefit package and to provide notice of a public input hearing.

The ARKids First-B program provides coverage for uninsured children through age 18. ARKids First-B offers a less comprehensive benefit package than the state's traditional Medicaid program, which is referred to as ARKids First-A. ARKids First-B also requires co-payments. The ARKids First-B program utilizes the same provider system as ARKids First-A and operates under a primary care case management model. The objectives of the ARKids First-B program are to integrate uninsured children into the health care delivery system and to provide a benefit package comparable to State's Essential Benefit Plan-equivalent coverage.

PUBLIC COMMENT: A public hearing was held on this rule on October 6, 2014. The public comment period expired October 7, 2014. The Department received the following public comments:

Rich Huddleston, Executive Director
Arkansas Advocates for Children and Families

COMMENT: DHS should eliminate the waiting period for ARKids B. Arkansas recently reduced its waiting period from six months to three months due to ACA requirements, but children still have to go months after the end of group coverage before becoming eligible. Federal requirements were implemented in January 2014 preventing waiting periods longer 90 days, and HHS confirmed states could waive them altogether. As a result, 16 states with waiting periods have taken steps to eliminate them. In our new health care system, the waiting period creates a barrier to achieving seamless transitions between programs, such as ARKids B and Marketplace plans, and unnecessary gaps in coverage for children.

RESPONSE: The 90-day waiting period will not be eliminated at this time due to the cost that would be incurred from State general revenue. The Department of Human Services, Division of Medical Services will consider this revision in the future as State general revenue becomes available.

COMMENT: DHS should eliminate red tape barriers to coverage by implementing Express Lane Eligibility. As part of the 2009 Children's Health Insurance Program Reauthorization Act (CHIPRA), states have the option to simplify enrollment by using eligibility findings from other need-based programs, such as SNAP. This will allow more children to be covered and reduce the administrative burden resulting from reanalyzing and determining eligibility for ARKids A and ARKids B. Additionally, the provision in Act 771 of 2011 to improve the eligibility and enrollment process using Express Lane Eligibility has not yet been implemented.

RESPONSE: The Department of Human Services, Division of County Operations is working on eliminating red tape barriers, the implementation of express lane eligibility being one consideration.

COMMENT: DHS should extend ARKidsB coverage to lawfully present children. DHS should implement the state option to cover lawfully present immigrant children and Marshallese children. Based on AACF estimates, about 1200 children would benefit by enrolling in coverage, and coverage would be available to immigrant populations that tend to have poorer health outcomes. This option has been available to states since the 2009 CHIP reauthorization, and 24 states have implemented it since that time.

RESPONSE: The Department of Human Services, Division of Medical Services chose to not cover lawfully present immigrant children and Marshallese children due to the cost that would be incurred from State general revenue. The State will consider this revision in the future as State general revenue becomes available.

COMMENT: Research shows that cost-sharing reduces access to care and co-payments can be a barrier to enrollment and treatment for low income families. Out-of-pocket costs place financial burdens on families with limited financial resources. DHS should clarify processes for accurately monitoring the out-of-pocket maximum for families for the length of the ARKids B enrollment period.

DHS should describe the process for monitoring the entire family's aggregate out-of-pocket contributions and reducing the risk of exceeding the maximum. Federal regulations cap cost-sharing at five percent of family income. DHS should clarify the process for ensuring families do not exceed their out of pocket contributions across programs, as a large number of parents with children enrolled in ARKids B will be enrolled in the Private Option. Since planned changes to the Private Option may result in more enrollees paying cost-sharing, DHS must be ready to track family- wide cost sharing payments.

RESPONSE: Work has already begun identifying State Plan, policy, and MMIS changes needed to bring the State into compliance with new cost sharing regulations.

COMMENT: DHS should ensure the process for calculating the families' out-of-pocket contributions occurs on a quarterly or monthly basis. In section 8.5 of the draft state plan amendment, DHS describes procedures for monitoring the aggregate cost-sharing for a family. Currently, it is unclear when the reconciliation will occur to ensure the family has not met their cost-sharing maximum. DHS should clarify the proposed process for ARKids B to ensure the aggregate cost-sharing does not exceed the max for a monthly or quarterly period. Families have bills to pay on a monthly basis and extending the cost-sharing period to the yearly enrollment can strain family budgets.

