

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings and Mickey Ibarra to the President re: Arkansas's ARKIDS Program (1 page)	10/28/1999	P5- <i>ans 4/6/15</i>
002. memo	Ray Hanley to Chris Jennings re: phone number (partial) (1 page)	10/19/1999	P6/b(6)
003. email	Chuck to Governor Huckabee (2 pages)	10/28/1999	P6/b(6)
004. memo	Chris Jennings and Mickey Ibarra to the President re: Arkansas's ARKIDS Program (1 page)	10/28/1999	P5- <i>ans 4/6/15</i>
005a. memo	Chris Jennings to the President re: Amy Rossi Letter (1 page)	10/28/1999	P5- <i>ans 4/6/15</i>
005b. letter	Amy Rossi to President Clinton (3 pages)	10/26/1999	P5, P6/b(6)

COLLECTION:

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

FOLDER TITLE:

ARKIDS [Folder 6]

2012-0463-S

rc718

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]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- 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]

'99 OCT 28 PM8:16

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

10-29-99

October 28, 1999

MEMORANDUM TO THE PRESIDENT

FROM: Chris Jennings and Mickey Ibarra

RE: ARKANSAS'S ARKIDS PROGRAM

CC. John Podesta, Karen Tramontano, Steve Ricchetti, Bruce Reed, Bruce Lindsey, Melanne Verveer

*copied
Jennings
Ibarra
Podesta
Tramontano
Ricchetti
Reed
Lindsey
Verveer*

*Occur
Don't feel
a lot of time
to nervous*

Attached is a draft letter from you to Governor Huckabee regarding the ARKids Medicaid waiver issue. We think that it is important to forward this letter to the Governor tomorrow (Friday) because it appears likely that he will use the opportunity of the Republican response to your radio address to highlight this issue in a potentially inflammatory manner.

I spoke with the Governor today and had another amiable conversation. Despite the tone, it appears clear that the Governor continues to look for excuses to publicly highlight the controversy surrounding ARKids. Today, for example, he put me on the spot, expecting an instant response to his offer to remove all barriers to Medicaid enrollment if I would agree to allow families to enroll their children in Medicaid if they still choose to do so. This is a 180 degree turn from Ray Hanley's position yesterday in which he said that removing those barriers were impossible politically and difficult to implement. It also is equally impossible for me to get instant sign-off on such a major Medicaid issue. While I think that I succeeded in getting the Governor to understand that our process -- and probably his own internal process -- take longer, he will likely continue to record a negative response.

Regardless, Bruce Lindsey, Amy Rossi and Skip Rutherford believe that it is important that a communication be forwarded to the Governor to provide evidence of your concern about this issue. Most importantly, it conveys your assurance that no children will lose coverage as a result of any action.

We met with Ray yesterday and set up a process for staff to work through these issues. The Governor's openness to removing barriers today is encouraging. From our perspective, we will begin to gather the legal, policy and political arguments for or against allowing families to voluntarily enroll their Medicaid-eligible children in ARKids, assuming that the Governor can deliver on removing structural barriers. This action would be precedent setting and will require significant discussion. We will keep you apprised of developments.

THE WHITE HOUSE

WASHINGTON

October 28, 1999

The Honorable Mike Huckabee
Governor of Arkansas
Little Rock, Arkansas 72201

Dear Mike:

Thank you for sharing your concerns about the Department of Health and Human Services (HHS) letter about enrolling Medicaid-eligible children in ARKids. Expanding coverage to children has been a priority for me, and I applaud your leadership in making ARKids outreach efforts among the most successful in the nation.

As we discussed on Monday, I want to reiterate my commitment to putting the children of Arkansas first and foremost in any discussion that we have on the ARKids issue. I want to assure you that, during the process to resolve this issue, my Administration will not take any action that will cause Arkansas children to lose health coverage.

I have instructed White House and HHS staff to work with your Director of Medical Services, Ray Hanley, to rapidly resolve this issue. I was encouraged to learn that we share a mutual interest in making Medicaid as user-friendly and accessible as the ARKids program.

I am confident that, given the priority that we both place on the health and well-being of our children, we can develop a solution that best serves the children of Arkansas. I look forward to working with you in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Clinton", with a long horizontal flourish extending to the right.

The Honorable Mike Huckabee
Governor of Arkansas
Little Rock, Arkansas 72201

ACORN

2101 S Main Street, Little Rock, AR 72206
(501) 376-7151

October 29, 1999

President William Jefferson Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Clinton:

We are writing to express our strong support for the position you have taken with respect to Arkansas' request for permission to enroll children who are eligible for the full Medicaid benefit package and cost-sharing protections into ARKids First.

We believe that Governor Huckabee's request for a waiver is not in the best interest of low-income children in Arkansas and nationwide.

We are an organization of 6,000 member families in Arkansas, and we believe that all children deserve a simple, streamlined, non-stigmatized health care coverage program. Arkansas has shown that it is possible to create such a program within the context of Medicaid; ARKids First, after all, is a Medicaid program. Yet, our state has not carried over the features of ARKids First that make it attractive to families to the regular Medicaid program. This has meant that poorer families have had to contend with in-person interviews at County DHS offices and other barriers to get their children enrolled and to keep them enrolled in Medicaid. By contrast, higher income families have not had to contend with these burdensome requirements and are made to feel good about enrolling their children in publicly funded coverage.

The Governor's solution is to bypass the regular Medicaid program and to let all families enroll in ARKids First. This is not a good solution. First, it forces families that prefer the better treatment offered to the public by ARKids First to give up their child's right to certain health care benefits and requires them to pay co-payments that they may not be able to afford.

Second, it leaves the families that remain in the regular Medicaid program even more marginalized. It should be noted that the children enrolled in Medicaid are disproportionately children of color. The Governor is setting up a two tiered health system in Arkansas that has significant racial overtones.

We cannot understand why the Governor would continue to stigmatize poor families. We have not forgotten the unfortunate remarks he made some years back about women on welfare sitting around all day watching Oprah.

Third, the Governor's solution would set a dangerous precedent for the country. Other states would point to Arkansas and ask the federal government for permission to allow them to bypass Medicaid as well and to enroll Medicaid eligible children in those states in separate CHIP funded programs. While many of these programs provide broad coverage to low-income children, they do not offer the protections and coverage guarantees that are key features of the Medicaid program.

Our members want all children in Arkansas to be able to enjoy the benefits of a family-friendly, affordable health coverage program. This Administration has stood firmly behind that goal, and we applaud your efforts to assure that this goal becomes a reality for all of Arkansas' children.

Sincerely,



Hattie Taylor
Member
Arkansas ACORN State Board

CC: Secretary Donna Shalala
US Department of Health and Human Services
1000 Independence Avenue
Washington, DC

Nancy Ann Miller DeParle
Administration
Health Care Financing Administration
US Department of Health and Human Services
1000 Independence Avenue
Washington, DC



Sarah E. Gegenheimer

10/29/99 06:59:37 PM

Record Type: Record

To: Devorah R. Adler/OPD/EOP@EOP

cc:

Subject: AR Dem Gazette: Clinton vows to help state keep ARKids First children insured

Just wanted to make sure you saw this...

Thursday, October 28, 1999

Clinton vows to help state keep ARKids First children insured

SUSAN ROTH
ARKANSAS DEMOCRAT-GAZETTE

WASHINGTON -- President Clinton has pledged that his administration will work with Arkansas officials to prevent the loss of health insurance to children who are enrolled in the state's ARKids First program.

But the state is required to enroll those children who are eligible for the federal Medicaid health-insurance program in Medicaid, not ARKids First, a White House spokesman said Wednesday.

"The waiver agreement signed by the state that established the ARKids First program clearly requires that every child who's eligible for Medicaid should be enrolled in Medicaid," the spokesman said.

Gov. Mike Huckabee said Monday that thousands of those families would drop out of the health-insurance system if they had to enroll in Medicaid, because it carries the stigma of welfare.

Huckabee, as well as Democratic Sen. Blanche Lincoln and state Sen. Mike Beebe, D-Searcy, have called on Clinton to intervene in the state's battle with the federal Health Care Financing Administration on the issue.

"We can understand why a federal bureaucrat would not understand that Arkansas pride," said Rex Nelson, Huckabee's spokesman, explaining why the governor appealed to Clinton. "But the president understands Arkansas enough that he would understand that. ... And the president has consistently said his goal is to insure children."

The state has been enrolling low-income children in the ARKids First health-insurance program regardless of whether they are eligible for Medicaid. The federal Health Care Financing Administration says that is a violation of the state's agreement with the federal government, which says the program is only for those "who would not otherwise be eligible for Medicaid."

