



# EXHIBIT C-1

## Division of Medical Services

P.O. Box 1437, Slot S-401 · Little Rock, AR 72203-1437  
501-682-8292 · Fax: 501-682-1197 · TDD: 501-682-6789



May 7, 2009

The Honorable Hank Wilkins, IV, Co-Chairman  
The Honorable Allen Maxwell, Co-Chairman  
Arkansas Legislative Council  
State Capitol Building, Room 315  
Little Rock, AR 72201

Dear Senator Wilkins and Representative Maxwell:

Submitted herewith is the Medicaid Report for the 3rd quarter of SFY 2009 as required by A.C.A. Section 20-77-111. This report presents Medicaid data for the quarter January 1, 2009, through March 31, 2009.

If you have any questions regarding utilization and expenditure data, please contact Sharon Jordan, Chief Program Administrator, at 682-8489.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy Jeffus". The signature is fluid and cursive, extending to the right with a long horizontal stroke.

Roy Jeffus  
Director

RJ/RW

Attachment

cc: Keith Gober, Analyst, Bureau of Legislative Research  
Kim Baxter, Legislative Analyst, Bureau of Legislative Research  
Joyce Dees, Office of the Governor



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May 7, 2009

The Honorable Percy Malone, Senate Chairman  
The Honorable Gregg Reep, House Chairman  
Public Health, Welfare, and Labor Committee  
State Capitol Building, Room 433  
Little Rock, AR 72201

Dear Senator Malone and Representative Reep:

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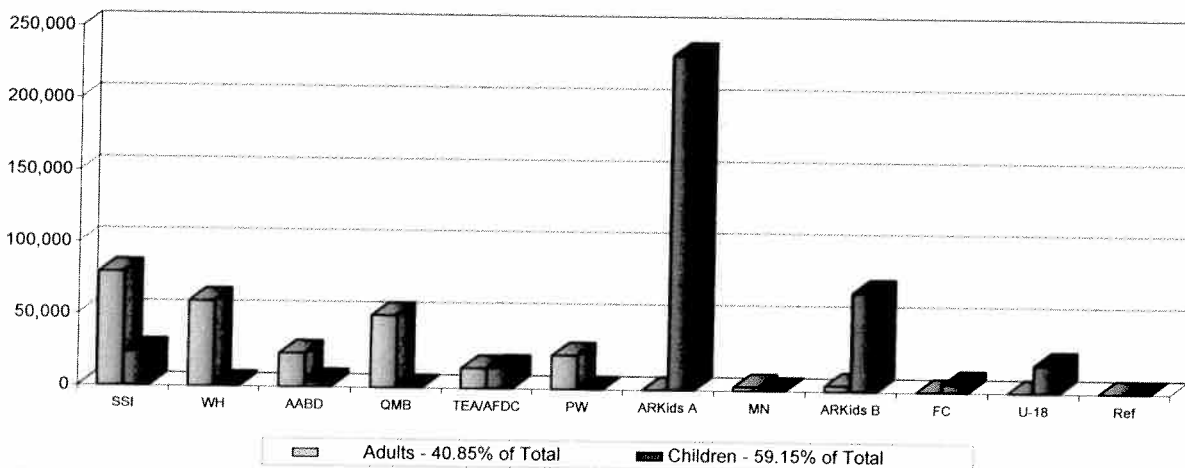
**MEDICAID QUARTERLY REPORT  
MEDICAID ELIGIBLES AND RECIPIENTS  
THIRD QUARTER - SFY 2009**

**Eligibles and Recipients by Month**

SFY09		Recipients as	
	Eligibles	Recipients	% of Eligibles
January	621,954	352,320	56.65%
February	627,410	349,748	55.74%
March	632,122	364,395	57.65%

SFY08		Recipients as	
	Eligibles	Recipients	% of Eligibles
January	638,352	353,974	55.45%
February	635,251	351,287	55.30%
March	632,005	341,030	53.96%

**Average Number of Eligibles Per Month (3rd Quarter SFY09)  
by Aid Category, Adults and Children (including ARKids First and CHIP)**



**Eligibles (Adults and Children) by Aid Category**

(Average for January, February, March 2009)

		Adults	Children	All
<b>SSI</b>	Supplemental Security Income	79,140	23,984	103,124
<b>WH</b>	Women's Health Waiver	59,207	1,513	60,720
<b>AABD</b>	Aid to the Aged, Blind and Disabled	23,446	3,499	26,945
<b>QMB</b>	Qualified Medicare Beneficiary	49,945	13	49,958
<b>TEA/AFDC</b>	Transitional Employment Assistance	13,938	14,375	28,313
<b>PW</b>	Pregnant Women	23,633	0	23,633
<b>ARKids A</b>	Low-Income Children	0	232,535	232,535
<b>MN</b>	Medically Needy	2,712	532	3,244
<b>ARKids B</b>	ARKids First Waiver	3,987	68,795	72,782
<b>FC</b>	Foster Care	207	6,093	6,300
<b>U-18</b>	Under Age 18	1	19,604	19,605
<b>Ref</b>	Refugee	4	0	4

