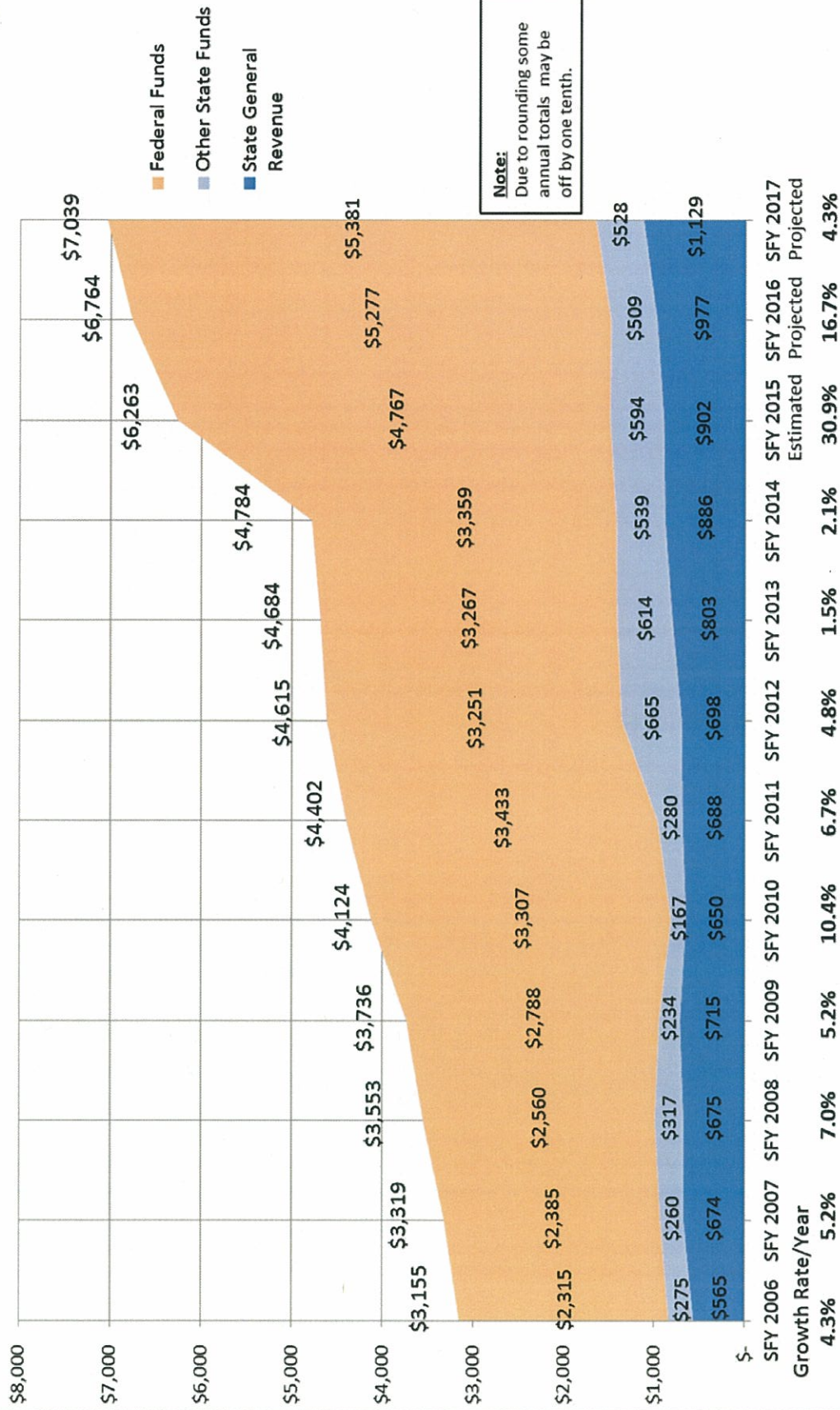


Arkansas Medicaid Expenditures and Funding (in Millions)

SFY 2006 - SFY 2017 (Projected)