Last week, the financing administration sent a letter to the state Department of Human Services, which administers the Medicaid and ARKids First programs, ordering that Arkansas "must discontinue enrolling any Medicaid-eligible applicants in ARKids First." Huckabee said Monday that would "gut" the ARKids First program, which now has about 45,000

enrolled.

Initiated in 1997, ARKids First was designed to provide insurance for children whose family income levels were not low enough to qualify them for Medicaid but whose parents could not afford health coverage for them.

A family of four earning up to \$33,400 would be eligible for ARKids First, while that family could not earn more than \$22,211 to qualify for Medicaid. In addition, families enrolled in Medicaid do not have to pay any premiums, deductibles or co-payments and they receive more benefits than those in ARKids First.

The White House said Clinton remains committed to increasing health insurance for children.

"The president has said that he will work with the state to make sure that all Arkansans who have health-insurance coverage keep it and that everyone who is eligible for coverage gets it," the spokesman said.

She said the federal Department of Health and Human Services, which includes the Health Care Financing Administration, will be working out a compromise with the state.

Though Huckabee just wants the federal agency to allow Arkansas to continue operating ARKids First the same way, an agency spokesman said there's no reason the two sides can't work out a compromise.

In fact, the agency's letter to the state says, "We are willing to work with you" on ways to implement the changes.

The agency offered to share examples of screening methods used by other states, and ways to make the Arkansas Medicaid program more attractive to applicants, "thereby removing some of the barriers to application and enrollment that ARKids First was designed to overcome."

"What we've told them is we'll take steps to make Medicaid more attractive," Nelson said. "If everyone that signs up is made aware that there are no co-payments and that the benefits are greater," perhaps more families will enroll, but usually, they opt for ARKids First anyway, he said.

Lincoln, who asked for the president's "leadership" in a letter sent to the White House on Tuesday, said the governor can make the two programs more seamless, "where the state behind the scenes determines which pot of money a family qualifies for.

"We can and should make Medicaid less bureaucratic," Lincoln said.

This article was published on Thursday, October 28, 1999

RETURN to Arkansas Section



STATE OF ARKANSAS
MIKE HUCKABEE
GOVERNOR

'99 OCT 29 PM 5:01

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.

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

Withdrawal/Redaction Marker

Clinton Library

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002. memo	Ray Hanley to Chris Jennings re: phone number (partial) (1 page)	10/19/1999	P6/b(6)

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October 19, 1999

To: Chris Jennings, The White House

From: Ray Hanley

Re: More Thoughts on Negative ARKids Impact Letter

[002]

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.

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.

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

*Thank
Ray*

10/20/99 WED 14:01 FAX 501 682 3587

GOVERNOR OF ARKANSAS

001

STATE OF ARKANSAS
OFFICE OF THE GOVERNORState Capitol
Little Rock 722

Bruce Reed

Mike Huckabee
GovernorFAX TRANSMITTAL
FAX NUMBER 501/682-1382
OFFICE NUMBER 501/682-3813DATE: 10/20/99TO: PRESIDENT
CLINTONFROM: GOV. MIKE
HUCKABEE *Today*FAX #: (202) 456-6703*for Huckabee &
asking for a
call today
about this -
I want a
copy to Tuesday
before - need
comments back
today
MS*

We are sending a 3 page transmission (including this page). If you do
not receive all pages, call DAWN COOK at
(501) 682-8051.

10/20/99 WED 14:01 FAX 501 682 3597

GOVERNOR OF ARKANSAS

002



STATE OF ARKANSAS
MIKE HUCKABEE
GOVERNOR

10.20-99

Dear Mr. President -

I hope we can talk about this
very explosive issue right away.

Thanks!

Mike Huckabee

- ARKids First has been enthusiastically embraced by working families who traditionally have had too much income for Medicaid eligibility, but not enough to pay out of pocket for medical care. Many of these families would never go through the process of applying for Medicaid. HCFA may think this directive creates a choice between Medicaid and ARKids First. We firmly believe that for many children this decision would create a choice between ARKids First or no health coverage whatsoever.
- For more than three years this country has been talking about the personal responsibility involved in the process of moving from welfare to work. This concept has been embraced at the state and federal level. Arkansas families who have opted for ARKids First have said they want to take personal responsibility by making a small co-payment and by accepting a more streamlined plan than traditional Medicaid. These families should be applauded, not punished, for this choice.
- More than 45,000 Arkansas children are currently enrolled in the ARKids First insurance style package. Since the program went on line in September of 1997 more than 55,000 children have enrolled. All families considering ARKids First have been informed they might be eligible for the greater benefits of Medicaid and no cost sharing. These working families indicate a very high level of satisfaction with ARKids First and they indicate they have made an informed choice.
- If the federal government opts to restrict the right of Arkansas families to make a choice there will be an increase, not a decrease, in the number of uninsured Arkansas children. The HCFA claim that we must "discontinue enrolling any Medicaid eligible ARKids First applicants in ARKids First" inaccurately assumes we can somehow determine this without the applicant having been through the Medicaid eligibility process. Forcing families who have never accessed social services to go through the Medicaid application process will drive them away.
- We don't believe "barriers to application and enrollment" hinder the Arkansas Medicaid program. ARKids First has always been targeted to a different segment of the population. It is a program that has been enthusiastically supported by the administration as well as a wide range of advocacy groups in Arkansas. For the federal government to force this change on a program that has become a national role model would be unfortunate, and would contradict the most fundamental goals of the nationwide move to Children's Health Insurance Programs.

Hursey, Teresa

From: Hanley, Ray
Sent: Friday, April 30, 1999 3:30 PM
To: 'Teresa_M_Jones@ope.eop.gov'; 'Christopher_C_Jennings@opd.eop.gov'
Subject: HCFA's New Decision on ARKids First

Chris

Hope things are going well in your part of the White House, guess it's a good time to be directing part of the domestic agenda. The following sums up the issue I called you about.

We had a conference call earlier this week with a large HCFA cast from both Dallas and Baltimore. We had been working still to reach a way to convert ARKids to SCHIP but the subject of the call was that HCFA has decided (almost two years later) that they made a mistake when they approved the 1115 Medicaid waiver for ARKids that today has 40,000 previously uninsured kids enrolled in a comprehensive system of primary care and in the nationally recognized, award winning ConnectCare managed care program.

The issue is HCFA says they didn't expect many kids who might otherwise qualify for the regular Medicaid program would instead opt for ARKids First, with a less liberal benefits package and cost sharing. Why they are surprised is a mystery given lengths we go to help the family make an informed choice. Those ARKids applicants whose income appears within Medicaid income limits are sent a letter advising ARKids approval but the letter also tells them it appears possible that they may qualify for a Medicaid category with more benefits and without any cost sharing requirements. A Medicaid application is enclosed with the letter, along with instructions to complete it and take to the county DHS office if they wish to apply for that program.

Until the family actually goes in to make a regular Medicaid application it can't be determined for certain if they would qualify because of asset tests and other categorical issues. On the other hand the ARKids process was designed with working families in mind, a two page, mail in application, no assets test, etc. The simplified application process and a well funded ad/outreach campaign have been very successful in enrolling kids.

Based just on income as many as half of the current ARKids First enrollees might qualify for regular Medicaid. HCFA advised that we are forbidden to any longer enroll any children in ARKids First who are qualified for Medicaid—that we are to force the families to apply for Medicaid, deny their ARKids First application and if they refuse to follow thorough on a Medicaid application their children are required to remain without any health coverage. (honest—this was what we were told, the six of us around the table on my end couldn't believe it)

Think about this

—HCFA would have us force people to accept more public assistance than they want, we find from surveys and interviews with ARKids families that many prefer ARKids to making a Medicaid application, they very candidly talk about how they would rather have a program that looks more like insurance and how much pride they take in paying a part of the cost of the program when they take their kids to the doctor.

—We are to deny people the freedom to choose (doesn't this have well used ring) which program they want to use for their children's health care.

—We would be forced to tell some families, sorry, you don't make ENOUGH money to qualify for ARKids, you must take off work, make a trip to the county DHS (to them welfare) office or you can continue to have your child uninsured.

How is it going to play publicly and in the media when we have to say the federal government is forcing the President's home state to force people to accept more, not less, public assistance than they want. That we are denying them the right to use a program where they pay a part of the cost in favor of a program they are forced to apply for (or do without healthcare) where they are prohibited to pay any of the cost.

This simply makes no sense Chris

At this point we are ignoring the advice on the conference call, we understand a letter of confirmation was coming this week, but that perhaps it is delayed in the "internal clearance" process. If we do in fact receive the letter confirming the HCFA conference call we will pursue all options to overturn that directive, both political and in the court of public opinion. I'd appreciate whatever you can do to have HCFA retract this advice which I detected was given after a lot of divided opinions within their ranks, I have to believe a lot of my friends there know this was a bizarre decision that will harm state and federal relations—and that HCFA will look foolish when this plays out in the news media, etc.