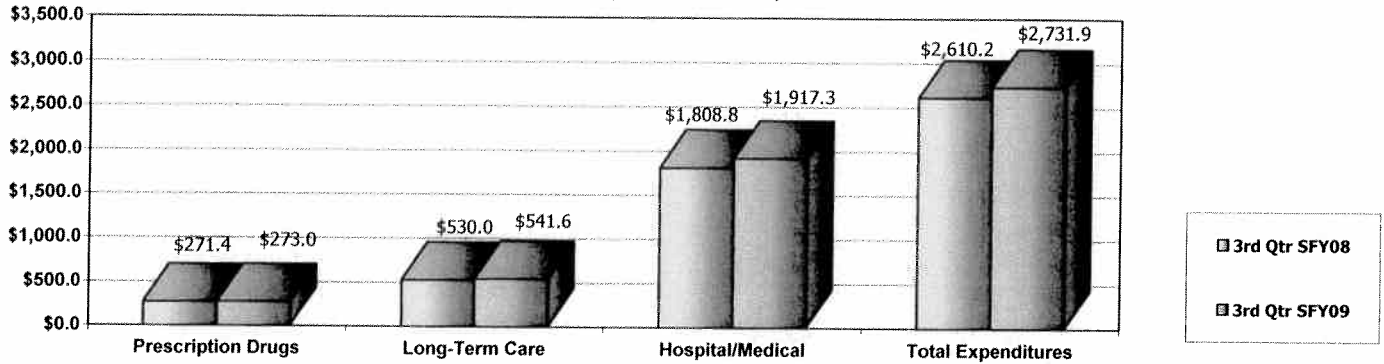
<b>Total Average Eligibles - 3rd Qtr SFY 2009:</b>	<b>256,220</b>	<b>370,942</b>	<b>627,162</b>
<b>Total Average Eligibles - 3rd Qtr SFY 2008:</b>	<b>261,043</b>	<b>374,159</b>	<b>635,202</b>
<b>Percentage of Increase from SFY 2008 to SFY 2009:</b>	<b>-1.85%</b>	<b>-0.86%</b>	<b>-1.27%</b>

**Explanation of Monthly Recipient Counts:** Recipient counts include individuals who actually received services. Individuals for whom there was a managed care fee claim as part of the Primary Care Provider (Connect Care) Program, but for whom there was no actual medical service, are not counted.

**MEDICAID QUARTERLY REPORT  
PROGRAM EXPENDITURE DATA - VENDOR PAYMENTS  
THIRD QUARTER - SFY 2009**

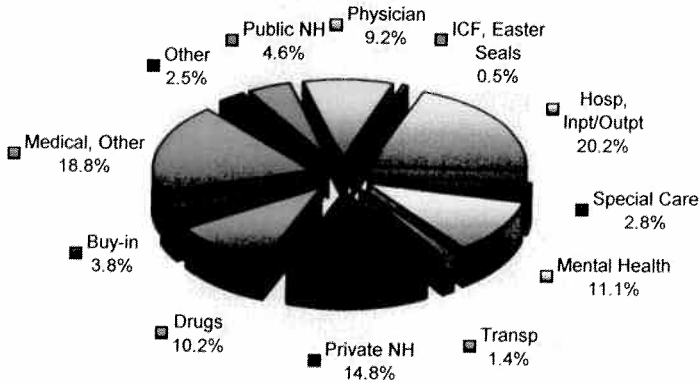
**Expenditure Comparison by Appropriation**

(Expressed in millions)

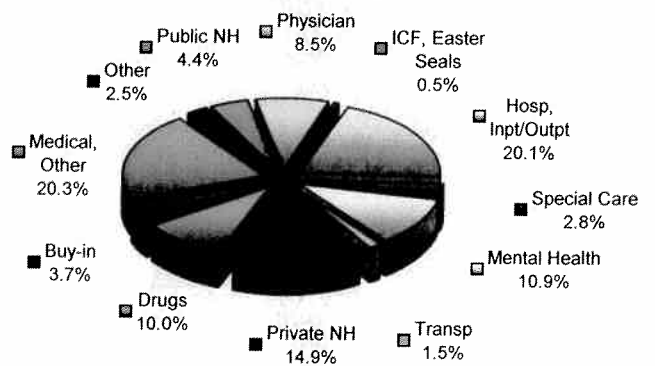


YTD Amounts	Hospital/ Medical	Drugs	Long Term Care	ARKids First	Medical Expansion	TOTAL
% of Budget Spent	98.56%	93.75%	98.85%	86.55%	80.17%	97.63%
Growth Over SFY08	5.94%	1.08%	2.19%	1.66%	16.89%	4.67%