RESPONSE: The current process of when the reconciliation of families' out-of-pocket contributions to ensure families do not exceed the maximum outlay for cost sharing was included in a description that was indicated in Section 8.5 of the CHIP state plan template used for completion of CHIP SPA #6. The periodicity of when this calculation is to occur is part of the new cost sharing regulations compliance being worked on referenced in the response above.

COMMENT: DHS should clarify the process for adjusting the family's cost share cap, if there is a decrease in income prior to the annual recalculation period. In Section 8.3, DHS indicates a letter, with the new cumulative cap, is sent to the family when there is a decrease in income. However, the process does not include details about how changes in family income are reported or determined. This could result in families being unaware of the reporting requirements for decreases in income, resulting in cost-sharing that exceeds federal limits.

RESPONSE: The family gross income information is supplied to HP, Medicaid fiscal contract agent by Northrop Grumman via the DHS Division of County Operations' ACES file. HP uses this information and calculates the annual 5% SFY cost sharing cap based on this income. This file is scheduled as a daily transmit to HP. From this file, HP creates a benefit table used in claims processing on both MMIS and Tandem. The only time the cap is recalculated on the benefit table during the current SFY is in the event of a decrease in income from the SFY beginning amount. In the event of an increase in income, HP creates a new segment with a start date equal to the first day of the next SFY and calculates the annual 5% cap based on that income. If by chance an additional change(s) in income is received that is greater than the SFY beginning amount, HP overlays the previous data and recalculates the annual cap. The annual cap is based on SFY and will be recalculated the beginning of each SFY based on the most current gross annual income HP has on file. As claims for beneficiaries are paid and cost-sharing is applied, the applied amount will be stored and accumulated until the cap is met. The benefit table houses both the current and the previous SFY data to allow for the one year filing deadline claims. Currently, cost sharing re-assessment is done on an annual basis. The new cost sharing regulations require that cost sharing be re-assessed on either a quarterly or monthly basis. This is part of the work currently being done to bring State Plan, policy, and MMIS changes needed to bring the State into compliance with the new cost sharing regulations.

COMMENT: Arkansas Advocates supports the addition of benefits in ARKids B that were not previously covered. This includes coverage for physical therapy, occupational therapy, and orthodontia. Additionally, hospital inpatient benefit now includes inpatient psychiatric hospitals and residential treatment facilities. These changes address important treatment gaps for children. While Advocates supports increasing these covered benefits, there are several key concerns identified within the draft ARKids B state plan amendment. As we work to improve marketplace and private coverage, equal investments should be made in ARKids First coverage in order to provide all Arkansas families with comprehensive health coverage. In the draft ARKids B state plan amendment, DHS indicates the intent to meet CHIP coverage requirements by providing benchmark coverage and aligning benefits with the State's benchmark plan, Arkansas Blue Cross Blue Shield Health Advantage POS. **The Arkansas benchmark plan does not appear to meet the CHIP benchmark coverage requirement, since Arkansas elected a small group plan as the state benchmark. CHIP law requires states to select a benchmark plan from among federal employee health benefits, state employee health benefits, or the state's largest HMO; alternatively, states may submit another set of benefits to the Secretary of HHS for approval. Also, there are significant differences between the covered benefits and benefit limits for the Arkansas benchmark plan and what has been proposed for ARKids B.**

RESPONSE: The original CHIP SPA #6 formally submitted to CMS on 6/25/14 and was also included in the APA packet indicated the ARKids-B benefit package would be aligned to the state's EBP benchmark plan. It was after the formal submission to CMS of the CHIP SPA and filing of the APA packet that a decision was made to align the ARKids-B benefit package back to the State employees benefit coverage as it had been before.

COMMENT: DHS should provide an ARKids B benefit package that meets children's needs; at a minimum, it should be aligned with Arkansas's EHB benchmark plan and establish comparable benefit limits. In the ARKids B draft state plan amendment, the proposed benefits package for ARKids B excludes several essential health benefits and proposes more stringent benefit limits in some instances¹⁰. ARKids B does not cover or imposes more stringent benefits limits on the following services: Nursing care services are not covered, while the EHB benchmark limit is 60 days per year. Rehabilitative services are not covered. The EHB benchmark limit is 30 aggregate visits per year for Outpatient Rehabilitative service (includes physical, occupational, speech, and chiropractic) and 60 days for Inpatient Rehabilitative services.