ARKids is an enormously successful program and to date a shining example of what a state and federal partnership can do in meeting the goals of getting kids into a system of health care—lets try to keep it that way.

From: Joan Peterson
To: rfenton,awedgeworth,mfiore
Date: 6/29/99 12:22pm
Subject: Application Procedures in Arkansas and Other States

(I understand that you will forward this e-mail to Mary Beth, who will then send it to Peter.)

Peter Harbage had asked us whether there are any other 1115 States with application/enrollment procedures like Arkansas, in the sense that it is easier to get into the 1115 than it is to get into regular Medicaid. In his discussions with White House staff about releasing the letter telling the State they will have to make sure that no Medicaid eligibles end up in ARKids First, this question apparently came up. Peter said folks were worried about pushing back on AR without having some security that there are no other States doing the same thing.

I have received information from the project officers for every 1115 in our division. This has sometimes required calls to the ROs and States, but I wanted to be thorough, since a lot is riding on the answer.

Only one State comes even close to Arkansas, and that is Tennessee (which is ironic to me, considering their similar situations re. CHIP). In their 1115, TN uses a mail-in application (like AR). They put people on the program, then do the verifications later (whereas TN Medicaid requires that documentation be provided before the applicant is made eligible). The RO is not happy about this, and has been working with the State for some time. As a result, TN now contracts with the Health Department to do eligibility, but still allows mail-in applications. TennCare applicants can go to the Health Department and avoid the stigma of coming into the County welfare office (as they must do for regular Medicaid). The Health Department is also doing some verifications via computer matching. The RO tells me that TN currently has an initiative under way to tighten the eligibility process for the 1115, but I don't have more detailed information on what it consists of, status, timeframe, etc.

For the other 1115s, there are no differences, or only minimal differences from regular Medicaid. In at least a couple States (VT, WI), the 1115 does not have the resource test found in Medicaid. In HI, the 1115 uses gross income rather than net income (Theresa tells me that there used to be more differences, but not any more.) In MN, the expansion population is treated differently, but it's a toss-up whether this nets out to be easier (my judgement is that it is not).

To summarize, the only State that approximates what Arkansas is doing is Tennessee. However, TN does not have the added problem found in AR of allowing 1115 applicants who are eligible for Medicaid the option of choosing to be in the 1115 (despite cost sharing and a reduced benefit package). Note that in TN, cost sharing is also only imposed on the expansion groups (uninsureds and uninsurables), not on categorical Medicaid eligibles. However, in TN (unlike AR), the benefit package is the same for the 1115 and regular Medicaid.

CC: cshirk

Annex Copies for you and Rick recommending Option A. I've also e-mailed to you.

Discussed at CMSO Issues meeting Joan
April 14. OA concurs w/ recommendation 4/2 p.m.

ARKANSAS SECTION 1115

ISSUES PAPER

ISSUE

The Arkansas section 1115 demonstration, ARKids First (AF), was approved on August 19, 1997 to cover uninsured children under age 19 with family income at or below 200 percent of the Federal Poverty Level who are not otherwise eligible for Medicaid. In implementing the demonstration, the State has allowed a substantial number of applicants who may qualify for regular Medicaid to enroll in AF, despite the fact that doing so requires them to pay copayments and provides them with a less comprehensive benefit package than they would receive under Medicaid. This practice is of great concern to the 1115 and CHIP review teams, and we are requesting a decision on how to proceed.

BACKGROUND

The State believes that giving AF applicants who may be Medicaid eligible the option of enrolling in AF is an acceptable strategy for assuring that those uninsured children whose parents are deterred from participating in Medicaid are getting some coverage for their children, since AF is perceived as a State insurance program rather than a "welfare" program. This is part of the State's overall effort in this demonstration to remove barriers to participation. In addition, the State has implemented a very successful outreach campaign touting the benefits of AF without any tie to Medicaid. However, concerns have been raised by the Department, OMB, and HCFA that potential Medicaid eligibles are not receiving the full benefit package to which they might be entitled, and are also being required to pay cost sharing. These concerns have dominated discussions as we have reviewed amendments to AF submitted by the State as well as their Phase I and II CHIP plans. In January, we sent Arkansas a list of questions in an attempt to obtain a more complete understanding of their eligibility and enrollment practices and the characteristics of AF enrollees. However, the State was not able to provide the level of detail we believe is needed to fully assess their operations, and we are now pursuing options for next steps.

OPTIONS

1. **Allow the State to continue the current practice of giving AF applicants who are potentially Medicaid eligible the option of enrolling in AF.**

Pros:

1. Would continue to provide coverage to uninsured children whose parents might otherwise be deterred from enrolling them in Medicaid due to the alleged stigma.
2. Potential Medicaid eligibles cannot be forced to participate in Medicaid. Further, there is no legal barrier to allowing Medicaid eligibles to choose to participate in a program that provides lesser benefits than they could receive under Medicaid.

Cons:

1. This practice does not comply with the approved AF 1115 demonstration authority, which specifies that AF is for children who are not otherwise eligible for Medicaid.

2. Would permit the State to continue allowing Medicaid eligible children to choose coverage that involves a reduced benefit package and copayments, rather than making more of an effort to see that they enroll in Medicaid.
3. Would allow the State to continue to realize savings from charging copays and providing a reduced benefit package to those who may be entitled to full Medicaid benefits.
4. Would continue to stigmatize Medicaid as a "welfare program."

2. Require the State to continue to screen AF applicants for Medicaid eligibility but to enroll those who are Medicaid eligible into regular Medicaid.

Pros:

1. Would ensure that Medicaid eligible children receive the full benefit package to which they are entitled without cost sharing.
2. Would comply with the approved AF 1115 demonstration authority.
3. Would be consistent with CHIP policy regarding screen and enroll.

Cons:

1. Is contrary to the State's desire to remove barriers to accessing coverage for uninsured children by not requiring them to apply for Medicaid.
2. Represents a significant change from the way the State has operated its program since September 1, 1997.
3. Could potentially result in a child not being insured (if eligible for Medicaid but refuses to apply or enroll).

3. Require the State to submit an amendment to give AF applicants who may be eligible for Medicaid the option of enrolling in AF once they have been adequately/appropriately informed of the differences between the 2 programs. Also, require an evaluation of the "choice" feature of the demonstration as well as other features designed to remove barriers to participation, such as the simplified application process.

Pros:

1. If the amendment is approved, the State would then be operating the program in compliance with the approved 1115 authority.
2. An evaluation of this program would provide information on the impact of choice and other features that are being demonstrated.
3. Approval of the amendment would reinforce the fact that AF is an approved demonstration and would hopefully curtail future debate regarding this program.

Cons:

1. The State might not be willing to go through the effort of developing an amendment if they perceive that we might not approve it.
2. The Department and OMB might not be in favor of encouraging the State to submit such an amendment.
3. The State might believe that such an amendment is not necessary, since we have not raised a compliance issue since learning of their practices last summer. However, the State is well aware that we have serious reservations concerning this situation.

4. An evaluation design would raise ethical issues, since we would be explicitly allowing some children who may be Medicaid eligible to receive less than their full entitlement.

RECOMMENDATION

We recommend that Arkansas be required to comply with their current demonstration authority and limit AF to children who are not otherwise eligible for Medicaid (Option 2). This would involve ceasing to enroll any potentially Medicaid eligible AF applicants in AF as well as screening all current AF children and enrolling them in Medicaid if they are determined Medicaid eligible.

4/2/99



STATE OF ARKANSAS
OFFICE OF THE GOVERNOR
State Capitol
Little Rock 722

Bruce Reed

Mike Huckabee
Governor

FAX TRANSMITTAL
FAX NUMBER 501/682-1382
OFFICE NUMBER 501/682-3813

DATE: 10/20/99

TO: PRESIDENT

FROM: GOV. MIKE

CLINTON

HUCKABEE

FAX #: (202) 456-6703

We are sending a 3 page transmission (including this page). If you do not receive all pages, call DAWN COOK at

(501) 682-8051

for Huckabee &
asking for a

call today
about this

urgent a
copy to me today
- need
comments back
today
AJ



STATE OF ARKANSAS
MIKE HUCKABEE
GOVERNOR

10.20-99

Dear Mr. President -

I hope we can talk about this
very explosive issue right away.

Thanks!

