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**Arkansas Association of
Area Agencies on Aging
P. O. 2637
Batesville, AR 72503**

Re: Community First Choice Option

Dear Senator Hendren, Senator Bledsoe, Representative Collins and Members of the Health Reform Task Force:

The Arkansas Association of Area Agencies on Aging supports the adoption and implementation of the Medicaid Community First Choice Option (CFCO) in Arkansas.

It is not just eliminating the developmental disabilities waiting list that is at issue. The savings from the higher federal match under CFCO also will allow the state to infuse much needed additional resources into services for senior citizens and individuals with physical disabilities.

The Area Agencies on Aging provide home and community-based services (HCBS) to elderly and physically disabled adults in their homes. These individuals would not have the option to choose to stay at home in the absence of these services.

For those individuals who choose HCBS rather than institutional care, the net cost to the State's General Revenue Fund is *reduced* (even after accounting for the provider tax paid by nursing facilities). Over the next decade, the aging baby boom generation will almost double Arkansas' 65 and over population. It is imperative that we maintain the full continuum of care from home to nursing facility – but do it more efficiently.

While we are not wedded to CFCO alone as a solution, it is the only significant, ongoing source of additional funding that anyone has identified to help home and community-based programs. Unlike institutions, we do not receive annual rate increases, yet as nonprofit agencies we still must be able to cover the increasing costs of providing care.

Currently, home and community-based services are provided through a Medicaid waiver. With the adoption of CFCO, the same services could be provided to the same individuals through the regular Medicaid State Plan. While some will label this an "entitlement," it is no more of an entitlement than nursing home care or any other state plan service. The state is free to set caps and impose other

utilization requirements. CFCO does not expand financial eligibility for elderly individuals and adults with disabilities nor does it expand medical eligibility.

We have worked with the Department of Human Services on the design of CFCO in Arkansas and believe that with sufficient time a viable, sustainable model can be implemented.

A handwritten signature in black ink, appearing to read "Ted Hall", with a long horizontal flourish extending to the right.

Ted Hall, President

Arkansas Association of Area Agencies on Aging