- Nursing care services are not covered, while the EHB benchmark limit is 60 days per year.
- Rehabilitative services are not covered. The EHB benchmark limit is 30 aggregate visits per year for Outpatient Rehabilitative service (includes physical, occupational, speech, and chiropractic) and 60 days for Inpatient Rehabilitative services.
- Orthotics and prosthetics are not covered, while the benchmark plan includes this benefit.
- Home Health is limited to 10 visits per year, while the benchmark limit is 50 visits per year.
- Substance abuse treatment services are limited and exclude inpatient treatment, while the benchmark plan meets parity requirements in the provision of substance abuse treatment.

RESPONSE: The Department of Human Services, Division of Medical Services, chose to add four new services to the ARKids-B benefit package. However, because of the projected increase in costs that would be incurred from State general revenue with the addition of more services that would align the ARKids-B benefit package with Arkansas' EHB plan, the decision was made to limit the addition of services to the benefit package. Consideration will be made in the future to the addition of more services as State general revenue becomes available.

COMMENT: DHS should align mental health and substance abuse treatment with the Arkansas benchmark to achieve parity with other health conditions. The draft ARKids B state plan amendment indicates outpatient substance abuse treatment will be provided through the existing Medicaid Substance Abuse Treatment Services (SATS) program, which only provides medically necessary outpatient treatment. Also, section 6.2.18 indicates inpatient substance abuse and residential treatment services will not be covered. In an effort to ensure that all children have access to necessary and adequate services, it is important for Arkansas to make progress towards parity between behavioral health treatment and treatment for other health conditions.

RESPONSE: The Department of Human Services, Division of Medical Services, chose to add four new services to the ARKids-B benefit package. However, because of the projected increase in costs that would be incurred from State general revenue with the addition of more services that would align the ARKids-B benefit package with Arkansas' EHB plan, the decision was made to limit the addition of services to the benefit package. Consideration will be made in the future to the addition of more services as State general revenue becomes available.

COMMENT: DHS should provide enabling services, including non-emergency transportation and translation services. The draft ARKids B state plan amendment does not include (Section 6.2) enabling services as a covered benefit. This exclusion applies to providing coverage for translation services and non-emergency transportation. Increased federal funding was made available to states to encourage reducing barriers to access and care by addressing language barriers for families with Limited English Proficiency (LEP). Additionally, inadequate transportation to travel to health care facilities is a common barrier to health care for children, particularly in high poverty communities. Failing to provide transportation services and translation services is a missed opportunity to eliminate known barriers to coverage and care.

RESPONSE: The Department of Human Services, Division of Medical Services, chose to add four new services to the ARKids-B benefit package. However, because of the projected increase in costs that would be incurred from State general revenue with the addition of more services that would align the ARKids-B benefit package with Arkansas' EHB plan, the decision was made to limit the addition of services to the benefit package. Consideration will be made in the future to the addition of more services as State general revenue becomes available.

COMMENT: DHS should ensure that children enrolled in ARKids B have access to needed hearing services. Hearing exams and hearing aids are not included in Arkansas's base EHB benchmark plan, but plans for sale in Arkansas's marketplace this year offer these important benefits. A recent report studied CHIP benefits in 38 states and found that all offered hearing exams and only two programs other than Arkansas's excluded hearing aids. Hearing aids and associated exams can be vital for some children's healthy development and should be included in ARKids B.

RESPONSE: The Department of Human Services, Division of Medical Services, chose to add four new services to the ARKids-B benefit package. However, because of the projected increase in costs that would be incurred from State general revenue with the addition of more services that would align the ARKids-B benefit package with Arkansas' EHB plan, the decision was made to limit the addition of services to the benefit package. Consideration will be made in the future to the addition of more services as State general revenue becomes available.

Isaac Linam, an attorney with the Bureau of Legislative Research, asked the following questions:

QUESTION #1: Ark. Code Ann. § 20-77-2405(e)(2)(A), derived from Acts 2013, No. 1498, states the following:

“(2) Upon the receipt of necessary federal approval, during calendar year 2015 the Department of Human Services shall include and transition to the Arkansas Health Insurance Marketplace:

(A) Children eligible for the ARKids First Program Act, § 20-77-1101 et seq.; and”

Will your proposed rule, which purports to transition the ARKids B program into a CHIP, affect the Department’s compliance with Ark. Code Ann. § 20-77-2405(e)(2)(A)? Please explain.