Mike Huckabee

- ARKids First has been enthusiastically embraced by working families who traditionally have had too much income for Medicaid eligibility, but not enough to pay out of pocket for medical care. Many of these families would never go through the process of applying for Medicaid. HCFA may think this directive creates a choice between Medicaid and ARKids First. We firmly believe that for many children this decision would create a choice between ARKids First or no health coverage whatsoever.
- For more than three years this country has been talking about the personal responsibility involved in the process of moving from welfare to work. This concept has been embraced at the state and federal level. Arkansas families who have opted for ARKids First have said they want to take personal responsibility by making a small co-payment and by accepting a more streamlined plan than traditional Medicaid. These families should be applauded, not punished, for this choice.
- More than 45,000 Arkansas children are currently enrolled in the ARKids First insurance style package. Since the program went on line in September of 1997 more than 55,000 children have enrolled. All families considering ARKids First have been informed they might be eligible for the greater benefits of Medicaid and no cost sharing. These working families indicate a very high level of satisfaction with ARKids First and they indicate they have made an informed choice.
- If the federal government opts to restrict the right of Arkansas families to make a choice there will be an increase, not a decrease, in the number of uninsured Arkansas children. The HCFA claim that we must "discontinue enrolling any Medicaid eligible ARKids First applicants in ARKids First" inaccurately assumes we can somehow determine this without the applicant having been through the Medicaid eligibility process. Forcing families who have never accessed social services to go through the Medicaid application process will drive them away.
- We don't believe "barriers to application and enrollment" hinder the Arkansas Medicaid program. ARKids First has always been targeted to a different segment of the population. It is a program that has been enthusiastically supported by the administration as well as a wide range of advocacy groups in Arkansas. For the federal government to force this change on a program that has become a national role model would be unfortunate, and would contradict the most fundamental goals of the nationwide move to Children's Health Insurance Programs.

David
Tim
Gay
Bar

October 18, 1999

To: Chris Jennings, The White House

From: Ray Hanley

RE: ARKids Negative Impact from HCFA Letter

Chris, as the White House "health czar" I've placed a call to you this afternoon because of the unexpected receipt of the enclosed HCFA letter that will have a negative impact on our efforts in Arkansas to expand coverage to other wise uninsured children.

Just as we have done for two years, we offer families an informed choice about whether or not to choose ARKids, with it's insurance style insurance package, with co-payments vs. the regular Medicaid package with more liberal benefits and no cost sharing. The ARKids program is one of the nations most successful efforts to extend quality primary coverage to previously uninsured children, the enrollment is closing in on 50,000 kids today.

Given this "freedom to choose" thousands of families have chosen to take ARKids as opposed to Medicaid. In interviews these families discuss the pride they take in declining greater public assistance in favor of the ability to pay for part of the medical care for their children---a point of pride that the HCFA position would deny.

The HCFA decision, obviously pending in HHS internally for months, would force families to take more public assistance than they want, to deny them the "choice" to pay a part of the cost, or leave them the only other choice to have their children remain uninsured. Surely this isn't compatible with the Clinton administrations goals of reducing the number of uninsured children? It certainly isn't compatible with our goals here in Arkansas as our record of success with ARKids indicates.

The public response to this bizarre turn of events will be the Governor's to make, but I'd hope we could bring some reason back to the process without a public debate.

I'd very much appreciate a call at the earliest possible time to discuss this issue with you. Call me at 501-68208292; ask the office to page me if I'm not readily available or to interrupt any meeting.



DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

Center for Medicaid and State Operations
Family and Children's Health Programs Group
7500 Security Boulevard
Baltimore, MD 21244-1850

OCT 18 1999

Mr. Ray Hanley
Director
Arkansas Department of Human Services
Division of Medical Services
Donaghey Plaza South
P.O. Box 1437
Little Rock, Arkansas 72203-1437

Dear Mr. Hanley:

I am writing to reaffirm the position we expressed in our April 27 conversation regarding the ARKids First section 1115 demonstration. Under section 1115(a)(2) of the Social Security Act, you were granted approval to receive Federal financial participation for services provided to individuals who are not otherwise eligible under the Medicaid program. These program costs are specifically for those services that are provided to children who are not eligible for Medicaid. This authority does not encompass services provided to individuals under your demonstration who would otherwise be eligible through the Medicaid program, i.e., Medicaid eligible children who are enrolled in Medicaid or children who are eligible to be enrolled in Medicaid.

Therefore, to operate ARKids First in compliance with the authority we granted you under section 1115, the program must be limited to uninsured children under age 19 with family income at or below 200 percent of the Federal Poverty Level who are not otherwise eligible for Medicaid. This means that you must discontinue enrolling any Medicaid eligible ARKids First applicants in ARKids First. Further, you must screen current ARKids First children and enroll them in Medicaid if they are determined Medicaid eligible. These requirements will also apply to any amendments to your demonstration necessary as a result of your pending CHIP amendment.

We are willing to work with you on the timing and procedures associated with implementing these changes. Regarding the procedures, we can recommend examples

Page 2 - Mr. Ray Hanley

from other States of screen and enroll methods that have been approved as part of their screen and enroll requirements. We are also available to talk with you about ways to make the Arkansas Medicaid program more attractive to applicants, thereby removing some of the barriers to application and enrollment that ARKids First was designed to overcome.

Once again, we applaud your accomplishments in extending health coverage to uninsured children, and share your goals in this area. However, under the law and the terms of your demonstration, Medicaid eligible children are required to be enrolled in Medicaid.

Sincerely,



David S. Cade
Director

cc: Andrew Fredrickson
HCFA, Region VI


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RETURN to Arkansas Section / Saturday, October 30, 1999

Huckabee: White House called about planned radio remarks

ROB MORITZ
ARKANSAS DEMOCRAT-GAZETTE

A "low-level" White House staff member called Gov. Mike Huckabee earlier this week "frantic" to learn what he planned to say in the Republican response to President Clinton's weekly radio address today, the governor said Friday.

Huckabee is upset with the U.S. Health Care Financing Administration for its recent directive saying that children eligible for the general Medicaid health insurance program may not enroll, instead, in the state's ARKids First Medicaid health insurance program. Huckabee also is upset with the president for not stepping forward to defend the ARKids First program.

Huckabee said the staff member who phoned Thursday said the president wants to work with him to end the dispute, but could not guarantee anything.

Huckabee said his Republican response remarks will mostly be about the importance of ARKids First.

The president's address is set for 10 a.m. Huckabee's response, which was taped Friday, begins at 10:06 a.m. The two addresses, however, will not be heard locally on radio station KARN-AM, 920, until Sunday morning because of today's Arkansas-Auburn football game, said Jamez Finch, the station's news producer. The game begins at 11:30 a.m. today, with the pre-game show starting at 8:30 a.m.

Finch said Friday night he did not know the exact time when the addresses would air Sunday morning.

The national radio addresses mark the first time two Hope, Ark., natives will have participated in the weekly presidential address and response. And, it's the first time a president and the current governor of the state he formerly governed have done the weekly address.

Huckabee said Republicans and Democrats in Arkansas are rallying to preserve the ARKids First program. "This is not a political issue in Arkansas, it's a political issue in Washington," Huckabee said.

"I'm squaring off now not so much with the president but with an administration that seems to be more interested in the politics of Washington than in the children of this state who have been insured through the ARKids program," he said.

Liberals and supporters of government welfare have told the president "you can't let those people in Arkansas have a program that's working so successfully, that's actually giving parents the empowerment of their choices," Huckabee said.

The health-care administration's order aims at having Medicaid-eligible children in the Medicaid program, which has broader services than ARKids First.

Huckabee said many families with children currently insured under

the ARKids First are too proud to go into a government office and sign up for a federal welfare program. ARKids First, like the general child health insurance program, is a Medicaid program financed by a combination of state and federal tax dollars.

He fears thousands of children may go uninsured if they are not allowed to participate in the ARKids First program, which now serves about 43,000, Huckabee said.

"We're saying, by golly, this is working, and we shouldn't have to change it to satisfy some political agenda of people who don't even live here," Huckabee said.

Huckabee spoke briefly with the president Monday before he held a news conference and draped a yellow ribbon around a bust of the president at the Governor's Mansion to symbolize what he called an uncertain future for the state program.

This article was published on Saturday, October 30, 1999

RETURN to Arkansas Section

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WE WEREN'T the only ones who were confused when told that ARKids First was to be for families who made much to qualify for Medicaid not enough to afford their own insurance.

The feds must have thought the thing, because when a third of families that enrolled would have been eligible for straight Medicaid, the feds blew the whistle. Which is a shame because ARKids is a good program, a necessary program. It's also a fine example of how government can and should encourage folks who need a hand but don't want a handout, to borrow an overused line from a fellow Washington.

If tens of thousands of Arkies have too much pride to accept help without paying a little in return, we think that's fine. We think it's just a kind of self-respect and self-reliance that government should be encouraging, not discouraging.

