

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Ray Hanley to Chris Jennings re: phone number (partial) (1 page)	10/19/1999	P6/b(6)
002. fax	Elaine to Chris Jennings re: phone number (partial) (1 page)	10/26/1999	P6/b(6)
003. memo	Ray Hanley to Chris Jennings (partial) (1 page)	11/22/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Devorah Adler
OA/Box Number: 20462

FOLDER TITLE:

ARKIDS [Folder 4]

Racheal Carter
2012-0463-S
rc716

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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RETURN to Arkansas Section / Thursday, April 13, 2000

Human Services agency hires lobbying firm in U.S. capital

MICHAEL ROWETT
ARKANSAS DEMOCRAT-GAZETTE

The state Department of Human Services will spend up to \$66,500 over the next six months to pay a Washington firm to lobby for the department's interests in the nation's capital.

Department Director Kurt Knickrehm said Wednesday that he decided such representation was needed in the wake of cuts in federal funding incurred by the department and the department's ongoing disagreements with the Clinton administration over the operations of the state's ARKids First Medicaid program.

The contract with Jay Grant & Associates of Washington begins April 21 and ends Oct. 31. While the agreement is specifically with the department, any other state agency also can use the firm's services, Knickrehm said. The contract is capped at \$66,500.

The contract's purpose, according to a description provided Wednesday to legislators, is to "Provide representation on behalf of the state of Arkansas before Congress, the administration, federal regulatory agencies, coalitions and related activities on federal issues including bills, hearings and scheduled congressional action."

Knickrehm said it's not that the state's six-member congressional delegation isn't doing its job. It's that it may be more cost-effective to employ a lobbying firm than for department officials to fly to Washington to press their point in person with federal bureaucrats.

"A lot of states have lobbying offices up there; we don't," Knickrehm said. "We need someone to open doors for us and let us know when there's a monetary issue that's going to affect us."

Knickrehm cited the state's recent loss of \$6 million in Social Services Block Grant funds and continued uncertainty over whether the U.S. Health Care Financing Administration will let the state continue to operate the ARKids Medicaid program as it does now.

The agency asserts that the state is violating the terms of the waiver that allowed it to set up ARKids by enrolling children eligible for the more generous general Medicaid program into ARKids Medicaid, which

Weather

~~more generous general Medicaid program into ARKids Medicaid~~, which has lesser benefits and requires a co-payment.

State officials, including Knickrehm, state Medicaid Director Ray Hanley and Gov. Mike Huckabee, insist that parents should be given the choice of participating in ARKids to show that they want to contribute to their children's health care.

The issue has been in limbo for more than six months, and the state has received no indication of how or when the federal government will make its decision, Knickrehm said.

As a compromise, the state has offered to establish a common application for general Medicaid and ARKids Medicaid and otherwise simplify the procedures to qualify for general Medicaid, which are much more complicated than those for ARKids.

This article was published on Thursday, April 13, 2000

RETURN to Arkansas Section

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BLANCHE LAMBERT LINCOLN
ARKANSAS

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TELEPHONE: (202) 224-4843

e-mail: Blanche_Lincoln@Lincoln.Senate.Gov

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
ENERGY AND NATURAL RESOURCES
SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510

October 26, 1999

President William Jefferson Clinton
The White House
Washington, D.C.

Dear Mr. President:

I am writing to voice my concern about the directive that the Health Care Finance Agency (HCFA) sent to the Arkansas Department of Health and Human Services regarding its ARKids First health care program for low-income children.

Since the inception of ARKids First, approximately 45,000 out of 110,000 eligible children have been enrolled in the program and are receiving health care benefits. Arkansas has been more aggressive than many states in enrolling children in its Children's Health Insurance Program. The key to ARKids First success is its "user friendly" design.

I commend state leaders and Arkansas Advocates for Children and Families for working together to design ARKids First which provides primary and preventive medical care to children of poor, working families. Thanks to ARKids First, these children now have access to a broad range of medical services that are virtually identical to what is offered under Medicaid. While I am proud of the ARKids First program, I believe that the initiative can be improved and efforts should be made to integrate ARKids First and Medicaid into a "seamless" health care program for low-income children.

Mr. President, I know you share my belief that there is no greater national priority than providing health care coverage to the uninsured -- particularly children. To expedite the enrollment of children under state CHIP programs, I recently introduced The Improved Maternal and Children's Health Coverage Act. We must remove barriers to enrollment for eligible families.

It is my understanding that HCFA will soon begin negotiations with the Arkansas Department of Health and Human Services to resolve their disagreements over ARKids First. It is clear that we need your leadership, Mr. President, in trying to help these two agencies find a reasonable compromise. No matter how long negotiations take or what the outcome, I firmly hope that no child currently enrolled in ARKids First loses his or her health care coverage over this statutory dispute.

Thank you for your commitment to the health of all children in Arkansas.

Sincerely,

A handwritten signature in black ink, reading "Blanche L. Lincoln". The script is cursive and fluid, with the first letter of each word being capitalized and prominent.

Blanche L. Lincoln

BLL/ed

BLANCHE LAMBERT LINCOLN
ARKANSAS

359 DIF:KSEN BUILDING
TELEPHONE: (202) 224-4843

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Blanche L. Lincoln

BLL/ed

**Fax Transmission**

Date: 10/29
Time: 3:10 pm
Dept. / Activity Code: 10 Project: 240
Number of Pages: 3 (including this cover sheet)

Please deliver this fax to:

Name: Jean Harburt Org.: _____Fax #: 456-5371 Phone: _____
5557Comments: FYIFrom: Judy Ext.: _____

1334 G Street, NW
Washington, DC 20005
Voice: (202) 628-3030
Fax: (202) 347-2417
e-mail: info@familiesusa.org



The Voice for Health Care Consumers

October 28, 1999

The Honorable Donna Shalala
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Shalala,

I write to thank you for the Department's decision to require the state of Arkansas to enroll Medicaid eligible children in the Medicaid program and not in the ARKids expansion. We believe that your decision is both the correct legal interpretation *and* in the best interest of poor families with children.

It is our understanding the Arkansas received a waiver from HCFA in 1997 to cover children who are not otherwise eligible for Medicaid and whose income is below 200% of poverty. Now Arkansas wants to convert ARKids into a CHIP program. The Medicaid program guarantees poor children the right to a comprehensive benefits package with minimal cost sharing. ARKids expansion provides fewer benefits at a greater cost to those families who are enrolled in it. By enrolling Medicaid eligible kids in the ARKids program, whether it is converted into a CHIP program or not, these children and their families are paying more money for fewer benefits than they are entitled to under federal law. In fact we believe that the cost-sharing in the ARKids program is too high and will deter the use of needed services for ARKids eligible families that fall between 100 and 200% of the poverty line – let alone families that fall below the poverty line and are eligible for Medicaid.

Converting ARKids into a CHIP program raises additional problems. Allowing Arkansas to enroll Medicaid kids in ARKids clearly violates Congressional intent that incorporated the "screen and enroll" provision in the CHIP statute. Congress included this provision, which requires states to enroll kids in the appropriate program, to prevent states from gaming the system in two ways. First, states receive more federal matching dollars for CHIP kids than regular Medicaid kids. Second, allowing states to enroll children in the CHIP program erroneously erodes and may eliminate the guarantee of health coverage that poor children currently have under the Medicaid program. If a state elects to do a

separate state program under CHIP, there is no guarantee of coverage if a child meets eligibility criteria because there is no entitlement. Indeed, Florida already has a waiting list of 19,000 children for its separate state CHIP program.

We are aware that Governor Huckabee has claimed that the federal government is preventing him from providing children with needed health coverage because families refuse to enroll in regular Medicaid. If this is the case, the Governor has only himself to blame. Our analysis of the ARKids program shows that the state makes it far more difficult and burdensome for families to enroll their children in Medicaid than ARKids. For example, Arkansas is one of a minority of states that still requires an assets test for Medicaid – yet families applying for ARKids are not required to pass such a test even though they are likely to have more assets. In addition, Arkansas requires a face-to-face interview prior to Medicaid enrollment while families may submit their ARKids application by mail. In its marketing and enrollment practices, the state has gone out of its way to make ARKids attractive and reinforce negative perceptions about Medicaid. Virtually all of the family-friendly policies that the state has implemented in its ARKids program could be applied to the Medicaid program as well, but the Governor has chosen not to.

Again we strongly support your decision to deny the state of Arkansas' request and believe that to do otherwise would be both unlawful and seriously harmful to poor families with children.

Yours sincerely

Ron Pollack/jw

Ronald F. Pollack
Executive Director

Withdrawal/Redaction Marker

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October 19, 1999

To: Chris Jennings, The White House

From: Ray Hanley

Re: More Thoughts on Negative ARKids Impact Letter

Chris, thanks for call back this morning, hope to finish the conversation before today is out, call me on cell phone [REDACTED] or office, 682-8292.

[COPIED]

In reading the HCFA letter again I'm struck by the phrase we can't enroll anybody in ARKids who is eligible for Medicaid. Obviously no one is determined "eligible" unless they make the application and pass the family income, asset limitations, and any other categorical requirements.

Based on the mailed in ARKids applications, based only on income limits to 200% of poverty (no assets test as with regular Medicaid) it cannot be determined whether or not the person, child in this case, qualifies for Medicaid. The staff screening the applications approves any eligible for ARKids (below 200% poverty. They go a step beyond for those whose incomes appear to make them possibly eligible for the regular Medicaid program.

The attached letter is sent to these families, you will note it very clearly advises them that they might qualify for a category of Medicaid with more benefits and no cost sharing. The letter encloses a Medicaid application and instructions on what to do with it should they wish to take this option. Some chose to exercise that choice, many don't. The point is we allow the families to make an informed choice. The practice of sending this letter was worked in the early weeks of the program some two years ago to satisfy HCFA concerns.

The process of allowing families to exercise free choice of which program serves their children has been in place, with HCFA's full knowledge for more than two years now. The results of ARKids First are very impressive, we have very high levels of satisfaction among the families based on documented surveys—and most important the program has served more than 50,000 kids since it's inception, current enrollment has passed 45,000. Few states can demonstrate our track record at getting uninsured kids into comprehensive health coverage.

To adopt the restrictions on families right to choose to apply or not to apply for the regular Medicaid program expressed in the HCFA letter will result in more, not fewer, uninsured children in Arkansas. Surely we can work together to rescind this letter in light of the success of ARKids.