Updated August 12, 2015

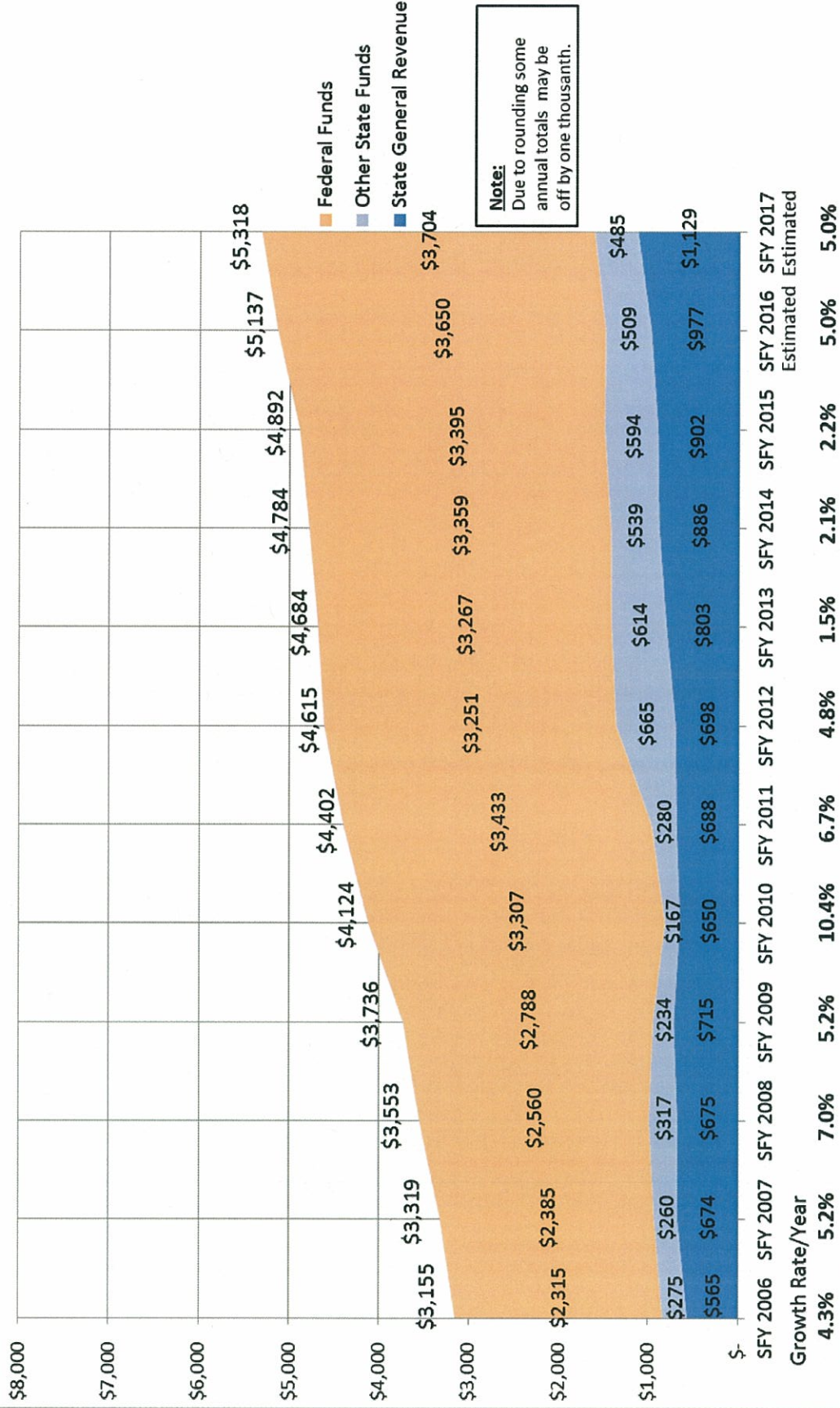


SOURCE: Arkansas Department of Human Services (DHS), Division of Medical Services (DMS)
File: AR Medicaid Expenditures and Funding WITH PRIVATE OPTION 2006-2017 07_09_2015 RevB.xlsx

Arkansas Medicaid Expenditures and Funding (in Millions)

SFY 2006 - SFY 2017 (Projected - LESS PRIVATE OPTION)

Updated August 12, 2015



SOURCE: Arkansas Department of Human Services (DHS), Division of Medical Services (DMS)

File: AR Medicaid Expenditures and Funding LESS PRIVATE OPTION 2006-2017 08_17_2015.xlsx

Health Care Reform in Arkansas: SEVEN elements

- 1. IMPLEMENT MANDATORY EMPLOYER SPONSORED INSURANCE (ESI) PREMIUM ASSISTANCE**
- 2. IMPLEMENT PREMIUMS FOR INDIVIDUALS WITH INCOMES MORE THAN 100% OF FPL**
- 3. WORK TRAINING REFERRALS REQUIRED FOR UNEMPLOYED OR UNDEREMPLOYED**
- 4. ELIMINATE NON-EMERGENCY MEDICAL TRANSPORTATION**
- 5. COST SAVINGS**
- 6. LIMIT ACCESS TO PRIVATE MARKET COVERAGE TO WORKING INDIVIDUALS**
- 7. STRENGTHEN PROGRAM INTEGRITY**