Unfortunately, the feds say that couldn't be legal. They also seem to have some deep-rooted bias against the trying to do as much for themselves as possible. They talk about the stigma of accepting welfare and how to overcome it—rather than the pride in being a self-reliant citizen who insists on paying at least part of his own way, thank you. Why are we not surprised that this big "problem" should have arisen in a state like Arkansas rather than, say, New York? It's the culture, stupid. And anybody who knows the state could have foreseen it. But bureaucrats are paid to know the rules. Hey, somebody has to.

And according to the bureaucrats, at least for now, they have no choice but to insist that the Huckabee administration stop signing up folks for ARKids First when they're eligible for straight Medicaid instead. It's the law, the bureaucrats say. Or at least policy, which may be a lot holier in some eyes.

It's understandable how state officials got confused—that is, if it's really Little Rock and not Washington that's confused. We're still not sure. But experience tells us this much is certain: Bureaucratic jargon is often so jumbled that you could line up all the federal and state administrators in the world, and they still wouldn't reach the same conclusion. They certainly haven't in this case.

Here is an example—steel yourself—of the kind of wordsludge that the state had to interpret to get this reform under way. To initiate ARKids First, said the feds, the state (1) had to "offer a different package to demonstration participants than is being offered to the traditional Medicaid population," and (2) extend "health insurance coverage to children through age 18 with family income at or below 200 percent of the federal poverty level,

who would not otherwise be eligible for Medicaid." Got that? Clear as micromanaged mud, isn't it?

So what was our governor's response to this government-size muddle? He holds a press conference, blasts the feds like some raffish governor of the Ross Barnett mold back in the bad old days and, just for old times' sake, ties a yellow ribbon around the old... bust of Bill Clinton on the lawn of the Governor's Mansion.

Really now. Everybody knows Mike Huckabee has all the showmanship of a frustrated vaudevilian, but just how does his latest little act actually solve the problem and make sure our kids are insured? Quick, somebody get the hook. The Guv needs to be making policy, not scenes. Instead, he made a flamboyant appeal to the president (it's become a standard rule of American politics: When in doubt, try to embarrass Bill Clinton. Even Bill Clinton has tried it.)

So what's the president supposed to do, issue a warrant? Arrest a couple of Cabinet members? Plow his way through all the rules and regulations? (Talk about cruel and unusual punishment. That's what he's got bureaucrats for.) Naturally the president responded with one of his non-responses—one long Clinton clause. But what else could he do—ignore the law? This isn't campaign finance reform, after all, or testifying under oath. This is policy.

IF THE GOVERNOR wants to change the law, he needs to appeal not to the president but the legislative branch of government. We understand he has some influential friends in Congress. Or if he thinks it's the feds who are violating the law, the courts are open to all citizens, even governors.

Best of all, if Mike Huckabee thinks he can make a reasonable case for extending ARKids to Medicaid-qualified families—and, who knows, maybe he can—why not be reasonable? Call up the head of this federal agency and talk. Or invite him over to that quiet little study on the first floor of the Governor's Mansion. In those surroundings, even a New Yorker like Rudy Giuliani seemed to relax and get into the spirit of Southern civility. Instead, the Guv starts waving his arms and tying yellow ribbons. C'mon, Guv, this ain't Branson.

A quiet talk among friends isn't as dramatic a technique as all these goings-on, and it certainly doesn't qualify as a great foto-op, but it could prove a lot more effective. At last report, there was talk of working out a compromise between state and federal officials—as if even government officials and bureaucrats could talk things out. Imagine that. Yes, as a last recourse, we recommend reason. It has been known to work.

POTUS

John: FFF
Mickey

Arkansas Democratic Gazette

Saturday or Sunday



Who's on first?
ARKids, Medicaid, or the pols?



STATE OF ARKANSAS
OFFICE OF THE GOVERNOR
State Capital
Little Rock 72201

Mike Huckabee
Governor

FAX TRANSMITTAL
FAX NUMBER 501/682-1382
OFFICE NUMBER 501/682-3813

DATE: 10-28-99

TO: Chris Jennings FROM: Governor
Huckabee

FAX #: 202-456-6703

We are sending a 2 page transmission (including this page). If you do not receive all pages, call 501-682-8051 at

Chris, Skip Rutherford asked me to send this to you. The President met David Gossow in Little Rock, and + called his family when he died the other day. This is their story of the Ark Kids First Program. We have thousands like it. This is what we are fighting. I want the President to have a name + face to this program.. He will perhaps remember David..

Withdrawal/Redaction Marker

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003. email	Chuck to Governor Huckabee (2 pages)	10/28/1999	P6/b(6)

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THE WHITE HOUSE
WASHINGTON

October 28, 1999

MEMORANDUM TO THE PRESIDENT

FROM: Chris Jennings and Mickey Ibarra

RE: ARKANSAS'S ARKIDS PROGRAM

CC. John Podesta, Karen Tramontano, Steve Ricchetti, Bruce Reed, Bruce Lindsey, Melanne Verveer

Attached is a draft letter from you to Governor Huckabee regarding the ARKids Medicaid waiver issue. We think that it is important to forward this letter to the Governor tomorrow (Friday) because it appears likely that he will use the opportunity of the Republican response to your radio address to highlight this issue in a potentially inflammatory manner.

I spoke with the Governor today and had another amiable conversation. Despite the tone, it appears clear that the Governor continues to look for excuses to publicly highlight the controversy surrounding ARKids. Today, for example, he put me on the spot, expecting an instant response to his offer to remove all barriers to Medicaid enrollment if I would agree to allow families to enroll their children in Medicaid if they still choose to do so. This is a 180 degree turn from Ray Hanley's position yesterday in which he said that removing those barriers were impossible politically and difficult to implement. It also is equally impossible for me to get instant sign-off on such a major Medicaid issue. While I think that I succeeded in getting the Governor to understand that our process -- and probably his own internal process -- take longer, he will likely continue to record a negative response.

Regardless, Bruce Lindsey, Amy Rossi and Skip Rutherford believe that it is important that a communication be forwarded to the Governor to provide evidence of your concern about this issue. Most importantly, it conveys your assurance that no children will lose coverage as a result of any action.

We met with Ray yesterday and set up a process for staff to work through these issues. The Governor's openness to removing barriers today is encouraging. From our perspective, we will begin to gather the legal, policy and political arguments for or against allowing families to voluntarily enroll their Medicaid-eligible children in ARKids, assuming that the Governor can deliver on removing structural barriers. This action would be precedent setting and will require significant discussion. We will keep you apprised of developments.

THE WHITE HOUSE

WASHINGTON

October 28, 1999

The Honorable Mike Huckabee
Governor of Arkansas
Little Rock, Arkansas 72201

Dear Mike:

Thank you for sharing your concerns about the Department of Health and Human Services (HHS) letter about enrolling Medicaid-eligible children in ARKids. Expanding coverage to children has been a priority for me, and I applaud your leadership in making ARKids outreach efforts among the most successful in the nation.

As we discussed on Monday, I want to reiterate my commitment to putting the children of Arkansas first and foremost in any discussion that we have on the ARKids issue. I want to assure you that, during the process to resolve this issue, my Administration will not take any action that will cause Arkansas children to lose health coverage.

I have instructed White House and HHS staff to work with your Director of Medical Services, Ray Hanley, to rapidly resolve this issue. I was encouraged to learn that we share a mutual interest in making Medicaid as user-friendly and accessible as the ARKids program.

I am confident that, given the priority that we both place on the health and well-being of our children, we can develop a solution that best serves the children of Arkansas. I look forward to working with you in this regard.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clinton", with a long horizontal flourish extending to the right.

Julia Lothrop, M.S.
Regional Affairs Specialist
Office of the Regional Director
U.S. Dept. of Health and Human Services
1301 Young Street, Suite 1124
Dallas, Texas 75202
Phone: (214) 767-3525
Fax: (214) 767-3617

facsimile transmittal

To: Ray Martinez

Fax: (202) 456-2889

From: Julia Lothrop

Date: 10/25/99

Re: ARKids comments by Gov.
Huckabee

Pages: 4 (incl. cover page)

CC:

☒ For Review

☐ Please Comment

☒ Please Reply

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Notes: Governor Huckabee's comments today regarding ARKids.

To: Mickey Hanner
Chris Jennings
Deborah Adler

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."

--30--

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

think this had most of your changes —
 Call to discuss —
 B.

DRAFT 3/29/00

Dear Mr. Hanley:

We have completed our evaluation of Arkansas' proposal to modify aspects of the state's traditional Medicaid program and the Medicaid waiver program known as ARKids outlined in your letter of November 12, 1999 regarding the traditional Arkansas Medicaid program and the Medicaid waiver program known as ARKids. I would like to thank you and your staff for your willingness to work with us during the review process, and we appreciate your understanding and patience as we worked to give your proposal the careful consideration and thoughtful review it deserved.