I look forward to talking with you later today.

**PHOTOCOPY
PRESERVATION**

*Chris
met with
Governor Huckabee
staff this afternoon
- need to discuss
with you
ASH
Thank?
Ry*

If you are interested in checking on your eligibility for this type of Medicaid coverage, you need to complete the attached application form and submit it to your local Department of Human Services office. If you choose to apply for these services, Your ARKids coverage will be in effect until such time as you are approved in another category.

If you have any problems or question, you may contact me at 501-682-6600 or toll free at 1-888-543-7890.

Sincerely,

Family Support Specialist

Date _____

Name _____

Address _____

Dear _____

We have received your application for ARKids First and it has been approved. However, it appears that you might be eligible in a Medicaid category that does not require you to pay a co-payment or a deductible, and offers a broader range of Medicaid coverage.

Listed below are examples of services covered by Medicaid that are not covered in the ARKids First program.

Developmental Day Treatment Clinic Services

Domiciliary Care

Hearing Aids (subject to a benefit limit)

Hospice

Inpatient Psychiatric Services for Under Age 21

Non-Emergency Transportation

Occupational and Physical Therapies

Private Duty Nursing Services (if medically necessary, subject to benefit limits)

Rehabilitative Services for Persons with Physical Disabilities

Targeted Case Management

Ventilator Services

: Senator Beebe 5 Pages

Fry, Ed
From: David Olive
Sent: Monday, October 25, 1999 4:57 PM
To: Fry, Ed
Subject: FW: Gov. Huckabee's statement

NEWS RELEASE
OFFICE OF GOV. MIKE HUCKABEE
STATE OF ARKANSAS
State Capitol
Little
Rock, AR 72201
FOR IMMEDIATE RELEASE

FOR MORE INFORMATION, CONTACT:
Rex Nelson, Director of Communications
(501) 682-3606 Fax (501) 682-2614
Jim Harris, Director of Press
Operations
(501) 682-3508 Fax (501) 682-2614

Little Rock-Oct. 25--This is a statement by Gov. Mike Huckabee regarding
the threat to the ARKids First program:

"For more than eight years, I have resisted pressure to be openly
critical of President Clinton even though there have been many people in
the media and various political circles who have urged me to do so. In
1992, I even resisted pressure from the Republican National Committee to
use my speech at the Republican convention to engage in Clinton bashing.
"I've been quiet for the seven years of his presidency, although many
policy decisions and personal events have afforded ample opportunity to be
harshly critical. I can no longer remain silent. This is not about my
political future. It's not about politics at all. It's about the children
of our state, and I will not sit idly by while the administration threatens
the ARKids First program, which has been among the most successful

health-care initiatives in the nation in enrolling uninsured children.

"When Bill Clinton was governor and left Arkansas for Washington,

there were at least 110,000 children without any health care in this state.

There were 21,164 adults and 52,104 children on welfare. Mr. Clinton was elected president after saying he wanted to end welfare as we know it and give children access to health care.

"We have done that in Arkansas, Mr. President. When I became governor, I did what Washington hasn't done much of. I worked with Democrats and Republicans on a bipartisan basis to move people from welfare to work, and I personally committed to do all I could to give the children of our state a fighting chance for a good life by helping their parents provide them with access to health care. Since 1997, the ARKids First program has insured almost 55,000 kids, and we've seen the welfare rolls reduced from 26,588 cases to 12,028 cases. We have reduced the welfare caseload by 14,560 families in the almost seven years since Mr. Clinton left the state. We have done our part. Why should we go back now and say personal responsibility is a bad thing?

"Earlier today, Democratic Sen. Mike Beebe of Searcy, who helped me launch the ARKids First program by shepherding the legislation in 1997, affirmed his commitment to ARKids First. He would have been here with me today except for a previous speaking engagement.

"The federal government has told us we must force parents to put their kids on welfare instead of allowing them to choose the personal responsibility required by ARKids First. Placing children on Medicaid means parents will have to go to a Department of Human Services office, fill out pages of paperwork and be placed on a waiting list. The ARKids First enrollment process consists of a toll-free telephone call and virtually instant coverage.

"We want to know why the administration is afraid to empower the parents of Arkansas to make decisions about their children? Why force families onto welfare when we've worked so hard to get them off? Why make families wade through red tape when we have made it simple to insure their kids? Why jeopardize the health of the children of working parents when we've worked so hard to make this program a national model?

"We ask the people of Arkansas to call and write the White House and ask the president to please help the children of his home state. Please pull the federal bureaucrats off the backs of working families. Demand that these pencil pushers get a dose of reality and not risk the future of Arkansas children by forcing proud Arkansas parents to go back on welfare when they've worked so hard to get off.

"We are tying a yellow ribbon around this bust today to symbolize our hope that Mr. Clinton will remember the people here who didn't forget or abandon him during the best and worst of times. In speeches to children in schools across this state, I have stated that while I differed with Mr.

Clinton on many issues, I respected that someone from my hometown and my home state could become president. We ask the president to now help us resolve this issue."

Fry, Ed
From: David Olive
Sent: Monday, October 25, 1999 4:57 PM
To: Fry, Ed
Subject: FW: Gov. Huckabee responds to threat

NEWS RELEASE
OFFICE OF GOV. MIKE HUCKABEE
STATE OF ARKANSAS
State Capitol
Little
Rock, AR 72201
FOR IMMEDIATE RELEASE

FOR MORE INFORMATION, CONTACT:
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(501) 682-3606 Fax (501) 682-2614
Jim Harris, Director of Press
Operations
(501) 682-3508 Fax (501) 682-2614

Little Rock-Oct. 25—Gov. Mike Huckabee said Monday that a decision made by the federal Health Care Financing Administration seriously threatens the future of the ARKids First program. HCFA has ruled that children who otherwise would be eligible for Medicaid may not enroll in ARKids First. Huckabee said pleas to President Clinton to intervene have gone unanswered.

"For years, the Clinton administration has been talking about the personal responsibility involved in moving from welfare to work," the governor said. "Personal responsibility is what ARKids First is all about. The program has been embraced by Arkansas families who want to take personal responsibility by making a small co-payment and accepting a more streamlined plan than traditional Medicaid. These families should be applauded rather than punished for making this choice."

The governor said the concept of the ARKids First program has been enthusiastically received by working families who have too much income for Medicaid eligibility but not enough for private insurance coverage for their children. He said a number of families who would be eligible for Medicaid, however, would never go through the process of applying. ARKids First should be an option for these families, the governor said.

"They view Medicaid as welfare, and a lot of Arkansas people are too proud to go into a government office and fill out the required forms," Huckabee said. "They will, though, call a toll-free number and get on ARKids First, which is an insurance program rather than a welfare program because of the required co-payments. The bureaucrats in Washington seem to think this creates an unnecessary choice between Medicaid and ARKids First. But they don't understand the stubborn pride of Arkansans. What it does is create a choice between ARKids First and no health coverage at all for many Arkansas children. The goal is to make sure children are insured, and we are doing that in Arkansas. If the Clinton administration does not reverse this decision, I can guarantee you thousands of our state's children will

lose their health insurance coverage."

More than 45,000 Arkansas children currently are enrolled in the ARKids First program. Since the program began in September 1997, more than 55,000 children have enrolled. All families who are considering ARKids First enrollment have been informed they might be eligible for greater Medicaid benefits with no co-payments required. Many of them still have opted for ARKids First.

"This is about empowering working families," Huckabee said. "They should have the power to make choices when it comes to insuring their children. If the Clinton administration opts to prohibit Arkansas families from making this choice, we are going to see a significant increase in the number of uninsured children. All of the Clinton administration's rhetoric about wanting to insure children and wanting to give states flexibility will prove to be just so much hot air. Forcing families who have never been a part of a welfare program to enroll will simply drive them away. I can see how a bureaucrat working in some office building in Washington would not understand that. But I think the president, who was governor of this state for a dozen years, should understand the consequences of this decision.

"ARKids First has been a national role model for children's insurance programs. It is an unqualified success. For the Clinton administration to cripple it now would be a tragedy and would contradict the administration's stated goals for children's health insurance programs."

NWA Times



The Morning

OF NORTHWEST ARKANSAS

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<http://www.nwa.com>

Huckabee lobbies

Elizabeth Caldwell
News Little Rock Bureau

LITTLE ROCK — Gov. Mike Huckabee vowed Monday to continue allowing children of welfare-eligible parents to participate in a state-run insurance program, despite a federal directive to do otherwise.

Huckabee and President Clinton talked by telephone Monday about federal regulations that threaten the future of ARKids First, the state's Medicaid-funded insurance program for children.

The federal Health Care Financing Administration has told state officials to stop enrolling Medicaid-eligible children in the program.

In a letter dated last week, HCFA wrote the state Department of Human Services that the state was granted authority to serve only children who are not eligible for Medicaid. Under the law, Medicaid-eligible children are required to be enrolled in Medicaid, the letter said.

Huckabee said Clinton could direct HCFA to grant the state a waiver.

"We're going to continue the program, and the only way they can actually stop it at this point is they'll just have to quit paying the checks," Huckabee said.

Huckabee said, if the checks stop, "ARKids is dead. The day that happens, we uninsure the children."

Huckabee said that he had just gotten off the telephone with Clinton prior to a 1 p.m. news conference at the Governor's Mansion.

"He is aware that this is a successful program," Huckabee said of the president. "He does not want to see kids cut off."

Huckabee said many Arkansans will choose to go without coverage rather than be forced to switch to Medicaid.

The legislature adopted the \$44-million ARKids First program in 1997 and expanded it this year, after the Huckabee administration

assured lawmakers it from below-projected since 1997 would more any cost increase from state.

Under ARKids First, a small deductible and for a limited health their children that much less coverage than through Medicaid.

In a letter dated Oct. 19, 1999, DHS officials the agency work with them in the procedures associated with ARKids First. He also talk about ways to make more attractive to apply.

HCFA spokesman said the agency approved ARKids First waiver to children in Arkansas to insurance coverage. It made children in families up to 200 percent of level eligible.

But Flavin said the w

Fayetteville planners revoke

Charlie Albson
The Morning News

Patrons of Millennium 2000 won't be dancing the night away on New Year's Eve.

The Fayetteville Planning Commission went up and down Monday evening, like the heavily intoned frequency of a bass line, while it considered whether to revoke a dance-hall permit for Millennium 2000, a

ers considered a bevy of motions, twice voting on whether to revoke the permit.