RESPONSE #1: No, the proposed rule to transition ARKids-B to a CHIP separate child health program is not to come into compliance with Ark. Code Ann. § 20-77-2405(e)(2)(A) derived from Acts 2013, No. 1498. To come into compliance with Ark. Code Ann. § 20-77-2405(e)(2)(A) will require an amendment to the Health Care Independence (Private Option) waiver.

QUESTION #2: Will the state’s CHIP be implementing the Arkansas payment improvement initiative and episodes of care in its billing? If not, does the Department plan to implement it in the near future?

RESPONSE #2: Yes. It appears that all the ARKids B are included in the episodes already. If an episode excludes a patient based on age (i.e. below 5) those recipients would be excluded but not based on ARKids eligibility.

The proposed effective date for the final rule is January 1, 2015.

CONTROVERSY: This is not expected to be controversial.

FINANCIAL IMPACT: The cost to implement the rule is \$11,817,446 for the current fiscal year (\$2,819,006 general revenue and \$8,998,440 federal funds); and \$24,245,912 for the next fiscal year (\$1,446,794 general revenue and \$22,799,119 federal funds).

LEGAL AUTHORIZATION: Ark. Code Ann. § 20-77-1101 et seq. is the ARKids First Program Act, which creates a program to provide health care services for Arkansas children and certain adults up to age 25. Ark. Code Ann. § 20-77-1104(e) provides that “[a] person enrolled in the full Medicaid program shall not be concurrently enrolled in the program except as required by federal law”.

Ark. Code Ann. § 20-77-1104(d) requires the Department to promulgate rules to administer the ARKids First Program that provides for the automatic assignment of medical payments as a condition of eligibility, defines coverage, establishes copays, and defines the eligibility population. Ark. Code Ann. § 20-77-1104(d)(4) defines the eligibility population as children without health insurance coverage and who “[a]re members of a family with a gross family income not exceeding two hundred fifty percent (250%) of the federal poverty guidelines” and for certain adults up to age 25 without health insurance coverage and who “[a]re members of a family with a gross family income not exceeding two hundred fifty percent (250%) of the federal poverty guidelines” and who are enrolled in an Arkansas institution of higher education.

Ark. Code Ann. § 20-76-201 authorizes the Department of Human Services to administer programs for the indigent and to "make rules and regulations" pertaining to the administration of those programs. Ark. Code Ann. § 20-77-107 specifically authorizes the Department to "establish and maintain an indigent medical care program."

Ark. Code Ann. § 25-10-129 directs the Department to promulgate rules to conform to federal law that affects "programs administered or funded by or through the department" as necessary to receive available federal funds.

42 U.S.C. §§ 1397aa—1397mm provides the federal statutory structure for a state's Children's Health Insurance Program. 42 CFR pt. 457 provides the federal regulatory structure for State Plans for Children's Health Insurance Programs.

42 U.S.C. § 1397ee provides that federal funds will be provided to a state when a state plan for children's health assistance is approved. 42 U.S.C. § 1397ff provides that a state plan must be approved by the Secretary of the Department of Health and Human Services. 42 CFR § 457.150 provides that a state plan must be approved by CMS through authority delegated to CMS by the Secretary of the Department of Health and Human Services.

42 CFR § 457.350 provides that only children not eligible for Medicaid may be furnished coverage under a state's Children's Health Insurance Program.

42 CFR § 457.420 provides that the benchmark coverage for the Children's Health Insurance Program must be substantially equal to the Federal Employees Health Benefit Plan (FEHBP), the state employee health benefit plan (state EHB), or a health maintenance organization (HMO) plan that has the "largest insured, commercial, non-Medicaid enrollment in the State".