B. Br

Let me begin by saying that there is no doubt that Governor Huckabee's leadership in expanding Medicaid coverage to children in families with incomes below 200 percent of the poverty level has truly made a difference in the lives of Arkansas' families. ~~We believe that the enrollment of over 46,000 children in the program indicates that it is truly a success. The Governor's latest proposal to simplify applications for all families applying for medical assistance and streamline the state's process for determining eligibility for benefits will take a strong step towards ensuring that children are able to access the full benefit package to which they are entitled.~~

- Developing a common application form for all public child health coverage should go a long way toward reducing needless paperwork and confusion.
- Ending the requirement that families apply in person to receive coverage under the traditional Arkansas Medicaid program and allow all families to mail in their applications (the current practice for the ARKids Medicaid waiver program) will clearly eliminate the one of the largest barriers to applying for traditional Medicaid.
- Changing the name of the traditional Arkansas Medicaid program to ARKids, as both the Medicaid waiver program and the Arkansas State Child Health Insurance Program are called, will go far toward accomplishing our mutual goal of eliminating the welfare stigma that may be associated with the traditional Medicaid program.

These are significant steps towards eliminating existing barriers to enrollment in the Medicaid program, and we commend you for these proposals. It is important to note that these policy changes in your Medicaid program are permitted under Federal law without a waiver. A number of other States — such as Florida, South Carolina, Indiana, and New Jersey — have taken advantage similar options to create a more seamless coverage system and they have been instrumental in reaching families and ensuring that children are enrolled.

We regret that Arkansas is unwilling to drop its assets test for families applying for the traditional Arkansas Medicaid program. A recent study by _____ indicates that this requirement — and the paperwork it requires — often serves as a deterrent to eligible

In which
 - time frame?
 clearly indicate
 the program by
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 children
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 of policy
 is a
 credible
 achievement.

still looking
 for study

according
to CAPP

families applying for coverage. Forty states do not have an assets test for children in their Medicaid program, and experience no discernible problems or abuses. Since the ARKids Medicaid waiver program does not have an asset test, it ~~would certainly make it easier for all if the traditional program did not either.~~

After a careful review of the operations of the ARKids program and a detailed analysis of Congressional action and Administration policy on the oversight of medically eligible populations, we have determined that we cannot approve a proposal that allows Arkansas to receive Federal funds to enroll children in a program that does not contain all the benefits and protections to which they are entitled under the law.

As we have discussed, the traditional Medicaid program includes significant health benefits, such as hearing services, physical therapy, and hospice care, that are not covered by the ARKids program. In addition, traditional Medicaid prohibits cost sharing for children, while ARKids First requires co-payments or deductibles for certain health services. Because of this, as part of the State Child Health Insurance Program, the Congress enacted a requirement for states to assure that children who are eligible for the traditional Medicaid program receive the full benefits and protections that program provides. Because the Congressional intent was clear that expansions in coverage were not intended to lead to a diminution of coverage for lower income children, we believe the same policy should apply to children applying to a Medicaid waiver program.

Context?

It is important to note that, as stated in the August 19, 1997 letter from Bruce Vladek announcing approval for the ARKids program, the waiver was intended to insure children who would "not otherwise be eligible for Medicaid". In order to ensure that the ARKids program operates in compliance with the terms under which the waiver was approved, we believe that Arkansas must establish procedures to ensure that children eligible for the traditional Medicaid program are enrolled in that program rather than ARKids. In addition, in order to ensure that children who are eligible for the traditional Medicaid program but are currently enrolled in ARKids First will eventually be able to access the full range of benefits to which they are entitled, the state must establish a process to screen all currently enrolled children when they are redetermined eligible for benefits and transfer them to the traditional Medicaid program if they are eligible.

5/1/00

I believe we share a common goal - to increase the number of children enrolled in affordable, comprehensive, health insurance coverage to ensure their healthy futures. ~~Your~~ proposals to improve the traditional Medicaid program in Arkansas will make an important difference, and we believe the additional steps necessary to ensure the effective operation of both the traditional Medicaid program and the ARKids First program will advance that goal as well. We stand ready to work with you to implement these important changes to the program.

Sincerely,

TMW

question

Willing
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THE PRESIDENT HAS SEEN

10-29-99

'99 OCT 28 PM8:17

THE WHITE HOUSE

WASHINGTON

October 28, 1999

MEMORANDUM TO THE PRESIDENT

FROM: Chris Jennings

RE: AMY ROSSI LETTER ON ARKANSAS'S ARKIDS PROGRAM

Attached is a letter from Amy Rossi sent to you relaying her opinion on the possible compromises that the State could make that would improve the ARKids situation. She does not wish this letter to be public because she fears it could undermine her positive working relationship with the Governor. However, she feels it is important -- and I agree -- that you know her views on this subject.

A quick review suggests that Amy's ideas are very constructive with the exception of the proposal to allow CHIP enhanced match dollars to be used in ARKids. This would be in direct contradiction to the bipartisan compromise in the 1997 CHIP law that explicitly prohibits Medicaid-eligible children from being enrolled in CHIP. It would give the State a financial incentive to bias the choice towards ARKids.

As we work with the State and HHS, we will closely evaluate Amy's suggestions.

10-29-99

After you have seen,
we will send to
Burkhardt —

copied
Jennings
Podesta
Burkhardt (for
reply)

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005b. letter	Amy Rossi to President Clinton (3 pages)	10/26/1999	P5, P6/b(6)

COLLECTION:

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

FOLDER TITLE:

ARKIDS [Folder 6]

2012-0463-S

rc718

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]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- 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]

To: Chris Jennings

From: Ray Hanley

Enclosed is the faxable portions of the ARKids and regular Medicaid comparisons sent Tim.

At this point it looks like I'm going to bring the proposal to DC and sign it there, won't send today or release to press.



Arkansas Department of Human Services

Division of Medical Services

Donaghey Plaza South
P.O. Box 1437

Little Rock, Arkansas 72203-1437

Internet Website: www.medicaid.state.ar.us

Telephone (501) 682-8292 TDD (501) 682-6789 FAX (501) 682-1197

November 1, 1999

Tim Westmoreland
Health Care Financing Administration
Center for Medicaid and State Operations
7500 Security Boulevard
Room C5-22-33
Baltimore, MD 21244

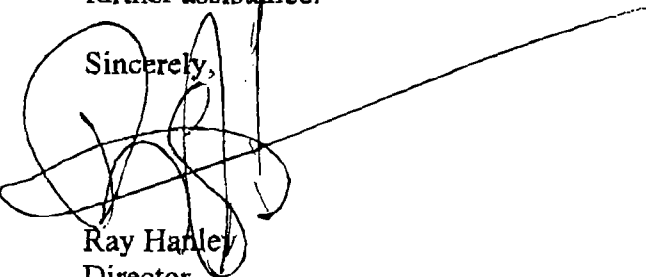
Dear Mr. Westmoreland:

Enclosed are the following items, which you requested in your facsimile dated October 28, 1999:

- ☆ ARKids First trifold pamphlet
- ☆ A Summary of Benefits ARKids First brochure
- ☆ Your Guide to Medicaid Services in Arkansas
- ☆ A chart comparing the application and enrollment process for ARKids First and basic Medicaid
- ☆ An ARKids First application form
- ☆ A basic Medicaid application form
- ☆ A chart comparing the benefit packages
- ☆ A chart, which shows the co-payments required in ARKids First (there is no co-payment requirement for children in basic Medicaid)

I hope you will find this information to be beneficial. Please let me know if I may be of further assistance.

Sincerely,


Ray Hanley
Director

c: file

"The Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act."

**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.

**ARKANSAS DEPARTMENT OF HUMAN SERVICES (DHS)
DIVISION OF COUNTY OPERATIONS (DCO)**

Application for ARKids First Program

If you need this material in a different format, such as large print, contact your DHS county office.

1. Please answer all questions as completely and as accurately as possible. If you do not have enough space for your answer, attach another sheet of paper to this application.

PLEASE COMPLETE THE FOLLOWING INFORMATION FOR A PARENT, GUARDIAN, OR SPECIFIED RELATIVE:

Social Security Number	Last Name		First Name		MI
Birth Date	Race	Sex	County of Residence	Telephone Where You Can Be Reached	
Street Address			City	State	Zip Code
Mailing Address (If Different)			City	State	Zip Code
Are You a (check one): U.S. Citizen ☐ Qualified Alien ☐ Other ☐					

2. Please list everyone else in your home, and complete each space by their name:

check one:

Social Security Number	Last Name	First Name	Birth Date	Race	Sex	Relationship to you	U.S. Citizen	Qualified Alien	Other

Do any children listed above have one or both parents absent from the home? Yes ☐ No ☐

If yes, as a condition of participation in the ARKids First program, federal law requires your cooperation with the Office of Child Support Enforcement in establishing paternity and obtaining medical support for these children. You will receive additional forms in the mail which must be completed and returned. Please list which children have one or both parents who are absent: _____

Do any of the children in your home have a chronic illness or disability (special health care needs)?