The first vote to revoke went 5-4 against revocation. After more debate, however, that same motion was reconsidered and passed 7-2. The revocation means that Millennium 2000 can no longer have dancing, but it doesn't mean that the club, restaurant, dart room, sports lounge and Hog Trough bar can't reopen.

used to optional-us

When tember, 1,000 people the occu been sim

The trash fru ine probi

THE SECOND TAKE

DAYCO: Tax breaks available

From Page A1

which to build a 100,000-square-foot building. One site is at Emma Avenue and Monitor Road in Springdale. A second is in Fayetteville along Industrial Boulevard, and a third site has been reported also to be in Springdale.

Springdale Chamber of Commerce officials have said the third site is on Arkansas 265 across from Springdale airport and a couple blocks north of its current facility.

Company officials have said that the new plant to be built is operating by next July. The company also is eligible for state's Enterprise Zone Program in Fayetteville.

Bekebrede said officials could announce the chosen site this week. Company officials were at a Fayetteville City Council meeting earlier this month when that council motioned to extend Industrial Boulevard about 1,000 feet to

the land Dayco might purchase.

In Fayetteville, Dayco officials have said they are considering the purchase of 14 acres at \$16,000 an acre, for a total of \$224,000.

The expansion of the road is expected to cost the city around \$225,000.

In Springdale, Dayco officials have offered a proposal to industrial-commission members to buy 14 acres at Monitor and Mountain roads for \$25,000 an acre, a total cost of about \$350,000.

In the proposal, however, the company has asked the city to widen and improve Emma Avenue and Monitor Road, improvements some Springdale officials said could cost between \$350,000 and \$1 million.

The company, which manufactures car-engine belt-tension devices, plans to employ 274 people by 2003.

JEFF NIESE can be reached at jniease@mcconline.net

HUCKABEE: Says many Arkansans don't want to be forced into welfare

From Page A1

the state to ensure a seamless process for enrollment so it is as easy to enroll in Medicaid as it is in ARKids First.

Huckabee had said one of the problems is that Medicaid enrollment is a complicated process that requires a parent to take off work to visit a state office, fill out papers and wait several weeks for approval.

Enrollment in ARKids First can be accomplished almost immediately with a telephone call, he said.

ARKids First was approved by the legislature in 1997 to provide health coverage for children whose parents could not afford health insurance but whose income was

beyond the limits for Medicaid.

About 45,000 children are enrolled. About 30 percent to 40 percent of them are Medicaid eligible, said Ray Hanley, medical-services director for the state Department of Human Services.

Huckabee cited a recent survey by Arkansas Advocates for Children and Families, a nonprofit agency showing that parents of 30 percent of those in ARKids First would choose to go without coverage rather than enroll in Medicaid.

"People in Arkansas are proud, and they don't want their dignity taken from them by being forced into welfare, when they'd rather put their kids on an insurance program like ARKids, which has as its hallmark personal responsibility,"

Huckabee said.

Hanley said federal officials began discussing the situation with the state in April and could not agree among themselves about the program until last week.

Huckabee said he tried to contact Clinton beginning Wednesday and also got some of Clinton's closest supporters to telephone him but got no response.

Huckabee said he let Clinton's supporters know early Monday that he had called the news conference and they made "urgent" calls to Clinton, resulting in the president's call to Huckabee 15 minutes before the news conference.

Clinton indicated that he would try to work with the state, Huckabee said.

Huckabee said the state must unite in favor of keeping Medicaid-eligible children in ARKids First.

"I want to make it very clear today that we have to draw a line in the sand. And that line in the sand is that we're not going to give up this program."

Huckabee said he believes Clinton is getting conflicting advice from people in his administration.

"I'm asking now that the people of Arkansas will join me in contacting the White House, contacting our congressional delegation. And let's tell them, 'Get these pencil pushers off our backs. Get these people off the backs of our kids,'" Huckabee said.

The Associated Press contributed to this report.

BUDGET: Clinton to sign third, short-term measure keeping agencies open

From Page A1

cially after the Senate's Oct. 19 rejection of the global nuclear test-ban treaty. For his veto to prevail, Clinton would have needed one-third plus one of either the House or Senate.

Clinton told reporters he believed he could have won but worried that Democrats would be "attacked by the Republicans for being against the defense budget that the Democratic Party has basically pursued."

Clinton's signature on the bill avoided exposing Democrats to a traditional GOP accusation that they are soft on defense. White House officials also hope it will sharpen attention on Clinton's battle with Republicans over his budget proposals and the GOP's plan to cut federal agencies' spending by 1.4 percent.

"I will not allow Congress to raise its own pay and fund its own pork-barrel projects, and still make devastating across-the-board cuts in everything from education to child nutrition to the

FBI," Clinton said Monday. "I will not sign any budget that puts special interests above the national interest."

At the insistence of Senate Appropriations Committee Chairman Ted Stevens, R-Alaska, Republicans were considering reducing the size of the cut in agency spending to about 1 percent.

A move also is afoot by some rank-and-file Republicans to try to include lawmakers' salaries in the across-the-board reduction. Their pay set to rise to \$141,300 next year, currently would not be cut, because money for their salaries is not controlled by the spending bills.

Besides building up equipment depleted by the war with Yugoslavia, the defense bill would curtail production of the Air Force's F-22 "stealth" fighter and provide billions for weapons procurement that would be spent from coast to coast.

Included is \$375 million to begin building a helicopter carrier in the home district of Senate

Majority Leader Trent Lott, R-Miss., including electrical equipment built by Pennsylvania subcontractors; \$275 million for five F-15 fighters to be built by Boeing Co. in the St. Louis area, represented by the House minority leader, Rep. Dick Gephardt, D-Mo.; and electronic equipment for missile defense systems built in Massachusetts.

Clinton said he would sign a third, short-term measure keeping agencies open while spending bills are completed, saying, "We are making some progress." The second one expires Friday night.

Clinton also vetoed a \$39 billion measure financing the departments of Commerce, Justice and State.

That bill, which lacked most of the \$1.3 billion Clinton requested to help communities hire thousands of police officers, is the third of the 13 annual spending bills for fiscal 2000 that he has vetoed. He has threatened to veto two others but has signed eight into law.

CRASH: Plane likely on autopilot until fuel ran out

From Page A1

Set apparently on autopilot, the plane cruised at a stable 45,000 feet or so, flying 1,400 miles straight up

Borland's wife, Kate, said she contacted the private jet terminal 11 hours and 10 minutes after an employee who had greeted her husband and confirmed he intended to

Stewart's jet was over Gainesville, Fla., said Tony Mollano, an FAA spokesman in Chicago. The jet flew as high as 45,000 feet and the crew

ARENA:

Elton John to perform Friday

Dm-
This initiative was started in the Jim Guy Tucker administration. It did not pass through the state legislature until

PUBLIC MEETINGS

Today

Washington County Planning Board, work session — 3:30-5 p.m., planning office, old courthouse, Fayetteville.

Siloam Springs Planning Commission — 4 p.m., Community Building.

Fayetteville City Council agenda session — 4:30 p.m., room 26, City Administration Building.

Northwest Arkansas Community College Board of Trustees — 5 p.m., White Lecture Hall.

Springdale Ordinance Committee — 5 p.m., multipurpose room, City Administration Building.

Benton County Finance Committee — 5:30 p.m., third floor County Administration Building.

Springdale Street and Capital Improvement — 5:45 p.m., multipurpose room, City Administration Building.

Springdale City Council — 6 p.m., Council Chambers, City Administration Building.

Springdale Finance Committee — Meeting will start 15 minutes after the City Council adjourns, multipurpose room, City Administration Building.

Gazette (Statewide)

met Oct. 14 and offered two options for keeping the hospital open: passage by Paris voters of a 1-cent sales tax to fund the hospital and expanded support from area physicians in providing cov-

eraged in recent weeks, largely because nearby residents have started choosing to use the Paris hospital rather than going to others.

He said there were 11 to 13 patients. See HOSPITAL, Page 38

Ty Baldi of Dallas teaches Fayetteville High School student Tessa Weatherly, 14, how to swing dance during a drama class Monday morning at the school. Baldi visited the school

with the Lindy Luv Machine, a group of dancers that began a 13-city tour of the U.S. last week. The group is teaching swing dancing at clubs, schools and other facilities.

Arkansas Democrat-Gazette/JEREMY SCOTT

Drug-Free Red Ribbon Week



Woodland Junior High students Emily Adams (left), 13, and Sarah Hartzel, 13, try to stay warm Friday morning as they wait for activities recognizing the Drug-Free Red Ribbon

Week to begin. Student organizations decorated trees to commemorate the week. Events will take place at the school daily through Friday, ending with a free sock hop.

Arkansas Democrat-Gazette/JEREMY SCOTT

Agency directive may hurt ARKids, Huckabee says

BY MICHAEL ROWETT
ARKANSAS DEMOCRAT-GAZETTE

Gov. Mike Huckabee on Monday urged President Clinton to overrule a U.S. Health Care Financing Administration directive that would require the state to drop certain children from the ARKids First Medicaid program because they are eligible for the general Medicaid program.

In a news conference at the front gates of the Governor's Mansion near a bust of Clinton, Huckabee said the directive will "gut" the ARKids First program.

He said it would cause a loss of medical care for thousands of children whose parents are loath to enroll them in Medicaid, a health-care program associated with welfare, but who have enrolled them in the ARKids First Medicaid program.

Huckabee said he appealed in a telephone call to Clinton to stop the directive by the health-care administration, which administers Medicaid, which is financed by a combination of state and federal tax dollars.

If he can't persuade Clinton to See DIRECTIVE, Page 68

Commission to reconstruct permit proposal

BY BRIAN COFER
ARKANSAS DEMOCRAT-GAZETTE

The state Pollution Control and Ecology Commission, reacting to complaints by an industry group, will rework a proposed regulation that would deny permits to applicants with poor environmental records.

The commission was scheduled to vote on the proposed "bad ac-

tor" regulation Friday. But the commission's regulations committee voted earlier last week to send it back to the state Department of Environmental Quality.

The move followed complaints by the Arkansas Environmental Federation, a group that represents the interests of industries, that the regulation is too broad and takes liberties with a 1991

state law often cited as authorizing the proposed regulation. The law is Arkansas Code 8-1-108.

Randy Thurman, executive director of the federation made up of 400 member companies, said he sees no reason for the regulation in the first place.