**Total Medicaid Expenditures  
SFY 2008**



**Total Medicaid Expenditures  
Q3 YTD SFY 2009**



<b>Actual Trust Fund Usage SFY08:</b>	\$69,215,170
<b>Actual Trust Fund Usage this Quarter:</b>	\$0
<b>Actual Trust Funds Usage Year-to-Date SFY09:</b>	\$0
<b>SFY09 Projected Trust Fund Usage per 7/1 Operating Budget:</b>	\$155,818,800
<b>SFY09 Revised Projected Trust Fund Usage due to Stimulus:</b>	\$0

Source: DHS, DAS, Quarterly Payout Reports

**MEDICAID POLICY CHANGES  
JANUARY – MARCH 2009**

**Effective Date**

2-23-09

**Description of Policy Change**

J1300 "Injection, eculizumab, 10mg" is covered in the Hospital and Physician manual for all ages by Medicaid to treatment paroxysmal nocturnal hemoglobinuria. It requires a primary diagnosis of ICD-9 diagnosis code 283.2 and is billable electronically and on paper.

## **MEDICAID ELIGIBILITY CHANGES JANUARY – MARCH 2009**

Appendix S (SSI and Quarters of Coverage Charts) has been updated with the 2009 income amounts which became effective 1/1/09. (See attached)

MS 09-02 was issued 1/13/09 deleting the clinical service, annual post sterilizations follow-up visit. This is no longer a covered service under the Family Planning Waiver.

MS 09-04 was issued 1/16/09 explaining the Adult Family Home has been added to ElderChoices replacing Adult Foster Care. If an ElderChoices recipient participates in this service, the recipient will be required to contribute to the cost of care. A patient liability amount will be calculated according to the procedures in the Assisted Living Facilities Waiver policy (MS 26230) which provides the allowable deductions that may be subtracted from gross income.

MS PD 09-07 issued 3/2/09 effective 3/4/09, families statewide will be able to apply for ARKids online via a web based application through Access Arkansas on the DHS website. ARKids was selected to be the first online application because of its simplicity: applicants are not required to have a face-to-face interview, income is declared and there is no resource test. A centralized processing unit housed in Phillips County will receive and process all online ARKids applications. Once approved, the family's resident county will be responsible for processing changes, reevaluations, etc as for any other ARKids case.

MS PD 09-08 issued 3/9/09 the AAPD Waiver has been amended to include the Working Disabled category as a group that is eligible for services within the waiver. In order to be eligible for the AAPD Waiver services and the Working Disabled category, applicants must meet both the medical criteria of the AAPD Waiver program and the financial criteria of the Working Disabled category.

**SSI Chart and Quarters of Coverage Chart**

Long Term Care (LTC), TEFRA, Home & Community Based Waiver	Individual	\$2,022.00 per month
SSI/SPA	Individual Couple	\$674.00 \$1,011.00
1/3 Reduction for Living in the Household of Another	Individual Couple	\$449.33 \$674.00
In-Kind Support	Individual Couple	\$244.66 \$357.00
Living Allowance for Ineligible Spouse or Child	Individual	\$337.00
Substantial Gainful Activity (SGA) for Disability	Individual	\$980.00
Substantial Gainful Activity for Blindness	Individual	\$1,640.00
Assisted Living Facility Waiver Room and Board	Individual	\$612.00
Assisted Living Facility Waiver Personal Allowance	Individual	\$61.00
Student Earned Income Exclusion	Monthly Annual	\$1,640 \$6,600

**Amount Needed to Earn a Qualifying Quarter**

Year	Earnings Needed for One Credit	Year	Earnings Needed for One Credit
1978	\$250	1994	\$620
1979	\$260	1995	\$630
1980	\$290	1996	\$640
1981	\$310	1997	\$670
1982	\$340	1998	\$700
1983	\$370	1999	\$740
1984	\$390	2000	\$780
1985	\$410	2001	\$830
1986	\$440	2002	\$879
1987	\$460	2003	\$890
1988	\$470	2004	\$900
1989	\$500	2005	\$920
1990	\$520	2006	\$970
1991	\$540	2007	\$1000
1992	\$570	2008	\$1050
1993	\$590	2009	\$1090