



Arkansas Medicaid Program – Fiscal Impact Estimate for SB 278

March 9, 2023

Bill Subtitle: TO TERMINATE THE ARKANSAS HEALTH AND OPPORTUNITY FOR ME PROGRAM; AND TO TRANSFER ALL BENEFICIARIES IN THE ARKANSAS HOME AND OPPORTUNITY FOR ME PROGRAM TO THE TRADITIONAL ARKANSAS MEDICAID PROGRAM.

Annual Estimated Total Spending Reduction: **\$ 867,440,028**

Annual Estimated Reduction in State SGR Obligation: **\$ 52,415,675**

Annual Estimated Reduction in State and Local
General Tax Revenues: **\$ 80,411,691**

The fiscal impact in future years after SFY2024 will depend on multiple factors including changes in healthcare inflation, enrollment, and utilization.

DHS estimates there would also be increased operational costs due to higher demands on state employee staffing; contracts; prior authorization (PA) workloads, including pharmacy and treatment; and claims payments to cover increased FFS population.