"We already have a 'bad actor' law that spells things out," he said. See PROPOSAL, Page 65

accident about 1:30 a.m. Sunday.

Gerald Hodges, director of the Benton County Office of Emergency Services, said Monday that officials believe the houseboat may have contained 30 to 50 gallons of gasoline. Two engines were also slowly leaking oil, Hodges said.

Officials didn't know Monday how much fluid had leaked into the water.

The Madison County Regional Water District intake center near Piney Point, the nearest of several water system intake points on the lake, is about two miles downstream from the spill.

Beaver Lake Fire Chief Andy Jaeger described the spill as small. Officials were checking to make sure none of the gasoline or oil made it into the water system, Jaeger said. Water District Superintendent Paul Richmond said the spill is not expected to make it to the intake center. If it does, the

See SOAK, Page 58

Directive

Continued from Page 1B

intervene, the state will ignore the directive, leaving it to the federal government to decide whether to end federal funding for ARKIDS First.

Huckabee said ARKIDS First rewards families who want to stay off welfare.

The health-care administration order aims at having Medicaid-eligible children in the Medicaid program, but Huckabee said the order mocks welfare-reform initiatives embraced by both Clinton and Congress. As governor of Arkansas for 12 years before he was elected president, Clinton should recognize that, Huckabee said.

"These (ARKIDS First) families view Medicaid as welfare, and a lot of Arkansians are too proud to go into a government office and fill out the required forms," Huckabee said. "If the Clinton administration does not reverse this decision, I can guarantee you thousands of our state's children will lose their health-insurance coverage."

Huckabee tied a yellow ribbon around the bust of Clinton to symbolize an uncertain future for ARKIDS First. The governor said he would remove the ribbon only when the state is allowed to continue the program in its current form.

A spokesman for the health-care administration said Monday the federal waiver that allowed ARKIDS First to be established restricted it to children whose families didn't qualify for Medicaid. It's against federal law for the state to enroll Medicaid-eligible children in ARKIDS First, the spokesman said.

Huckabee and Joe Quinn, a spokesman for the state Department of Human Services, said the state was never told it couldn't offer families a choice between Medicaid and the ARKIDS First version of Medicaid.

The federal government provides about 75 percent of the money for ARKIDS First, as it does for the state's other Medicaid programs.



Gov. Mike Huckabee addresses reporters Monday about the ARKIDS First health insurance plan after draping a yellow ribbon around a bust of President Clinton in front of the Governor's Mansion.

Huckabee acknowledged that a loss of federal funding would force the state to abandon the program.

The Legislature, at Huckabee's behest, created ARKIDS First in 1997. The program provides medical coverage for uninsured children; some of them in families that earned too much to qualify for Medicaid apart from ARKIDS First. The state had to get a waiver from the health-care administration to implement the program as an expansion of Medicaid.

level. That would be \$33,400 per year for a family of four. To qualify for Medicaid, the same family of four could earn no more than \$22,211 annually, Quinn said.

Families of children enrolled in Medicaid pay no premiums, deductibles or co-payments. ARKIDS First requires a co-payment of \$5 to \$10 per doctor's visit and provides a less comprehensive benefits package. But Huckabee said most families would gladly accept a co-payment and less coverage to avoid the stigma associated with Medicaid, which is provided to families on welfare.

The health-care administration's directive was spelled out in an Oct. 18 letter to Ray Hanley, director of the state Human Services Department's Division of Medical Services. But state officials learned in April of questions from the health-care administration about ARKIDS First enrollees who would normally qualify for Medicaid.

The letter was from David Cade, director of the health-care administration's Medicaid Family and Children's Health Programs Group.

Cade and Andrew Fredrickson, director of the administration's Dallas regional office, did not return phone calls Monday afternoon.

A spokesman for the administration in Washington, D.C., said the terms of the state's ARKIDS First waiver require all children whose family incomes qualify them for Medicaid to be enrolled in the program. That's also a requirement of the original 1983 legislation that enacted Medicaid into law.

State Sen. Mike Beebe, D-Searcy, sponsored the legislation that set up the program. Beebe said Monday that he had called the White House earlier in the day to register his solidarity with the governor on the issue. "It's good public policy to let people have a choice," Beebe said. "Bringing people into a program where there's some co-payment — some financial obligation on the part of the family — saves taxpayers additional dollars."

Children who qualify for ARKIDS First aren't necessarily eligible for other Medicaid programs. About 45,000 Arkansas children are enrolled in ARKIDS First, which began accepting enrollees in September 1997. Families who inquire about ARKIDS First are told if they qualify for Medicaid and are told they can enroll in either program, Huckabee said.

ARKIDS First covers children in families who earn up to 200 percent of the federal poverty

Dinner pays tribute to Huckabeees, raises cash for Republicans

BY ROB MORITZ
ARKANSAS DEMOCRAT-GAZETTE

An appreciation dinner honoring Gov. Mike Huckabee and his wife, Janet, on Monday night turned out to be a fund-raiser for the Republican Party after all.

Huckabee and his wife were each presented plaques and large black cowboy hats during the \$100-per-ticket affair at the Robinson Center. About 500 Republicans dressed in jeans, cowboy hats, shirts and vests for a country and western party theme.

Country music star Colin Raye, an Arkansas native who couldn't attend the event, sent a purple bass guitar to the governor. Ray, who signed the guitar, often lets the governor play bass with his band when he performs in De Queen.

"It's a wonderful privilege serving this great state," a smiling Huckabee told the crowd.

The event, originally to be held at Ricks Armory, the Arkansas National Guard facility in Little Rock, was moved to Robinson Center after some questioned whether it might be a political fund-raiser.

At first, Sheffield Nelson, former state Republican Party chairman and now on the party's national committee, and other Republican officials said it would not be. But after it was moved to the Robinson Center, organizers decided to try to raise a little cash while honoring the governor.

"I just thought with this many people and this many possibilities — the minute we got out of Ricks Armory we're going to make some money for the Republican Party," Nelson said.

Before the dinner, Nelson and his wife played host to a small reception at their home for about 75 influential state Republicans. That event raised about \$50,000, he said.

Chris Carnahan, executive director of the state Republican Party, said he didn't know exactly how much it cost to host the dinner, which included barbecue and all the fixings, but the two country music performers — John Conlee and Darryl Singletary — charged about \$12,000 to perform, he said.

"I think this means a coming-together," Nelson said about the event.

"We just haven't had, at least from the outsider's standpoint, the unity we need and I think this will convince everybody that we're a unified party," he said.

The state's Republican delegation to Washington, D.C., Sen. Tim Hutchinson, Rep. Asa Hutchinson and Rep. Jay Dickey could not attend the event but sent a letter of support to the governor, praising him for his initiatives during his first three years in office.

U.S. Gov. Winthrop Rockefeller, wearing a purple shirt, jeans, cowboy boots and a hat, said the event is "good for the party."

"Obviously — for the Republican Party it means cash," he said. "But it's a way for Republicans to have a chance to be together, have a good evening, fun and do something good for the party."

Former Republican Gov. Frank White, who presented Huckabee with his cowboy hat, praised the party and the current governor.

"This is a great effort by a lot of people who really like what the governor and Janet are doing," he said. "The money here will be used by campaigns. It will be used by the campaigns coming up next year."

Janet Huckabee was praised for her involvement in volunteerism throughout the state and for advocating issues that affect the youth, such as childhood immunizations.

Proposal

Continued from Page 1B

"We already have a 'bad actor' law that spells

Boat

Continued from Page 1B

DEMOCRAT-GAZETTE

To Ray Hanley
From Tim Westmoreland
Re: Side-by-side Comparisons
October 28, 1999

Thanks for taking my call in Lake Tahoe and thanks for your help in beginning our discussions. We think the most helpful document you could give us to start would be one that compares the basic Medicaid program with the ARKids Medicaid expansion program in all aspects of application, enrollment, benefits, and cost-sharing. (It would probably expedite things if you would attach any forms or standard materials you have.)

As you suggested, we will plan to meet on the Monday before your State Medicaid Directors' meeting when you're next in Washington. I'm sure that we will talk on the phone several times between now and then, but if you decide you want to meet in person sooner than that, please know that I want to do whatever I can to make this process smooth and expeditious.

Thanks again.

TMW

A handwritten signature, likely of Tim Westmoreland, consisting of a large, stylized 'C' shape followed by some scribbles.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. fax	Elaine to Chris Jennings re: phone number (partial) (1 page)	10/26/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Devorah Adler
OA/Box Number: 20462

FOLDER TITLE:

ARKIDS [Folder 4]

2012-0463-S

rc716

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

1130

SENATOR BLANCHE LINCOLN

State of Arkansas

Payton

[002]

Phone: 202-224-4843

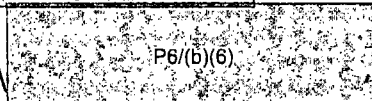
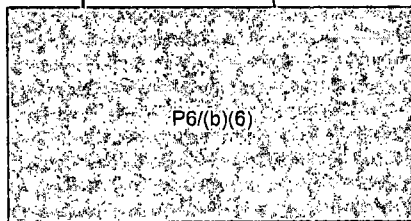
Fax: 202-228-1371

Little Rock Office

Phone: 501-375-2993

Fax: 501-375-7064

1-800-352-9364 (In-State)



cell

DATE: *Jan.*

FAX TO: *Chris Jennings*

OFFICE: _____

FAX NUMBER: *456. 5557* DIRECT DIAL: _____

FROM: *Elaine Walp*

SUBJECT: *I guess you're involved in this one too!*

*Thanks for helping Mac today.
Keep smiling. Congress will*

NUMBER OF PAGES *3* (including cover sheet)

(eventually) go home!

BLANCHE LAMBERT LINCOLN
ARKANSAS

359 DIRKSEN BUILDING
TELEPHONE: (202) 224-4843

e-mail: Blanche_Lincoln@Lincoln.Senate.Gov

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
ENERGY AND NATURAL RESOURCES
SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510

October 26, 1999

President William Jefferson Clinton
The White House
Washington, D.C.

Dear Mr. President:

I am writing to voice my concern about the directive that the Health Care Finance Agency (HCFA) sent to the Arkansas Department of Health and Human Services regarding its ARKids First health care program for low-income children.