Yes ☐ No ☐ If yes, list the child's name: _____

Please attach copies of social security cards for all household members and birth certificates for all children.

FOR OFFICE USE ONLY

REGISTER#	APPLICATION DATE	COUNTY	CAT.	ADULTS	CHILD	WORKER#	SMN	WRV	KEY DATE	OP INT
	WORKER#	DENIAL DATE		REASON	SAVING	TYPE	CAT.	CN	KEY DATE	OP INT

3. INCOME: DOES ANYONE IN YOUR HOUSEHOLD HAVE INCOME FROM THE FOLLOWING?:

Source of Income (Please Check Yes or No)	Yes ☐	No ☐	Amount Before Any Deductions	How Often Received	Name of Person(s) Receiving
Employment/work	☐	☐			
Employment/work	☐	☐			
Farming or Self-Employment	☐	☐			
Rental of Property	☐	☐			
Retirement Benefits	☐	☐			
Social Security Benefits	☐	☐			
Supplemental Security Income (SSI)	☐	☐			
Veteran's Benefit or Other Pensions	☐	☐			
Servicemen's Allotments	☐	☐			
Job Corps Allotments	☐	☐			
Child Support/Alimony	☐	☐			
Contributions from Friends or Relatives	☐	☐			
Unemployment Benefits	☐	☐			
Worker's Compensation	☐	☐			
Student Loans, Grants	☐	☐			
Roomers or Boarders	☐	☐			
Insurance	☐	☐			
Other (Such as Part-time work, babysitting, etc.)	☐	☐			

Please attach proof of the amount of income received (last 4 check stubs, employer's statement, award letters, etc.)

Has anyone in your home worked in the last 12 months who is not working now? Yes ☐ No ☐ If yes, list his or her name, the last month/year in which the person worked, and the place of employment: _____

Do any of the children in your home have unpaid medical bills in the last three months? Yes ☐ No ☐ If yes, list the child's name and the date the bill was incurred: _____

4.

Health Insurance

Does anyone in your household now have health insurance of any kind? ☐ Yes ☐ No

If yes, please name household member(s) and insurance company: _____

Has anyone in your household had health insurance, other than Medicaid, in the last 12 months? ☐ Yes ☐ No

If yes, please name household member(s) and insurance company, and state why this insurance is no longer available: _____

5. Primary Care Physician Selection

I have picked the physicians or clinics named below in the order of first, second, and third choices to be primary care physician(s). I understand each child listed on this form will have only one (1) primary care physician.

If you do not know whom to select as your primary care physician, please call 1-800-275-1131 for assistance.

If you do not have enough space for all children in your family, attach another sheet of paper to this application.

	Child's Name
1.	Physician or Federally Qualified Health Center/County
2.	Physician or Federally Qualified Health Center/County
3.	Physician or Federally Qualified Health Center/County

	Child's Name
1.	Physician or Federally Qualified Health Center/County
2.	Physician or Federally Qualified Health Center/County
3.	Physician or Federally Qualified Health Center/County

	Child's Name
1.	Physician or Federally Qualified Health Center/County
2.	Physician or Federally Qualified Health Center/County
3.	Physician or Federally Qualified Health Center/County

	Child's Name
1.	Physician or Federally Qualified Health Center/County
2.	Physician or Federally Qualified Health Center/County
3.	Physician or Federally Qualified Health Center/County

6. READ THIS CAREFULLY BEFORE YOU SIGN THIS APPLICATION.

- I understand that I must help establish my eligibility by providing as much information as I can about my circumstances.
- I authorize DCO to obtain information from other state agencies and other sources to confirm the accuracy of my statements.
- I understand Social Security Numbers (SSNs) will be used in a computer match to detect and prevent duplicate participation. SSNs are also used in a match through the State Income and Eligibility Verification System to secure wage, unearned income and benefit information from the Social Security Administration, Employment Security Division, and Internal Revenue Service. Information received may be verified through collateral contact when discrepancies are found by DHS and may affect eligibility or level of benefits.
- I understand that no person may be denied Medicaid benefits on the grounds of race, color, sex, age, disability, religion, national origin, or political belief.
- I may request a hearing from DHS if a decision is not made on my case within the proper time limit or if I disagree with the decision.
- I agree to notify the DHS county office within 10 days if I or any of my dependents cease to live in my home, if I move, or if any other changes occur in my circumstances.
- I authorize DHS to examine all records of mine or records of those who receive or have received Medicaid benefits through me to investigate whether or not any person has committed Medicaid fraud, or for use in any legal, administrative or judicial proceeding.

ASSIGNMENT OF MEDICAL SUPPORT. I authorize any holder of medical or other information about me to release information needed for a Medicaid claim to DHS. I further authorize release of any information to other parties who may be liable for my medical expenses. As an eligibility condition I automatically assign my right to any settlement, judgment, or award which may be obtained against any third party to DHS to the full extent of any amount which is paid by DHS for my behalf. I authorize and request that funds, settlement or other payments made by or on behalf of third parties, including tortfeasors or insurers arising out of a Medicaid claim, be paid directly to DHS. My application for Medicaid benefits shall in itself constitute an assignment by operation of law and shall be considered a statutory lien of any settlement, judgment, or award received by me from a third party. A third party is any person, entity, institution, organization or other source which may be liable for injury, disease, disability or death sustained by me or others named herein, including estates of said individuals. I also assign all rights in any settlement made by me or on my behalf arising out of any claim to the extent of medical expenses paid by DHS, whether or not a portion of such settlement is designated for medical expenses. Any such funds received by me shall be paid to DHS. A copy of this authorization may be used in place of the original.

ASSIGNMENT OF SUPPORT. As a condition of eligibility for Medicaid, each applicant or recipient must cooperate with the Office of Child Support Enforcement (OCSE) in establishing paternity and obtaining medical support for each child who has a parent absent from the home. All other OCSE services, including collection of child support payments from the absent parent, will be provided unless OCSE is notified by me in writing that I do not want these services.

COPAYMENTS. Coverage is provided with no deductibles. You may be asked, however, to make a small copayment, usually \$5-\$10, each time you visit a medical provider. For more details, call the toll-free hot line at 1-888-474-8275.

I DECLARE UNDER PENALTY OF PERJURY THAT THE ABOVE IS TRUE AND CORRECT. If I receive benefits to which I am not entitled because I withheld information or provided inaccurate information, such assistance will be subject to recovery by DCO, any assistance I receive in the future may be reduced to recover this overpayment, and I may be subject to prosecution for fraud and fined and/or imprisoned.

Signature of Parent, Guardian, or Relative / Date

Address of Person Helping to Complete this Form

Signature of Person Helping to Complete this Form / Date

Phone Number of Person Helping to Complete this Form

Signature of Family Support Specialist

FOR QUALIFIED ENTITY USE ONLY: ... Based on the income information in section 3 and on the health insurance information in section 4, the children listed in section 2 of this application qualify for presumptive eligibility in the ARKids First program.

Authorized Signature

Date of P.E. Determination

Name of Qualified Entity

Please mail this application (including any attached pages) to the address listed below, along with copies of Social Security cards, birth certificates for children, and proof of your income:

**ARKids First Program
Post Office Box 5701
North Little Rock, Arkansas 72119-5701**

If it is more convenient, you may take the application to your local Department of Human Services Office, and they will mail it for you. If you have questions about eligibility for the program, please call 1-888-543-7890. If you have questions about medical services covered by the program, please call 1-888-474-8275. TDD# (501)682-0102.

DCO-995 (R 10/98)

FOR OFFICE USE ONLY

APPLICATION FOR FAMILY MEDICAID ASSISTANCE

Please answer all questions as completely and as accurately as possible. If you do not understand a question the caseworker you speak with will help you. If you do not have enough space for your answer, attach another sheet of paper to this application.

SOCIAL SECURITY NUMBER	LAST NAME	FIRST NAME	MI	BIRTH DATE	RACE	SEX
MEDICARE NUMBER	LAST GRADE COMPLETED	MARITAL STATUS	TELEPHONE NUMBER WHERE YOU CAN BE REACHED			
STREET ADDRESS		CITY	STATE	ZIP CODE		
MAILING ADDRESS (IF DIFFERENT)		CITY	STATE	ZIP CODE		

Please list everyone in your home (including yourself) and complete each space by their name:

[illegible]

INCOME: DOES ANYONE IN YOUR HOUSEHOLD HAVE INCOME FROM THE FOLLOWING?

