

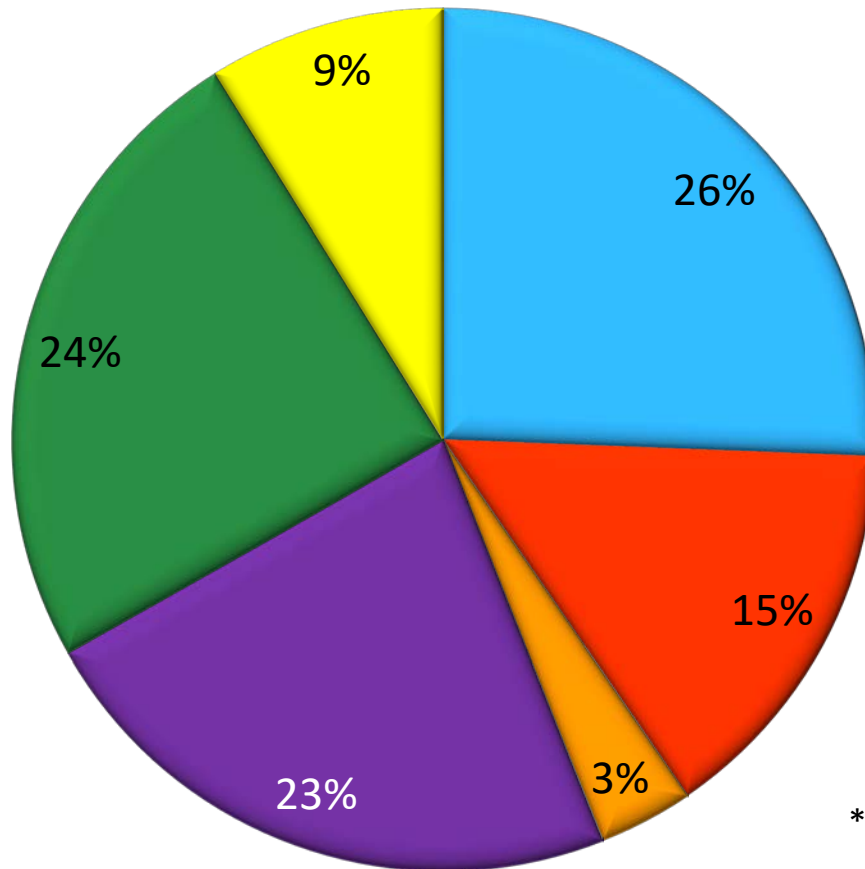
DHS Budget Discussion

SFY 2021



DHS Staff Type

DHS Staff*



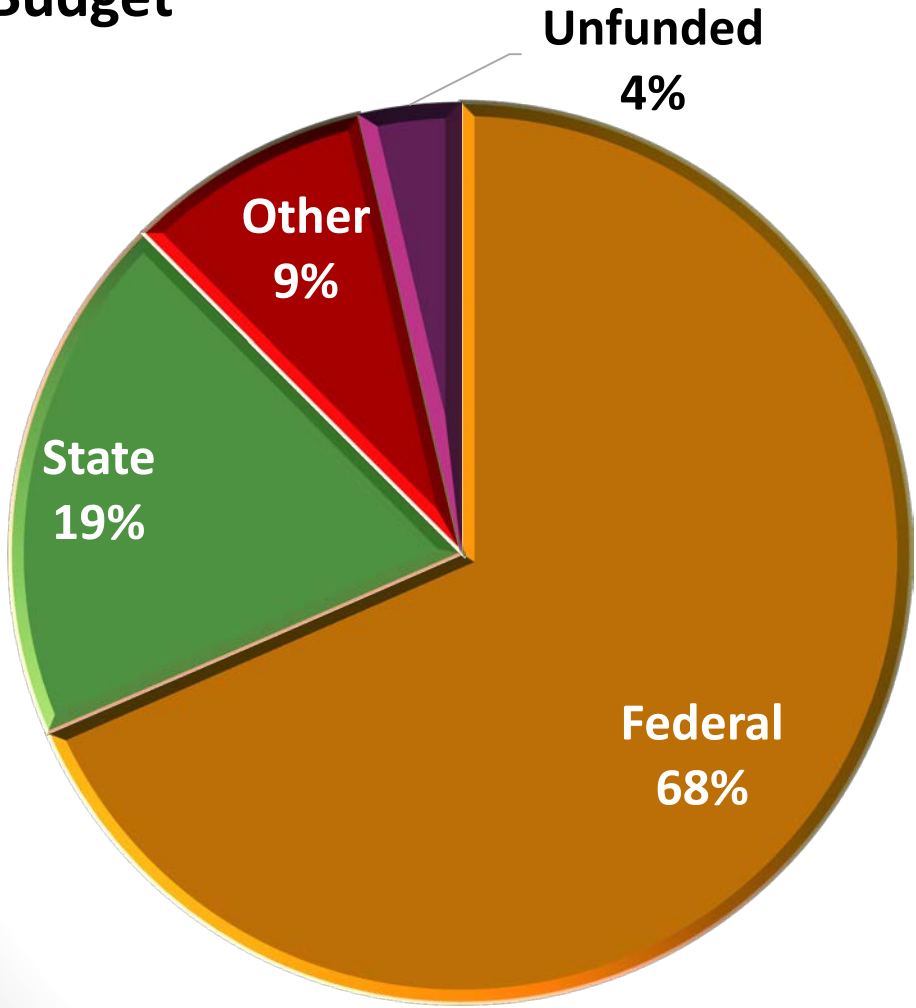
- Direct Patient Care - ASH, HDCs, AHC
- DCFS - Field Staff
- DAABHS - Field Staff
- County Operations - Field Staff
- Division Program Staff
- Shared Services