Since the inception of ARKids First, approximately 45,000 out of 110,000 eligible children have been enrolled in the program and are receiving health care benefits. Arkansas has been more aggressive than many states in enrolling children in its Children's Health Insurance Program. The key to ARKids First success is its "user friendly" design.

I commend state leaders and Arkansas Advocates for Children and Families for working together to design ARKids First which provides primary and preventive medical care to children of poor, working families. Thanks to ARKids First, these children now have access to a broad range of medical services that are virtually identical to what is offered under Medicaid. While I am proud of the ARKids First program, I believe that the initiative can be improved and efforts should be made to integrate ARKids First and Medicaid into a "seamless" health care program for low-income children.

Mr. President, I know you share my belief that there is no greater national priority than providing health care coverage to the uninsured -- particularly children. To expedite the enrollment of children under state CHIP programs, I recently introduced The Improved Maternal and Children's Health Coverage Act. We must remove barriers to enrollment for eligible families.

It is my understanding that HCFA will soon begin negotiations with the Arkansas Department of Health and Human Services to resolve their disagreements over ARKids First. It is clear that we need your leadership, Mr. President, in trying to help these two agencies find a reasonable compromise. No matter how long negotiations take or what the outcome, I firmly hope that no child currently enrolled in ARKids First loses his or her health care coverage over this statutory dispute.

Thank you for your commitment to the health of all children in Arkansas.

Sincerely,

A handwritten signature in cursive script that reads "Blanche L. Lincoln". The signature is written in dark ink and is positioned above the printed name.

Blanche L. Lincoln

BLL/ed

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. memo	Ray Hanley to Chris Jennings (partial) (1 page)	11/22/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Devorah Adler
OA/Box Number: 20462

FOLDER TITLE:

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Nov 22, 1999

To: Chris Jennings

From: Ray Hanley

Expect Tim sent you a copy of my letter on ARKids that I gave him last week. He asked me what I thought best way to defuse this was---I told him it was to recognize that we are prepared to move about 85% of way, making regular Medicaid much easier to apply for. What we need in return is acknowledgement from you that with this done parents retain the right to choose which program they think is best for their children.

Tim and I are playing telephone tag at moment, but I hope to see this resolved very soon.

[003]

P6/(b)(6)



Arkansas Department of Human Services

Division of Medical Services

Donaghey Plaza South

P.O. Box 1437

Little Rock, Arkansas 72203-1437

Telephone (501) 682-8292 TDD (501) 682-8789 FAX (501) 682-1187

November 12, 1999

Timothy M. Westmoreland
 Director, Center for Medicaid and State Operations
 Health Care Financing Administration
 Department of Health & Human Services
 7500 Security Boulevard
 Baltimore, MD 21244-1850

Re: ARKids First

Dear Tim:

As promised, we have given considerable thought to the issues HCFA recently raised about our state's very successful ARKids First program and its regular Medicaid program---also very successful and award winning in its own right. First, it is a fundamental principle with both Governor Huckabee and our agency that parents retain the right to enroll their children in the program of their choice where they qualify for either. However, with that said, I do believe we have worked out a program design that will make it much easier to apply for the regular Medicaid program should this be the choice the parents elect for their children. By means of this letter I'll detail for you the changes we are prepared to put into place:

1. Common Application---We will develop an application that allows families to use the same forms to apply for either ARKids or Medicaid.
2. Trip to the DHS County Office to Apply For Medicaid---We will eliminate this step for children by allowing the common application to be mailed in, regardless of the program applied for by the family. I think this clearly eliminates the largest barrier, both real and symbolic, to applying for Medicaid.
3. Assets Test---We will retain the right to apply an assets test for those families applying for the regular Medicaid program. We, like other states such as Oregon and Texas, believe it is reasonable to require this extra step for qualification in the program that covers every service without any financial contribution by the family.

In the case where both assets and income levels are within Medicaid limits, the children will thus qualify for either regular Medicaid or ARKids. In these cases, we will enroll the children in the program of the parent's choice. If the application fails either test, the application will be approved for ARKids, assuming income levels are within 200% of poverty. It is understood that we will perform a review of a sample of these applications after the fact to determine the accuracy of the information supplied on the applications.

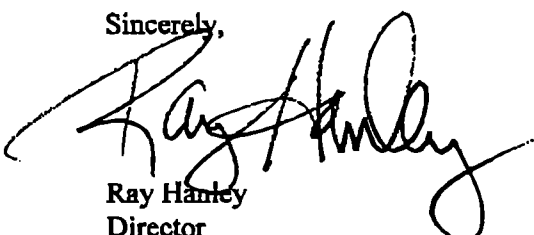
4. ARKids Umbrella for All Children Served---We will bring all Medicaid coverage for children under the ARKids First Program; likely, some category variation of ARKids such as "A", "B", and "C". This will encompass the 1115 waiver children, the CHIP covered children and those children covered by regular Medicaid. This step should eliminate the perception of stigma for the regular Medicaid portion of our program.

Timothy M. Westmoreland
November 12, 1999
Page Two

In summary, I believe you will find our efforts readily approvable by HCFA and share my belief that we have approached this issue in good faith by working out a process that meets all reasonable goals. Most of all, the quality programs we have developed in Arkansas will continue to serve children with comprehensive medical care in partnership with our many providers.

I look forward to seeing you in Washington next week and returning to Little Rock with this matter completely behind all of us.

Sincerely,



Ray Hanley
Director

RH/djm

BENEFIT LIMITS

<i>Service</i>	<i>ARKids First</i>	<i>Regular Medicaid</i>
Hearing Aids	N/A	2 appliances per 6 mo. period; additional services may be available with Prior Authorization based on medical necessity
Home Health	Medical Necessity (10 visits per SFY*)	50 visits per SFY; may be extended based on medical necessity
Hospice	N/A	Medical Necessity
Hospital – Inpatient	Medical Necessity	Medical Necessity
Hospital – Outpatient	Medical Necessity	Medical Necessity
Hyperalimentation	N/A	Medical Necessity
Immunizations	All per protocol	All per protocol
Inpatient Psychiatric Services for Under 21	N/A	Medical Necessity
Laboratory & X-ray	Medical Necessity	Medical Necessity
Medical Supplies	Medical Necessity - Limited to \$125/mo.	\$250/mo.; may be extended based on medical necessity
Nurse Midwife –Certified	Medical Necessity	Medical Necessity
Nurse Practitioner	Medical Necessity	Medical Necessity
Nursing Facilities	N/A	Medical Necessity
Orthotic Appliances	N/A	Limited to specific items, based on medical necessity
Outpatient Mental and Behavioral Health	First \$500, <u>no</u> Prior Authori-zation (PA) required; next \$2000, PA required; max. \$2500 in benefits per SFY*	See Psychology, and Rehabilitative Services for Persons with Mental Illness
Personal Care	N/A	With Prior Authorization, based on medical necessity
Physician	Medical Necessity	Medical Necessity
Podiatry	Medical Necessity	Medical Necessity
Prescription Drugs	Medical Necessity	With physician prescription, no limit
Preventive Health Screenings	All per protocol	See Early & Periodic Screening, Diagnosis and Treatment
Transportation Non-Emergency	N/A	Provided under 1915 (b) waiver
Private Duty Nursing	N/A	For ventilator dependent and for high technology non-ventilator with a Prior Authorization based on medical necessity
Prosthetic Devices	N/A	Limited to specific items, based on medical necessity

Arkansas COMPARISON OF BENEFIT PACKAGES

BENEFIT LIMITS

SERVICE	ARKids First	REGULAR MEDICAID
Ambulance (emergency only)	Medical Necessity	Medical Necessity
Ambulatory Surgical Center	Medical Necessity	Medical Necessity
Audiological Services	N/A	Medical Necessity
Child Health Management Services	N/A	Medical Necessity
Chiropractor	Medical Necessity	Medical Necessity
Dental Care	1 prophlaxis and fluoride per SFY* <i>No orthodontia</i>	1 prophlaxis and fluoride per SFY*; may be extended based on medical necessity. Orthodontia
Developmental Day Treatment Clinic services	N/A	Early intervention, pre-school, and therapy – based on medical necessity
Diapers, Underpads and Incontinence Supplies	N/A	For children over 3, if medically necessary; limited to \$130/mo.; may be extended based on medical necessity
Domiciliary Care	N/A	Medical Necessity
Durable Medical Equipment	Medical Necessity - \$500/ SFY* minus the coinsurance	Medical Necessity
Early & Periodic Screening, Diagnosis and Treatment (EPSDT)	N/A (see Preventive Health Screening)	Follows periodicity schedule
Emergency Dept. Services		
Emergency	Medical Necessity	Medical Necessity
Non-Emergency	Medical Necessity	Medical Necessity
End Stage Renal Disease Services	N/A	Medical Necessity
Eyeglasses	1 pair every 12 mo., if medically indicated	1 pair every 12 mo., if medically indicated; may be extended, based on medical necessity.
Family Planning (FP)	Medical Necessity	1 basic FP exam and 3 periodic FP visits per SFY* (FP prescriptions are unlimited)
Federally Qualified Health Center (FQHC)	Medical Necessity	Medical Necessity

BENEFIT LIMITS

<i>Service</i>	<i>ARKids First</i>	<i>Regular Medicaid</i>
Psychology (1)	See Outpatient Mental and Behavioral Health	Medical Necessity
Rehabilitation Therapy for Chemical Dependency	N/A	Acute care hospital and RSPMI (see below)
Rehabilitative Services for Persons with Mental Illness (RSPMI)	See Outpatient Mental and Behavioral Health	Medical Necessity
Rehabilitative Services for Persons with Physical Disabilities	N/A	Medical Necessity
Rural Health Clinic	Medical Necessity	Medical Necessity
Targeted Case Management	N/A	Prior Authorization based on medical necessity
Therapy – Occupational	N/A	<i>Evaluation</i> – four 30-minute units per SFY*; may be extended based on medical necessity. <i>Therapy</i> is limited to four 15-min. units per day. Services require Prior Authorization based on medical necessity
Therapy – Physical	N/A	<i>Evaluation</i> – four 30-minute units per SFY*; may be extended based on medical necessity. <i>Therapy</i> is limited to four 15-min. units per day. Services require Prior Authorization based on medical necessity
Therapy – Speech	Prior Authorization, based on medical necessity, is required	<i>Evaluations</i> are limited to 4 units, @ 30 min. each, per SFY*; may be extended based on medical necessity. <i>Therapy</i> is limited to four 15-min. units per day. Services require Prior Authorization based on medical necessity
Ventilator Services	N/A	Medical Necessity
Vision Care	1 routine eye exam (refraction) every 12 months	1 routine eye exam (refraction) every 12 months, may be extended based on medical necessity

* SFY: State Fiscal Year, which runs from July 1 to June 30.

