



ROBERT “BO” RYALL  
President & CEO

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June 13, 2016

Ms. Cindy Gillespie, Director  
Arkansas Department of Human Services  
P. O. Box 1437 (Slot S295)  
Little Rock, Arkansas 72203-1437

Dear Ms. Gillespie:

The Arkansas Hospital Association (AHA), on behalf of its 100 member organizations and their combined 45,000-plus employees, expresses its appreciation for the opportunity to comment on the potential impact of proposed regulations that would implement the new Arkansas Works program.

As a membership organization with a mission to safeguard hospitals’ operational effectiveness in advancing the health and well-being of their communities, the AHA is strongly supportive of the Arkansas Works program now being developed to continue Arkansas’s unique and highly successful approach for providing affordable healthcare coverage for eligible low-income Arkansans. We are confident that Arkansas Works will continue to build and improve upon the successes of the Arkansas Private Option, which has helped Arkansas hospitals to retain their ability to serve patients throughout our state.

Specifically, the AHA applauds Governor Asa Hutchinson and the Arkansas Legislature for engineering Arkansas Works, which promises to maintain access to affordable healthcare for our poorest citizens and to strengthen the qualified health plan premium assistance model by emphasizing personal responsibility, promoting work, and enhancing program integrity. As Arkansas’s healthcare system continues to improve and as the uncompensated care absorbed by hospitals is reduced, our hospitals stand a better chance to remain financially viable – even in the face of losing more than \$2.5 billion in federal cuts related to Medicare payment cuts that have been implemented nationally through the Affordable Care Act (2010), the Budget Control Act of 2011 (sequestration), two separate Tax Acts in 2012, and various regulation changes.

However, the AHA has two major concerns with the Arkansas 1115 waiver extension application. First, and most importantly, the AHA would request to strike or modify §1902(a)(34) that would prohibit medical coverage to Arkansas Works beneficiaries for any time prior to the first day of the month in which the individual applies.

Unfortunately, the Arkansas Department of Human Services (DHS), Division of Medical Services, has been unable to implement the federal requirement for presumptive eligibility detailed in 42 CFR 435.1110. In practice, in place of presumptive eligibility, the department has allowed a 90-day period of retroactive coverage for beneficiaries who are deemed eligible for Private Option plans during the past two years. Should §1902(a)(34) be implemented, we are concerned that an otherwise-eligible beneficiary will be saddled with large amounts of healthcare debt that could have been avoided.

While the AHA encourages DHS to implement the already federally required provisions of “presumptive eligibility,” an option would be to put in place an appropriate time-period of at least 60 days of retroactive

coverage. One of these solutions would not only be more beneficial to the patient, but would also more aptly enhance hospital discharge coordination options for patient care planning, which can reduce costly repeated hospital admissions. Retroactive coverage of at least 60 days or implementation of presumptive eligibility are far superior to the current proposal set forth in §1902(a)(34).

Also, while the AHA applauds the voluntary option for employers to be incentivized to offer insurance to their employees, the AHA has concerns that the current eligibility and enrollment systems within DHS are not able to efficiently perform the tasks that will be required to implement the details included in the proposed waivers. Specifically for the ESI population, the AHA is concerned that the patient experience will be less than ideal – due to cumbersome administrative processes – and will result in poor patient satisfaction scores. For example, it is anticipated that a patient who has selected to keep his employer-sponsored insurance with wrap-around benefits from Medicaid would need multiple healthcare identification cards in order for a healthcare provider to be able to receive appropriate payments for caring for that patient. Once the patient is seen, the provider would have the added burden to discern which bills go to the patient versus Medicaid versus the employer sponsored insurance.

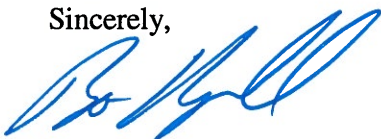
The rise of consumerism is having a major influence on healthcare delivery. As a result, patient satisfaction is becoming very important as a hospital quality measure and is more closely tied to reimbursements from public and private payer groups more than ever before. Because the hospital admissions process, which already is heavily laden with inefficiencies brought about by administrative burdens that actually harm the patient care experience, the AHA requests that DHS help to relieve patients and providers of these burdens at the point of care.

As noted by Secretary Burwell in her letter dated April 5, 2016, addressing the well-documented inadequacies with the existing eligibility determination and enrollment systems would be a step in that direction. Adding additional tasks and functionality to an existing system, as required under the waiver request, is counterproductive to creating a more efficient system, at best. Therefore, the AHA asks that DHS improve its enrollment and eligibility systems with the end-users in mind so that employers are truly incentivized to keep their employees insured.

Arkansas's hospitals, which employ about 45,000 Arkansans with a payroll of about \$5 billion, go to great lengths to provide needed services to the people in our state in a high quality, cost effective manner. The AHA and its members look forward to continuing to work with Governor Hutchinson, the legislature, both the government and private sectors, and our patients to improve the health of people, leading to healthier families, healthier hospitals, and stronger communities in Arkansas.

Once again, thank you for this opportunity to make our concerns known.

Sincerely,



Bo Ryall  
President/CEO

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