* Filled positions as of 2.29.2020

- 7,594 Budgeted Positions
 - 1,817 Filled Direct Care Positions
 - 99 Positions Relinquished to OPM

SFY 2021 Appropriation Break Down

Budget



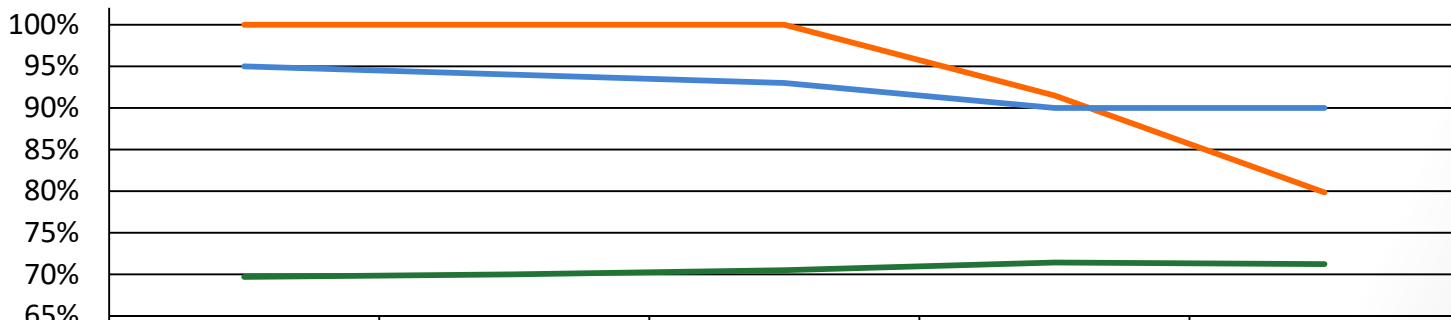
Type	SFY 2021
Federal	\$6,459,135,758
State	\$1,802,963,241
Other	\$829,249,705
Unfunded Appropriation	\$345,226,959
Total*	\$9,436,575,663

*Total Appropriation reflects recommended budget including changes for Transformation.

Medicaid Budget Projections

- Medicaid budget is primarily impacted by 5 factors:
 - Enrollment – Total Medicaid population increased by 2-percent in calendar year 2019 (CY2019)
 - Utilization
 - New high cost specialty drugs
 - Prices (Rates)
 - Access
 - FMAP

FMAP “Match Rates” FFY 2017-21






	FFY 2017	FFY 2018	FFY 2019	FFY 2020	FFY 2021
Traditional	69.69%	70.00%	70.51%	71.42%	71.23%
CHIP	100.00%	100.00%	100.00%	91.49%	79.86%
ARWorks	95.00%	94.00%	93.00%	90.00%	90.00%

Medicaid: Split Between Federal, SGR, and Other Sources

	SFY 2020	SFY 2021
Federal Share	\$5,835,358,299	\$6,016,749,075
State Share	\$1,891,949,715	\$1,985,850,236
Total Funding	\$7,727,308,014	\$8,002,599,311
General Revenue (Excludes Rainy Day Funds)	\$1,306,570,879	\$1,371,953,693
Other Revenue	\$585,378,836	\$613,896,543
Total State Revenues	\$1,891,949,715	\$1,985,850,236

Budget Drivers by Program

SFY 2021		
	Arkansas Works FMAP decrease and a 4.7% rate increase	\$20.70M
	Traditional Medicaid FMAP decrease, medical inflation, utilization, and rates	\$33.09M
	CHIP FMAP decrease, coverage costs, medical inflation, utilization, and rates	\$11.59M
Total requested State General Revenue (SGR) increases for SFY 21		\$65.38M

Budget Risks

- Legal action impacting:
 - Arkansas Works
 - Long-term services and supports (LTSS) waivers
 - Programs for individuals with developmental disabilities
- New Federal Rules, Medicaid Fiscal Accountability Regulation (MFAR), supplemental payment rule
 - CMS final rule this spring
 - Potential restructuring of hospital, physicians, nursing homes and other supplemental payments to providers
- National economic conditions and public health risks
- By SFY 2022, unless additional savings and/or revenue are put into place for Medicaid, Other Revenue sources will not be sufficient to meet current and expected obligations and an increase in SGR will be required.