MEDICAID/ARKIDS APPLICATION AND ENROLLMENT

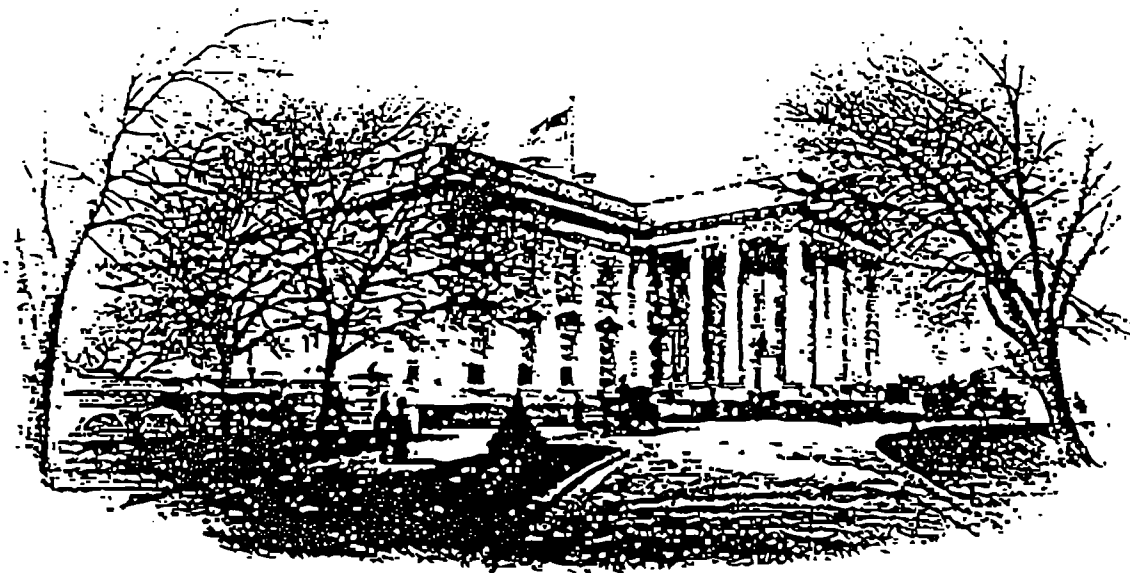
Issue	Medicaid	ARKids
Application:	DCO-95	DCO-995
Where?	Local County Office	Centralized Mail-In Unit
Interview	Face-to-Face Required	No Interview (mail-in)
Verification:		
Income	Must Verify with Check Stubs, Employer, etc.	Verify Only if Declared Income is Between 140% & 200% of Poverty Level
Resources	Must Verify	No Asset Test
Verification is same in both programs for all other eligibility requirements		
Comprehensive Health Insurance	May have insurance and still qualify for Medicaid.	Not eligible if they have had insurance within the last 12 months. Waived if loss of insurance was no fault of the family.
Medicaid Card	Photo ID Required for 6 & Over. Processed at the County Offices and Driver's License Offices	No Photo ID Required. Card Mailed Directly to Client. This card is an ARKids card with no mention of Medicaid.

NOTE: There is no co-payment requirement for children who are enrolled in basic Medicaid.

ARKIDS FIRST SCHEDULE OF BENEFITS

Program Services	Coverage Limits on Benefit	Prior Authorization/PCP Referral	Copayment/Coinsurance
Chiropractor	Medical Necessity	PCP Referral Required	\$10 per visit
Podiatry	Medical Necessity	PCP Referral Required	\$10 per visit
Nurse Practitioner	Medical Necessity	PCP Referral Required	\$10 per visit
Nurse Midwife	Medical Necessity	PCP Referral Required	\$10 per visit
Federally Qualified Health Center (FQHC)	Medical Necessity	PCP Referral Required	\$10 per visit
Rural Health Clinic	Medical Necessity	PCP Referral Required	\$10 per visit
Family Planning	Medical Necessity	None	None
Ambulatory Surgical Center	Medical Necessity	PCP Referral Required	\$10 per visit
Speech Therapy	Medical Necessity	PCP Referral Required	\$10 per visit
Home Health	Medical Necessity (10 visits per state fiscal year (July 1 through June 30))	PCP Referral Required	\$10 per visit
Medical Supplies	Medical Necessity Limited to \$125/mo.	PCP Prescriptions	None
Laboratory & X-Ray	Medical Necessity	PCP Referral Required	\$10 per visit
Ambulance (Emergency Only)	Medical Necessity	None	\$10 per trip
Emergency Dept. Services			
Emergency	Medical Necessity	None	\$10 per visit
Non-Emergency	Medical Necessity	PCP Referral Required	\$10 per visit
Inpatient Hospital	Medical Necessity	PA on stays over 4 days	20% of first inpatient day (Medicaid per diem cost)

EXECUTIVE OFFICE OF THE PRESIDENT



FACSIMILE TRANSMITTAL SHEET

Number of pages including cover

5

Date 11-24-99

To Chris Jennings

FAX Number 65557

Comments In reference to my previous fax this morning, I found the memo from you and Mickey Ibarra to the President dated 10/28/99 and the letter drafted by staff secretary. Should we respond from to the recent incoming, send it to you for handling, or send it to staff secretary.

OFFICE OF THE DIRECTOR
Presidential Correspondence
The White House 20502
Washington, DC
Phone: 202-456-7610
Fax: 202-456-2993

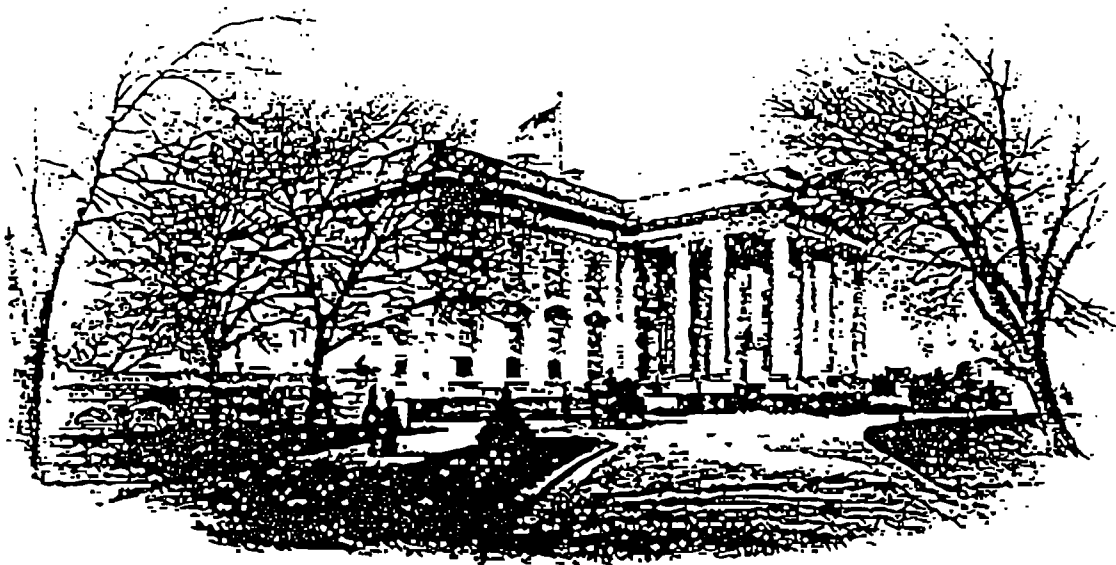
Please advise.

Thanks,

Debi Alexandre

previous fax

EXECUTIVE OFFICE OF THE PRESIDENT



FACSIMILE TRANSMITTAL SHEET

Number of pages including cover 3Date 11-23-99To Chris JenningsFAX Number X 65557

Comments I would like to have a response drafted
for the President's signing time (I need
for 12/11 to prepare for Friday). Do
you know what letter he references? We

From prepared one for Ami Rossi on this

Subject, but not for
the Governor.

OFFICE OF THE DIRECTOR
Presidential Correspondence
The White House 20502
Washington, DC
Phone: 202-456-7610
Fax: 202-456-2993

Deli Alexander
x 66018

Received in R M 11/17



STATE OF ARKANSAS
MIKE HUCKABEE
GOVERNOR



400319

President Bill Clinton
The White House
Washington, D.C.

Dear Mr. President:

When I talked to a member of your staff late Thursday, Oct. 28, he indicated we might receive a letter from you regarding our request for you to intervene with the Health Care Financing Administration to save the ARKids First program, which has been very successful in giving uninsured children in our state preventive and primary health care. Our office did not receive your letter until just before noon Friday after employees of the state Department of Human Services informed us they had received a letter from you addressed to me.

We have made it clear we will not and cannot negotiate on the issue of parental empowerment in choosing what coverage children receive. We are willing to make Medicaid more accessible and continue giving maximum coverage to a maximum number of children, but we are not willing to force parents into a decision that might leave their children without health insurance coverage. I was glad your letter indicated your administration "will not take any action that will cause Arkansas children to lose health coverage." While we could assume this indicates your agreement that we need to protect parents' right to choose, we would be much more comfortable with specific language to address that issue.

This program has worked beautifully in Arkansas and has been free from politics. It has been embraced by Republicans and Democrats alike, and people from both parties have worked hard to make it a success. In my conversations with members of your staff and you Monday, it was stated that the reason you could not immediately intervene and provide us assurances the program would continue without disruption was because of the political obstacles you face in Washington. One of your aides stated to Arkansas Medicaid Director Ray Hanley and me that the "lefties" insisted on entitlements for Medicaid-eligible families, even those who fully understand their options and yet still choose ARKids First.

Mr. President, please don't let the politics of Washington jeopardize the efficient delivery of health care to Arkansas children. ARKids First has been successful in part because it hasn't been a political issue in Arkansas. It has brought all of us together to solve a problem for our children. We urge you not to let the political pressure you and your aides described be imported to Arkansas and put these children and their families at risk.

*underway
resolution quickly; recently
just received your proposal
HHS reviewing*

*my
policy
that
this
issue
needs
to
be
resolved
expeditiously*

es

President Bill Clinton

-2-

October 29, 1999

We are willing to make the choice of Medicaid as simple as possible for parents who are eligible. We are not willing to risk uninsuring thousands of children to satisfy any political agenda, whether from the left or the right.

