



Administrator
Washington, DC 20201

SEP 28 2005

Mr. Roy Jeffus
Director
Arkansas Department of Health and Human Services
P.O. Box 1437
Slot S-401
Little Rock, AR 72203-1437

Dear Mr. Jeffus:

We are pleased to approve your request for section 1115 demonstration authority needed to implement the Hurricane Katrina Multi-State section 1115 demonstration. The Medicaid demonstration is approved as Project Number 11-W-00201/6 and the State Children's Health Insurance Program (SCHIP) demonstration is approved as Project Number 21-W-0027/6. This demonstration is granted as we work to recover from one of the worst natural disasters in the history of the United States. The Centers for Medicare & Medicaid Services (CMS) has developed this section 1115 demonstration initiative to ensure the continuity of health care services for the victims of Hurricane Katrina.

The demonstration waivers and expenditure authorities outlined in this letter and in the enclosed special terms and conditions (STCs) will assist the State of Arkansas in providing Medicaid and SCHIP coverage for evacuees who have been displaced as a result of Hurricane Katrina. Additionally, this demonstration allows for the establishment of expedited Medicaid/SCHIP eligibility for new applicants in the time of a natural disaster who would now meet certain income eligibility standards as described in the simplified eligibility chart at enclosure B. A period of eligibility for up to 5 months is provided for all eligibility groups who are evacuees.

In addition, Arkansas will be allowed to reimburse providers that incur uncompensated care costs for medically necessary services and supplies for evacuees who do not have other coverage for such services and supplies through insurance or other options available, including title XIX and title XXI in the State for a 5-month period, effective August 24, 2005, through January 31, 2006. Arkansas may establish other methodologies to prevent abuse, including an income test, and shall submit to CMS such methodologies by October 31, 2005. Arkansas shall establish mechanisms to prevent payments for uncompensated care costs on behalf of individuals who have coverage for services or for which other options are available. Arkansas shall consider alternative methods for providing coverage to uninsured evacuees, including through premium assistance for private insurance and other insurance pools and report to CMS on the feasibility of adopting such alternative methods no later than October 31, 2005.

Our approval of this demonstration (and the waivers and Federal matching provided thereunder) is conditioned upon compliance with the enclosed STCs, which set forth in detail the nature, character, and extent of anticipated Federal involvement in the project. In order to facilitate health care services for individuals displaced from their home States, we are not applying the usual Medicaid budget neutrality or SCHIP allotment neutrality requirements of section 1115 demonstration projects. The Department agrees that individuals participating in this demonstration are presumed to be otherwise eligible for Medicaid or SCHIP in their respective home State, and costs to the Federal Government would have otherwise been incurred and allowable.

The award is subject to our receiving written acceptance of this award within 30 days of the date of this approval letter.

The demonstration population consists of evacuees. “Evacuee” refers to an individual who is a resident of the emergency area affected by a national disaster as declared by the President of the United States pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and has been displaced from his or her home State, and is not a non-qualified alien.

Under this demonstration Arkansas shall cover evacuees who fit into the demonstration population consisting of parents, pregnant women, children under age 19, individuals with disabilities, low-income Medicare recipients, and low-income individuals in need of long-term care with incomes up to and including the levels listed on the simplified eligibility chart at enclosure B.

Arkansas shall track each “evacuee” in its computer system to capture the displaced individuals for reporting purposes. Under the authority of section 1115(a)(1) of the Social Security Act (the Act), the following waivers of Medicaid and SCHIP State plan requirements contained in sections 1902, 2105, and 2108 of the Act are granted to enable Arkansas to carry out this section 1115 demonstration through this period.

Your project officer is Mr. Steve Rubio. Mr. Rubio is available to answer any questions concerning implementation of your section 1115 demonstration and can be reached at (410) 786-1782. His address is:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
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7500 Security Boulevard
Baltimore, MD 21244-1850
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Official communications regarding program matters should be sent simultaneously to Mr. Rubio and to Mr. Andrew Fredrickson, Associate Regional Administrator in our Dallas Regional Office. Mr. Fredrickson's address is:

Centers for Medicare & Medicaid Services
Division of Medicaid and State Operations
1301 Young Street, Room 714
Dallas, TX 75202

If you have additional questions, please contact Ms. Jean Sheil, Director, Family and Children's Health Programs Group, Center for Medicaid and State Operations, at (410) 786-5647. We look forward to continuing to work with you and your staff.

Sincerely,



Mark B. McClellan, M.D., Ph.D.

Enclosure

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cc: Mr. Andrew Fredrickson, Associate Regional Administrator, Dallas Regional Office