



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

September 15, 2016

Director Cindy Gillespie
700 Main Street
Little Rock, AR 72203

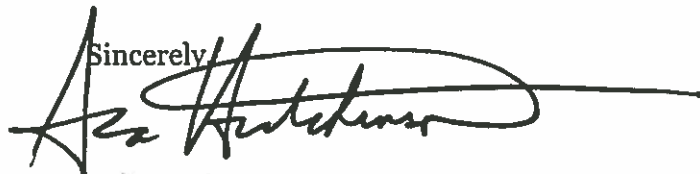
Dear Director Gillespie,

Over the past year, the Health Reform Legislative Task Force has had a significant role in determining the fate of the Medicaid expansion and identifying savings opportunities within the traditional Medicaid program. In order to realize these savings, it is critical the proposed reforms for behavioral health, developmental disabilities, and for the frail elderly and physically disabled successfully complete Legislative review this fall to begin implementation July 2017. While the Task Force will conclude at the end of this year, more work needs to be done to address the future financial sustainability and affordability of Medicaid in Arkansas.

To that effect, I am asking you to lead an effort in partnership with Arkansas Insurance Department Commissioner Allen Kerr, and Arkansas Health Insurance Marketplace Executive Director Cheryl Smith Gardner to develop a plan and specific recommendations to ensure the long-term sustainability of the Arkansas Medicaid Program, including Arkansas Works and traditional Medicaid.

To clarify the task ahead, I am asking DHS to provide to me with a five year outlook on the Arkansas Medicaid Program by October 15, 2016.

This review and plan for further reform should include recommendations related to showing the growth of exchange insurances rates, managing costs and reducing risks to the state. Your plan and recommendations for long-term sustainability of the program should be presented to me no later than May 30th, 2017. I appreciate your personal leadership in this effort and look forward to receiving your recommendations.

Sincerely,

Asa Hutchinson