We hope you can give us language that will protect parental choice and secure health insurance coverage for as many Arkansas children as possible.

Sincerely yours,



Mike Huckabee

1/1

400319

**INTERIM
WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

INCOMING CORRESPONDENCE**DATE OF LETTER:** 10/29/99**NAME/ADDRESS OF CORRESPONDENT:**

THE HONORABLE MIKE HUCKABEE
GOVERNOR OF ARKANSAS
STATE OF ARKANSAS
STATE CAPITOL
LITTLE ROCK, AR 72201

SUBJECT:

EXPRESSES VIEWS REGARDING THE ARKIDS FIRST PROGRAM WHICH PROVIDES UNINSURED CHILDREN IN THE STATE PREVENTIVE AND PRIMARY HEALTH CARE -- URGES THE PRESIDENT NOT TO LET POLITICAL PRESSURE HE IMPORTED TO ARKANSAS AND PUT CHILDREN AND THEIR FAMILIES AT RISK

ROUTED TO: JOHN WERTMAN**DATE:** 11/17/99**COMMENTS:****ACTION CODES:**

A	Appropriate Action
C	Comment/Recommendations
D	Draft Response
F	Furnish Fact Sheet to be used as enclosure
I	Info. Copy Only /No Action Ncccssary
R	Direct Reply w/Copy
S	For Signature
X	Interim Reply

DISPOSITION CODES:

A	Answered
C	Completed
B	Non-Special Referral
S	Suspended

HEALTH CARE FINANCING ADMINISTRATION



ADDRESSEE:

Chris Jennings

PHONE: _____

FROM:

Nancy Ann DeRube

**OFFICE OF THE ADMINISTRATOR
200 INDEPENDENCE AVE., S.W.
ROOM 314G
WASHINGTON, DC 20201**

PHONE: 202-690-6726

FAX : 202-690-6262

TOTAL PAGES:

3

ADDRESSEE'S FAX MACHINE NUMBER:

DATE:

2/29

REMARKS:

Ad Sales

find a job.
go to work.

To
Chris
Tennings

arkansas
democrat-gazette

RETURN to Arkansas Section / Monday, February 28, 2000

Won't 'negotiate parental choice,' Huckabee says

**SUSAN ROTH
ARKANSAS DEMOCRAT-GAZETTE**

WASHINGTON -- Gov. Mike Huckabee told a federal administrator Sunday that he is "not willing to negotiate parental choice" for those deciding whether to enroll their children in the ARKids First health program.

In Washington for the annual winter meeting of the National Governors' Association, Huckabee met for the first time with Nancy-Ann Min DeParle, administrator of the federal Health Care Financing Administration, which oversees Medicaid, a joint federal-state health insurance program for low-income families.

For nine months, the state has battled the agency over a federal directive that Arkansas enroll in Medicaid all children whose family income makes them eligible.

The state created the ARKids First program in 1997 to provide health insurance for children whose parents earn too much to be eligible for Medicaid but struggle with the high cost of private health insurance.

The federal agency approved the program under the written condition that ARKids First provide services only to those not eligible for Medicaid.

Operating with low co-pay fees for doctor visits and prescriptions, the program provides benefits like those available to state employees, but the benefits are not as comprehensive as regular Medicaid, which is free.

State officials acknowledge that some of the 67,000 children enrolled in ARKids First since its inception have been eligible for regular Medicaid.

But they argue that many parents like ARKids First better because families want to pay something toward their health care rather than accept free care under Medicaid, which has been associated with welfare in the past.

"There are going to be parents who say, 'I want to pay part of the cost.' It's a pride issue," said Ray Hanley, director of the state's Medicaid program, who accompanied Huckabee to the meeting with DeParle.

The federal agency "would say, 'No, you don't have the right to choose.' It would force them to choose Medicaid, or no coverage at all," Hanley said.

Daily Sections

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- Education
- Health
- Life
- Politics
- Science
- Sports
- Travel
- Weather

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- Nation-World
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- Editorial-Voice
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- Features-Style
- Classified Ads
- Archives/PDF's
- Business Matters
- Business & Tech
- Weekend Section
- Movies & Dining
- Previous Features
- Photo Gallery
- Useful Links
- Info & E-mail

***Won't 'negotiate parental choice,' Huckabee says**

Archives
TV Listings
Weather

To compromise with the federal agency, Huckabee said, he has agreed to offer a single, short enrollment form for both programs to ease Medicaid enrollment.

And he said he's willing to call the state's entire Medicaid program ARKids First to make regular Medicaid more attractive to applicants.

"But I'm not willing to negotiate parental choice," the governor said. "Parents should be empowered. Parents should be able to choose.

"We're not willing to negotiate that."

Huckabee said he thought that after meeting with him, DeParle better understood that "this is not about politics, and it is not a minor issue with me. I let her know that I am passionately committed to this program, and I'm not going away. I'm not negotiating this one off."

"He obviously feels very strongly about his position," DeParle said. She pointed out that federal approval and funding for the program were granted under the "clear condition" that ARKids First services go only to those not eligible for Medicaid.

"Also, it's not clear that they have made all the efforts they need to make to remove the stigma of welfare from the Medicaid program," DeParle said.

She cited a recent national study by the Kaiser Commission in which more than 90 percent of those surveyed said they would choose Medicaid if it were offered without the hassles of the unwieldy application.

DeParle also said Sunday's meeting of the governors' association's human resources committee, chaired by Huckabee, highlighted other states' efforts to create "seamless" health insurance systems for children through single statewide applications and single statewide names for all similar programs, including Medicaid.

She said the ARKids situation is "under review" by the federal agency, but no funding would be cut off or other changes ordered.

The state is formally seeking an amendment to the conditions of the program, which would have to be approved by Health and Human Services Secretary Donna Shalala.

"We're working with the state," DeParle said. "We're leaving things in place until we work this out." She said she did not know how long the process would take.

Hanley said he thinks the agency is backing off, as four months have passed since the state heard from federal officials.

"We never would've thought it would take this long," he said. "That's a pretty good indication" that the state is on solid legal ground in its demands, Hanley said.

This article was published on Monday, February 28, 2000

RETURN to Arkansas Section





452e - 5557

Cranford Johnson Robinson Woods
FAX TRANSMITTAL SHEET

Date:

2/28

To:

Chris Jennings

From:

Skip Rutherford

Number of pages sent including this sheet:

2

If you have any problems receiving this facsimile, please contact Dianne Kelly at (501) 975-7266.

Thank you.

Capitol Center / 303 West Capitol Avenue / Little Rock, Arkansas 72201-3593
FAX: (501) 975-6045 or (501) 975-6085

CONFIDENTIALITY NOTE: The information in this facsimile transmittal is confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of the transmittal is strictly prohibited. If you receive this transmittal in error, please immediately notify us by telephone, and return the original to us at the above address via the United States Postal Service. Thank you.

Comments:

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ARKANSAS DEMOCRAT-GAZETTE

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Program

• Continued from Page 1A

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Mike Huckabee

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THE PRESIDENT HAS SEEN
3-6-00

CT ending
What's the problem!

The Pres.
245
Chris Jennings

Huckabee meets the delegation

In Washington for the National Governors' Association conference, Mike Huckabee got together privately Monday afternoon in U.S. Sen. Tim Hutchinson's office with all six members of the state's congressional delegation and key staff members.

Sources say interesting topics were discussed, including Huckabee's request that the delegation stand with him in his skirmish with the federal government over the ARKids First health insurance program for kids.

U.S. Rep. Vic Snyder, a Democrat, challenged Huckabee, a Republican, on the question of whether the state is doing right by its poorest and most severely disabled people on that issue. Snyder shared the federal government's concern that the state is ushering children from its poorest families into ARKids First instead of the more generous Medicaid to which they are entitled.

Snyder told Huckabee that maybe 15 minutes before the meeting, one of his aides had telephoned state government's ARKids First hotline to inquire in behalf of a supposed friend, a single mom who earned about \$12,000 a year and had two kids. That's below the poverty level. It's welfare-eligible. It's tragic.

Snyder said his aide reported being told over the hotline about the application process for ARKids First, not Medicaid. At the end of the conversation, he said, his aide inquired about other programs, only to be told that the friend might be eligible for Medicaid, though not how or where to inquire.

Huckabee replied that he couldn't be responsible for what someone manning a hotline might have said or not said. But shouldn't he be held responsible, since he is the governor and the idea of the hotline is to serve the public? He said the system is set up so that as the paperwork for that case moved through the state Human Services Department, someone would notice that the applicant was Medicaid-eligible and give her the opportunity to revise her request.

At any rate, Huckabee went straightway from the meeting and told people in the Hu-



John Brummett

man Services Department to fix the hotline.

Here's the deal, and it should not be difficult to understand or embrace: If you are trying to raise kids in Arkansas and are so dreadfully poor that you fall below the poverty level and therefore qualify for Medicaid, then you should receive Medicaid, period. Your sick kids don't need for you to exercise an option to accept a nicer-sounding program that costs more and covers less. If they get sick, they need everything to which they are entitled.

ARKids First requires a co-payment and offers sparser benefits than Medicaid. It was established in 1999 not for welfare kids, but for children of the working poor, meaning those in that miserable gap between the poverty level and the actual subsistence level. Surveys show that minimal subsistence level to be somewhere around twice the poverty level.

But kids eligible for Medicaid haven't always been getting it in Arkansas. Some have been showing up on the rolls of the governor's ballyhooed ARKids First program.

That sounded an alarm late last year at the federal Health Care Finance Administration, which pays three-fourths of the state's Medicaid costs. The feds informed the state that it needed to start doing right by people entitled to Medicaid. That prompted the governor to demagogue against outright welfare over workfare and against the infringement on state policy by the federal government. He tied a yellow ribbon around a bust of Bill Clinton at the Governor's Mansion. Why, exactly, I cannot recall.

To hear Huckabee tell it, horribly poor people in Arkansas are aching to avoid the stigma of welfare so they can make a co-payment and enjoy fewer benefits for their children.

The matter has been hanging for months. The feds have suggested that the state establish a seamless application process. By that they mean one by which a mother inquiring about ARKids First but eligible for Medicaid would be automatically routed to Medicaid, not told parenthetically that she might be eligible for Medicaid and left to wander through the welfare services agencies on her own.