Impact of Arkansas Health Care Independence Program (HCIP) on State Spending

	State Funds										
	SFY14	SFY15	SFY16	SFY17	SFY18	SFY19	SFY20	SFY21	SFY22	SFY23	10 Year Total
Required State Match	\$ -	\$ -	\$ -	\$ 43,023,097	\$ 100,090,395	\$ 125,086,697	\$ 172,975,562	\$ 215,195,844	\$ 227,563,149	\$ 240,641,204	\$ 1,124,575,949
Administrative Costs	\$ 2,000,000	\$ 2,500,000	\$ 2,562,500	\$ 2,626,563	\$ 2,692,227	\$ 2,759,532	\$ 2,828,521	\$ 2,899,234	\$ 2,971,714	\$ 3,046,007	\$ 26,886,297
Traditional Medicaid Program Savings	\$ (17,464,822)	\$ (55,372,719)	\$ (58,989,662)	\$ (62,825,516)	\$ (66,892,115)	\$ (71,202,702)	\$ (75,771,252)	\$ (80,632,933)	\$ (85,806,552)	\$ (91,312,124)	\$ (666,270,397)
Net Impact on Medicaid Spending	\$ (15,464,822)	\$ (52,872,719)	\$ (56,427,162)	\$ (17,175,856)	\$ 35,890,507	\$ 56,643,528	\$ 100,032,830	\$ 137,462,145	\$ 144,728,312	\$ 152,375,087	\$ 485,191,849
Uncompensated Care Savings	\$ (13,300,000)	\$ (33,400,000)	\$ (33,400,000)	\$ (40,200,000)	\$ (40,200,000)	\$ (40,200,000)	\$ (40,200,000)	\$ (40,200,000)	\$ (40,200,000)	\$ (40,200,000)	\$ (361,500,000)
Total Impact on Medicaid and Uncompensated Care	\$ (28,764,822)	\$ (86,272,719)	\$ (89,827,162)	\$ (57,375,856)	\$ (4,309,493)	\$ 16,443,528	\$ 59,832,830	\$ 97,262,145	\$ 104,528,312	\$ 112,175,087	\$ 123,691,849
Added Premium Tax Revenue (2.5%)	\$ 4,736,719	\$ 29,661,616	\$ 35,013,510	\$ 37,025,737	\$ 39,153,606	\$ 41,403,763	\$ 43,783,238	\$ 46,299,460	\$ 48,960,290	\$ 51,774,038	\$ 377,811,978
Net State Budget Impact of Arkansas HCIP	\$ (33,501,540)	\$ (115,934,335)	\$ (124,840,673)	\$ (94,401,593)	\$ (43,463,099)	\$ (24,960,235)	\$ 16,049,593	\$ 50,962,684	\$ 55,568,021	\$ 60,401,049	\$ (254,120,129)
Influx of Federal Funds	\$ 219,201,019	\$ 1,378,646,002	\$ 1,627,397,344	\$ 1,677,900,773	\$ 1,719,734,970	\$ 1,799,324,031	\$ 1,862,031,051	\$ 1,936,762,599	\$ 2,048,068,345	\$ 2,165,770,833	\$ 16,434,836,967
Macro Economic Impact to the State of Federal Funds (4%)	\$ 8,768,041	\$ 55,145,840	\$ 65,095,894	\$ 67,116,031	\$ 68,789,399	\$ 71,972,961	\$ 74,481,242	\$ 77,470,504	\$ 81,922,734	\$ 86,630,833	\$ 657,393,479
Net Impact of AR HCIP including Macro Economic Funds	\$ (42,269,581)	\$ (171,080,175)	\$ (189,936,566)	\$ (161,517,624)	\$ (112,252,498)	\$ (96,933,197)	\$ (58,431,649)	\$ (26,507,820)	\$ (26,354,713)	\$ (26,229,785)	\$ (911,513,608)

Changes from March 2013 Analysis:

Medically Frail cost estimate was replaced by emerging experience on Medically Frail population cost
 Carrier premium amounts and enrollee demographics were used in place of previous estimate of non-Medically Frail costs
 Analysis scope limited to AR HCIP (woodwork population excluded)
 Annual cost growth rate adjusted to be consistent with approved 1115 Waiver