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July 14, 2015

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Ms. Ashkeboussi and Mr. Brooks:

On behalf of the Arkansas Department of Human Services, I would like to request the following technical corrections to the Special Terms and Conditions ("STCs") for the Arkansas Health Care Independence Program (or "Private Option") (Project Number 11-W-00287/6):

- **Program Description and Objectives:** As you know, the 2015 Arkansas General Assembly suspended the application of any additional cost sharing requirements that were to be effective on or after January 31, 2015, under the Health Care Independence Program to Medicaid beneficiaries with incomes below 100% of the federal poverty level (FPL). As a result, Independence Accounts (IAs) are not currently being implemented for individuals with incomes below 100% FPL. To reflect our implementation efforts and ensure consistency between the STCs and the IA Operational Protocol, I request that the waiver be modified as follows:
 - Third paragraph: I request that the sentence beginning, "The new adult population with incomes above 100 percent FPL..." be amended to read, "The new adult population with incomes above 100 percent FPL will be required to make contributions to their IA consistent with the amounts specified in the IA Operational Protocol, depending on income."
 - Fourth paragraph: I request that the sentence beginning, "The new adult population with incomes between 50 percent and 100 percent FPL..." be modified as follows: "To the extent that the State establishes IAs for individuals with incomes between 50 percent and 100 percent FPL, the new adult population with incomes between 50 percent and 100 percent FPL may be required to contribute to their IA consistent with the amounts specified in the IA Operational Protocol."
 - Ninth paragraph: I request that the sentence beginning, "IAs will also be established for individuals with income from 50-133 percent FPL..." be modified to, "IAs may be established for individuals with income from 50-133 percent FPL as specified in the IA Operational Protocol to help smooth the transition out of the Private Option and into private market plans or Medicare."

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- **STC 23.** To ensure consistency between the STCs and the IA Operational Protocol, in the thirteenth paragraph, (k.i), I request that the sentence beginning, “For individuals with incomes between 50 and 100 percent FPL who do not make contributions to the IA...” be modified to, “In the event the State establishes IAs for the new adult population with incomes between 50 and 100 percent FPL, for individuals at this income level who do not make contributions to the IA...”
- **STC 31.** To ensure consistency between the STCs and the IA Operational Protocol, in the fifth paragraph, (c.i), I request the sentence beginning, “For individuals with incomes between 50 and 100 percent FPL who do not make contributions to the IA...” be modified to “In the event the State establishes IAs for the new adult population with incomes between 50 and 100 percent FPL, individuals at this income level who do not make contributions to the IA by the monthly due date prior to the first day of the third month of QHP coverage....”
- **STC 42.** To ensure consistency between the STCs and the IA Operational Protocol, I request amending letter (b) to read, “As specified in the IA Operational Protocol, enrollees at 50 percent of the FPL and above may have cost sharing consistent with Medicaid requirements and must include an aggregate cap of no more than 5 percent of family monthly or quarterly income.”
- **STC 44.** To ensure consistency between the STCs and the IA Operational Protocol, I request that the waiver be modified as follows:
 - First paragraph: I request that the clause beginning “Private Option beneficiaries with incomes greater than 50 percent FPL will be required to make monthly contributions into IAs” be changed to “Private Option beneficiaries with incomes greater than 50 percent FPL may be required to make monthly contributions into IAs.”
 - Second paragraph: I request that the sentence, “Private Option beneficiaries will make contributions up to the amounts described below,” be re-worded to read, “Private Option beneficiaries will make contributions up to the amounts described in the IA Operational Protocol.”
 - Table 2: I request that Table 2 be deleted from the STCs since contribution amounts are inconsistent with those specified in the IA Operational Protocol.
 - Third paragraph, (a): I request that the sentence, “The new adult population with incomes between 50 percent and 100 percent FPL will have an option in which they contribute \$5 per month to their IA” be re-worded to “The new adult population with incomes between 50 percent and 100 percent FPL may have an option in which they contribute to an IA consistent with the IA Operational Protocol.”
 - Third paragraph, (a): Please add a clause to the sentence beginning, “The State will also contribute funds...” to say, “To the extent that the State establishes IAs for individuals with incomes between 50 percent and 100 percent FPL, the State will also contribute funds to ensure the account covers the individual’s QHP copayment and coinsurance obligations.
 - Sixth paragraph, (b): Please revise the sentence, “The new adult population with incomes above 100 percent FPL through 133 percent FPL will contribute \$10-\$25 per month to their IA (depending on their income as outlined in Table 2 above)” to “The new adult population with incomes above 100 percent FPL through 133 percent FPL will contribute according to the amount specified in the IA Operational Protocol for their income level.”
- **STC 45.** To ensure consistency between the STCs and the Independence Account Operational Protocol, in the second paragraph (b), I request adding the clause, “In the event the State establishes

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IAs for the new adult population with incomes between 50 percent and 100 percent FPL,” at the beginning of the sentence, “Beneficiaries between 50 percent FPL and 100 percent FPL who do not make monthly contributions to their IAs will be billed only for copayment amounts as specified in the state plan amendment to be submitted by the State.”

- **Attachment B.** To ensure consistency between the STCs, its attachments, and the Independence Account Operational Protocol, I request amending the table header reading, “Cost Sharing Applicable for Individuals with Incomes from 50-100% FPL Who Do Not Make Monthly Contributions” to “Cost Sharing Applicable for Individuals with Incomes from 50-100% FPL Who Do Not Make Monthly Contributions in the Event the State Establishes Independence Accounts for the New Adult Population at this Income Level.”

Please let me know if you have any questions regarding these requests or if you would like to discuss them further.

Finally, thank you to you and your staff for their diligence in working with Arkansas throughout the implementation of this important demonstration. I look forward to continuing this collaborative effort to provide high quality health coverage for Arkansans.

Sincerely,



John Selig
Director, Arkansas Department of Human Services

cc: Joseph W. Thompson, MD, MPH
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