Huckabee had strutted around Washington for a couple of days claiming to have stood up to the federal government on the point that even with a seamless procedure, to which he professes to agree, welfare-eligible Arkansas families ought to be able to choose ARKids First instead of Medicaid if they have enough pride to want to share the responsibility for their kids' health care rather than rely on the out-and-out dolé.

Why would he behave this way? One can only speculate. Maybe he just doesn't believe in welfare. Maybe it's that he gets political mileage from ARKids First, but not Medicaid. Maybe it's that Medicaid costs the state more than twice as much as ARKids First.

Let us hope that our poorest and most disabled are not being denied benefits because of poll numbers or bean counters.

By the way, Huckabee also told the delegation that Congress needs to provide that state sales taxes would be paid on Internet retailing. I'm told that U.S. Rep. Jay Dickey became mildly agitated, mentioning that some in the room had pledged not to raise taxes. Huckabee argued that taxes on Internet shopping wouldn't be new but an application of existing state gross receipts taxes on sales. He's kind of right, if a bit Clintonian.

And, finally, some thought the most interesting aspect of the meeting was that Dickey and U.S. Rep. Marion Berry, substantially sized gentlemen without particular regard for each other, shared a love seat.

John Brummett's column appears every Tuesday, Thursday, Saturday and Sunday.

Copied
Jennings
Podesta

**Benefit Packages for Expansion Populations in Approved Section 1115 Statewide Demonstrations:
Exclusions from the Traditional Medicaid Benefit Package
Draft 5/29/98**

State	Expansion Population	Included Benefits *	Excluded Benefits
-- Approved 1115 Demonstrations --			
Arizona Arizona Health Care Cost Containment System (AHCCCS) Program implemented 10/1/82 Amendment received 3/95, revised 5/97 under review	Expansion population: low- income and working poor individuals below 100 percent FPL would be added to the acute care program. Expansion would include approximately 50,000 children.	The standard Medicaid benefit package would be provided to all expansion eligibles.	--
Arkansas ARKids First Implemented 9/1/97	Expansion population: currently uninsured children age 18 and under with gross family income at or below 200 percent FPL. This group is not eligible for the existing ConnectCare program operated under a section 1915(b) waiver. Approximately 40,000 children would be in the expansion population.	The benefits package is comparable to the State employees and teachers insurance programs, with the addition of immunizations and EPSDT screening.	The benefit package excludes the following: EPSDT treatment; audiological services; child health management services; developmental day treatment clinic services; hearing aids; hospice; non-emergency transportation; occupational and physical therapies; orthodontia; personal care; rehabilitative services for persons with physical disabilities; targeted case management; and numerous other services, including long term care.
Delaware Diamond State Health Plan Implemented 1/1/96	Expansion population: uninsured adults and children with incomes up to 100 percent FPL.	Same benefit package as the traditional Medicaid population with a few exceptions.	Some private duty nursing.

**Benefit Packages for Expansion Populations in Approved Section 1115 Statewide Demonstrations:
Exclusions from the Traditional Medicaid Benefit Package
Draft 5/29/98**

State	Expansion Population	Included Benefits *	Excluded Benefits
Hawaii Hawaii QUEST Implemented 8/1/94	Original expansion population: all people with income up to 300 percent FPL. In April 1996, HCFA approved an amendment to the Hawaii QUEST program to reinstate an asset test and to create "QUEST Net" as a safety net for individuals losing QUEST or Medicaid coverage due to assets. Effective 7/97, QUEST eligibility will be at or below 100 percent FPL, excluding pregnant women and children. (Pregnant women are covered at 185 percent FPL and children under 6 are covered at 133 percent FPL.) There are approximately 3000 enrollees in QUEST Net (out of approximately 131,000 total QUEST enrollees). There are 21,826 children in the expansion population.	QUEST Net has a more limited benefit package than QUEST. It includes: 10 inpatient physician visits; 12 outpatient medical visits; 6 mental health visits; limited prescription drugs; emergency room services for actual emergencies; and emergency dental services through enrollment in a participating dental plan. QUEST eligibles receive the standard Medicaid benefit package.	--
Maryland Kids Count Implemented 10/93 <i>no longer in operation</i>	Expansion population: individuals born after 9/30/83, ages 1-14, not currently eligible for Medicaid, with family incomes between 133-185 percent FPL.	Kids Count offers only primary and preventive care services, including: physician; free-standing clinic; free-standing laboratory; pharmacy (with \$5 copayment); nurse practitioner; basic EPSDT and some expanded EPSDT; vision; targeted case management related to Early Intervention Services; and Healthy Start--targeted case management for high risk infants and children.	The Kids Count benefit package excludes the following: services provided in a hospital, including inpatient, outpatient, and emergency room services; dental; some EPSDT expanded services; personal care; home health; home and community based waiver services; disposable medical supplies; durable medical equipment; and long term care.

**Benefit Packages for Expansion Populations in Approved Section 1115 Statewide Demonstrations:
Exclusions from the Traditional Medicaid Benefit Package
Draft 5/29/98**

State	Expansion Population	Included Benefits *	Excluded Benefits
Maryland Program implemented 6/2/97 Amendment for expansion approved 7/1/97	Expansion population: adult Medicaid categorical eligibles in the State's Temporary Cash Assistance program.	This population subset alone receives medically necessary and appropriate: - addiction rehabilitative services in inpatient settings; - intermediate care substance abuse treatment; - addiction rehabilitative services in a halfway house or other community residential facility. All other eligibles receive standard Medicaid benefit package.	--
Massachusetts MassHealth Implemented 7/1/97	Expansion population: low-income uninsured children, families, and disabled; the low-income unemployed; and working disabled adults and disabled children. Approximately 200,000 currently eligible children would be covered. Approximately 121,000 expansion children would be covered.	MassHealth offers the traditional Medicaid benefits package to expansion eligibles, with the exception of the services listed in the next column.	For the long-term unemployed adults, the following services are excluded: adult day health; chronic disease and rehabilitation hospital; day habilitation center services; early intervention; EPSDT; eyeglasses; hearing aids; some home health services; hospice; nursing facility; personal care; private duty nursing; and transportation. For disabled individuals who do not meet income criteria, the following services are excluded: adult day health and hospice.
Minnesota Prepaid Medical Assistance Plus Program (PMAP+) Implemented 7/1/95	Expansion population: 1) pregnant women and children up to age 2 with family income at or below 275 percent FPL, without regard to assets and with no insurance barriers in place; and 2) children ages 2-19 in families eligible for MinnesotaCare (income up to 275 percent FPL). There are approximately 65,000 children in the expansion population.	Children under age 21 and pregnant women are eligible for the standard Medicaid benefit package.	The benefit package for expansion adults excludes the following services: private duty nursing; personal care; non-preventive dental services; case management; nursing facility services; ICF/MR care; services in an individualized education plan provided by a school district; and outpatient mental health services beyond certain basic treatment. Long term care is not offered.

**Benefit Packages for Expansion Populations in Approved Section 1115 Statewide Demonstrations:
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State	Expansion Population	Included Benefits *	Excluded Benefits
Missouri Proposed implementation: 9/1/98	Expansion population: 1) children up to age 18 with income up to 300 percent FPL; 2) eligibility for up to two years for working parents transitioning off of welfare, provided they remain employed, with incomes not exceeding 300 percent FPL and a Medicaid eligible child in the home; 3) certain non-custodial parents with incomes up to 100 percent FPL.	The standard Medicaid benefit package would be provided to all expansion children, with the exception of services listed in the next column. Expansion adults receive benefits equal to those of State employees	For children only non-emergency transportation is excluded from the Medicaid benefit package.
New York New York Partnership Plan Implementation phase-in began 10/1/97	Expansion population: adult Home Relief population.	All eligibles, including adults on Home Relief receive the entire Medicaid package.	--
Ohio OhioCare Implemented 7/1/96	Expansion enrollment (the uninsured with income up to 100 percent FPL) is postponed indefinitely.	The standard Medicaid benefit package was to be provided to all expansion eligibles.	--
Oregon Oregon Health Plan (OHP) Implemented 2/1/94	Expansion population: all uninsured individuals with incomes up to 100 percent FPL. There are 11,253 children up to age 18 in the expansion population.	Both current law eligibles and expansion eligibles receive a benefit package based on prioritized condition/treatment pairs, currently covering 578 out of a total 745 items. Since condition/treatment pairs are diagnosis-specific, there is not a direct correlation between services covered under a standard Medicaid benefit package and what is covered in the OHP.	Most, if not all, of the non-covered condition/treatment pairs represent services which could be covered under Medicaid. This reduced benefit package applies to all OHP participants--current law and expansion eligibles.
Rhode Island RIte Care Implemented 8/1/94	Expansion population: pregnant women with family income up to 250 percent FPL; children under 18 in families with income up to 250 percent FPL. There are 1,848 children in the expansion population.	The standard Medicaid benefit package is provided to all expansion eligibles.	--

Benefit Packages for Expansion Populations in Approved Section 1115 Statewide Demonstrations: Exclusions from the Traditional Medicaid Benefit Package Draft 5/29/98			
State	Expansion Population	Included Benefits *	Excluded Benefits
Tennessee TennCare Implemented 1/1/94	Expansion population: uninsured State residents and those whose medical conditions make them uninsurable, with total enrollment capped at 1.3 million. There are 63,164 children age 13 and under in the expansion population.	The standard Medicaid benefit package is provided to all expansion eligibles.	--
Vermont Vermont Health Access Plan (VHAP) Implemented 1/1/96	Expansion population: uninsured with incomes up to 150 percent FPL; Medicare beneficiaries living in households with income up to 150 percent FPL.	Uninsured expansion eligibles receive the standard Medicaid benefit package, with the exception of items in the next column. Low-income Medicare eligibles receive only a pharmacy benefit. The prescription drug coverage offered is modeled on a managed benefit program which incorporates drug utilization review programs, formularies, generic and therapeutic substitution, and dispensing of minimum supplies of maintenance drugs. There is a copayment of \$1 or \$2 per prescription, as required in the current Medicaid program.	Services excluded for expansion eligibles are: transportation; nursing facility; and home-based waivers.

Illinois, Kentucky, and Oklahoma comprehensive, statewide demonstrations are not included because they do not expand eligibility or alter the standard Medicaid benefit packages.

*Wisconsin & New Mexico approved since this chart
was done - Both offer full Medicaid benefit
pkg.*