EXHIBIT P

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Arkansas Department of Human Services
DIVISION Division of Medical Services
DIVISION DIRECTOR Dawn Stehle
CONTACT PERSON Glenda Higgs
ADDRESS P. O. Box 1437, Slot S-295
PHONE NO. 501-320-6425 FAX NO. 501-682-2480 E-MAIL glenda.higgs@dhs.arkansas.gov
NAME OF PRESENTER AT COMMITTEE MEETING Marilyn Strickland
PRESENTER E-MAIL marilyn.strickland@dhs.arkansas.gov

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201

1. What is the short title of this rule? CHIP State Plan Amendment - Transition ARKids-B to CHIP Separate Child Health Program; ARKIDS-2-14

Transition ARKids-B from under the authority of an 1115(a) demonstration waiver to a CHIP separate child health program under the authority of the CHIP state plan and to update the ARKids-B Medicaid provider manual to reflect this transition and to add four new services to the ARKids-B benefit package.

2. What is the subject of the proposed rule?

3. Is this rule required to comply with a federal statute, rule, or regulation? Yes No
If yes, please provide the federal rule, regulation, and/or statute citation. _____

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes No
If yes, what is the effective date of the emergency rule? _____

When does the emergency rule _____

expire?

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act?

Yes

No

5. Is this a new rule? Yes No

If yes, please provide a brief summary explaining the regulation. _____

Does this repeal an existing rule? Yes No

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. _____

Is this an amendment to an existing rule?

Yes No

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. Arkansas Statute 20-76-201

7. What is the purpose of this proposed rule? Why is it necessary? The purpose is to transition the ARKids-B program from under the authority of an 1115(a) demonstration waiver to a CHIP separate child health program under the authority of the CHIP state plan and to update the ARKids-B Medicaid provider manual to reflect this transition and to add four new services to the ARKids-B program's benefit package.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).

<https://www.medicaid.state.ar.us/InternetSolution/general/comment/comment.aspx>

9. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: October 6, 2014

Time: 1:30 p.m.

DHS Donagney Plaza South Building

Conference Room B

700 South Main Street

Place: Little Rock, AR

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

October 7, 2014

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

January 1, 2015

12. Do you expect this rule to be controversial? Yes No

If yes, please
explain. _____

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules?
Please provide their position (for or against) if known.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Department of Human Services
DIVISION Division of Medical Services
PERSON COMPLETING THIS STATEMENT Dan Adams
TELEPHONE NO. 501-320-6499 **FAX NO.** 501-628-8873 **EMAIL:** dan.adams@dhs.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE CHIP State Plan Amendment - Transition ARKids-B to CHIP Separate Child Health Program

1. Does this proposed, amended, or repealed rule have a financial impact? Yes No
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes No
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If an agency is proposing a more costly rule, please state the following:

(a) How the additional benefits of the more costly rule justify its additional cost;

(b) The reason for adoption of the more costly rule;

(c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

(d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

(a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue \$2,819,006
Federal Funds \$8,998,440
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Next Fiscal Year

General Revenue \$ 1,446,794
Federal Funds \$22,799,119
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total \$11,817,446

Total \$24,245,912

(b) What is the additional cost of the state rule?

Current Fiscal Year

Next Fiscal Year

General Revenue _____

General Revenue _____

Federal Funds _____

Federal Funds _____

Cash Funds _____

Cash Funds _____

Special Revenue _____

Special Revenue _____

Other (Identify) _____

Other (Identify) _____

Total _____

Total _____

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

Next Fiscal Year

\$ _____

\$ _____

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

Next Fiscal Year

\$ _____

\$ _____

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

(1) a statement of the rule's basis and purpose;

(2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;

(3) a description of the factual evidence that:

(a) justifies the agency's need for the proposed rule; and

- (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

Summary

The Arkansas Department of Human Services (DHS), Division of Medical Services (DMS), is providing public notice of its intent to transition the ARKids First-B program from an 1115(a) demonstration waiver to a CHIP separate child health program, to add additional services to the ARKids First-B benefit package and to provide notice of a public input hearing.

The ARKids First-B program provides coverage for uninsured children through age 18. ARKids First-B offers a less comprehensive benefit package than the State's traditional Medicaid program, which is referred to as ARKids First-A. ARKids First-B also requires co-payments. The ARKids First-B program utilizes the same provider system as ARKids First-A and operates under a primary care case management model. The objectives of the ARKids First-B program are to integrate uninsured children into the health care delivery system and to provide a benefit package comparable to State's Essential Benefit Plan-equivalent coverage.