Source of Income	Yes	No	Amount Before Any Deductions	How Often Received	Name of Person(s) Receiving	Medical Benefits Insurance	Yes	No
Employment/work	☐	☐					☐	☐
Employment/work	☐	☐					☐	☐
Farming	☐	☐					☐	☐
Self-employment	☐	☐					☐	☐
Rental of Property	☐	☐					☐	☐
Retirement Benefits	☐	☐					☐	☐
Social Security Benefits	☐	☐					☐	☐
Social Security Benefits	☐	☐					☐	☐
Supplemental Security Income (SSI)	☐	☐					☐	☐
Supplemental Security Income (SSI)	☐	☐					☐	☐
Transitional Employment Assistance (TEA)	☐	☐					☐	☐
Veteran's Benefit or Other Pensions	☐	☐					☐	☐
Servicemen's Allotments	☐	☐					☐	☐
Job Corps Allotments	☐	☐					☐	☐
Child Support/Alimony	☐	☐					☐	☐
Contributions from Friends or Relatives	☐	☐					☐	☐
Unemployment Benefits	☐	☐					☐	☐
Worker's Compensation	☐	☐					☐	☐
Student Loans, Grants	☐	☐					☐	☐
Roomers or Boarders	☐	☐					☐	☐
Insurance	☐	☐					☐	☐
Other (Such as Part-time work, babysitting, etc.)	☐	☐					☐	☐

Do you expect a change in any of the above? _____ If yes, what and when? _____

Has anyone in your home worked in the last 6 months who is not working now? If yes, list their name, the last month/year in which the person worked, and the place they worked. _____

How have you been meeting your expenses for the past 6 months? _____

RESOURCES: DOES ANYONE IN YOUR HOME HAVE, OR IS THEIR NAME ON, ANY OF THE FOLLOWING?

	Yes No	Amount	Where	Name of Person(s)
Cash on hand	☐ Yes ☐ No			
Checking Account	☐ Yes ☐ No			
Savings Account	☐ Yes ☐ No			
Money in a Christmas Club	☐ Yes ☐ No			
Money in a Credit Union	☐ Yes ☐ No			
Life Insurance	☐ Yes ☐ No			
Property other than your home	☐ Yes ☐ No			
Burial Funds/Insurance	☐ Yes ☐ No			
Mortgages	☐ Yes ☐ No			
Stocks	☐ Yes ☐ No			
Bonds	☐ Yes ☐ No			
Burial Plot/Crypt	☐ Yes ☐ No			
Other (Trust Fund, C.D., IRA, Promissory Note, Mutual Fund, etc.)	☐ Yes ☐ No			

	Yes No	Make & Year	Amount Owed	Who Owns
Cars	☐ Yes ☐ No			
Trucks	☐ Yes ☐ No			
Trailers, Boats, Motorcycles, ATV's, etc.	☐ Yes ☐ No			
Other (Farm Equipment, Machinery, Tools, Livestock, etc.)	☐ Yes ☐ No			

Family Planning - I may be eligible for Family Planning Services and:

I want Family Planning Services ☐ Yes ☐ No

I want more information about Family Planning Services ☐ Yes ☐ No

Someone in my household is pregnant ☐ Yes ☐ No

I would like Family Planning Services when the pregnancy ends. ☐ Yes ☐ No

Child Health Services (Health Checkups)

The health checkup program has been explained to me and:

☐ I do want this service for all eligible persons

☐ I do want this service for only the following persons: _____

☐ I do not want this service.

Does anyone have any unpaid medical expenses in the past 3 months? ☐ Yes ☐ No

Does a child in your home have a chronic illness or disability (special health care needs)? ☐ Yes ☐ No If yes, list name(s) _____

Health Insurance

Does anyone in your household now have health insurance of any kind? ☐ Yes ☐ No

If yes, please name household member (s) and insurance company: _____

Has anyone in your household had health insurance, other than Medicaid, in the last 12 months? ☐ Yes ☐ No

If yes, please name household member (s) and insurance company, and state why this insurance is no longer available: _____

READ THIS PAGE CAREFULLY BEFORE YOU SIGN THIS APPLICATION.

I understand that I must help establish my eligibility by providing as much information as I can about my circumstances.

I authorize DCO to obtain information from other state agencies and other sources to confirm the accuracy of my statements.

I understand Social Security Numbers (SSNs) will be used in a computer match to detect and prevent duplicate participation. SSNs are also used in a match through the State Income and Eligibility Verification System to secure wage, unearned income and benefit information from the Social Security Administration, Employment Security Division, and Internal Revenue Service. Information received may be verified through collateral contact when discrepancies are found by DHS and may affect eligibility or level of benefits.

I understand that no person may be denied Medicaid benefits on the grounds of race, color, sex, age, handicap, religion, national origin, or political belief.

I may request a hearing from DHS if a decision is not made on my case within the proper time limit or if I disagree with the decision.

I agree to notify the DHS county office within 10 days if I or any of my dependents cease to live in my home, if I move, or if any other changes occur in my circumstances.

I authorize DHS to examine all records of mine and/or records of those who receive or have received Medicaid benefits through me, to investigate whether or not any person has committed Medicaid fraud, or for use in any legal, administrative or judicial proceeding.

ASSIGNMENT OF MEDICAL SUPPORT. I authorize any holder of medical or other information about me to release information needed for a Medicaid claim to DHS. I further authorize release of any information to other parties who may be liable for my medical expenses. As an eligibility condition I automatically assign my right to any settlement, judgment, or award which may be obtained against any third party to DHS to the full extent of any amount which is paid by DHS for my behalf. I authorize and request that funds, settlement or other payments made by or on behalf of third parties, including tortfeasors or insurers arising out of a Medicaid claim, be paid directly to DHS. My application for Medicaid benefits shall in itself constitute an assignment by operation of law and shall be considered a statutory lien of any settlement, judgment, or award received by me from a third party. A third party is any person, entity, institution, organization or other source which may be liable for injury, disease, disability or death sustained by me or others named herein, including estates of said individuals. I also assign all rights in any settlement made by me or on my behalf arising out of any claim to the extent of medical expenses paid by DHS, whether or not a portion of such settlement is designated for medical expenses. Any such funds received by me shall be paid to DHS. A copy of this authorization may be used in place of the original.

ASSIGNMENT OF SUPPORT - OFFICE OF CHILD SUPPORT ENFORCEMENT

As a condition of eligibility for Medicaid, each applicant or recipient must cooperate with the Office of Child Support Enforcement (OCSE) in establishing paternity and obtaining medical support for each child who has a parent absent from the home. All other OCSE services, including collection of child support payments from the absent parent, will be provided unless OCSE is notified by me in writing that I do not want these services.

I DECLARE UNDER PENALTY OF PERJURY THAT THE ABOVE IS TRUE AND CORRECT. If I receive benefits to which I am not entitled because I withheld information or provided inaccurate information, such assistance will be subject to recovery by DCO, any assistance I receive in the future may be reduced to recover this overpayment, and I may be subject to prosecution for fraud and fined and/or imprisoned.

Signature of Applicant

Date Signed

Witness, if signed by mark

Signature of Protective Payee or Authorized Representative

Address of Witness

Signature of Family Support Specialist

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>
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

BENEFIT LIMITS

<i>Service</i>	<i>ARKids First</i>	<i>Regular Medicaid</i>
Psychology (I)	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.

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/Coinurance
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)

ARKIDS FIRST SCHEDULE OF BENEFITS

Program Services	Coverage Limits on Benefit	Prior Authorization/ PCP Referral	Copayment/ Coinsurance
Outpatient Hospital	Medical Necessity	PCP Referral Required	\$10 per visit
Physician	Medical Necessity	PCP Referral Required to specialist and inpatient professional services	\$10 per visit
Vision Care	1 routine eye exam (refraction) every 12 months	None	\$10 per visit
Dental Care (No Orthodontia)	1 prophylaxis and fluoride every 150 days	None	\$10 per visit
Eyeglasses	One pair every 12 months if medically indicated	None	None
Immunizations	All per protocol	PCP or Administered by Arkansas Dept. of Health	None
Preventive Health Screenings	All per protocol	PCP or Administered by Arkansas Dept. of Health	None
Durable Medical Equipment (DME)	Medical Necessity \$500 per state fiscal year (July 1 through June 30) minus the coinsurance	PCP Referral and Prescription	20% of Medicaid allowed amount per DME item
Prescription Drugs	Medical Necessity	Prescription	\$5 per prescription (Must use generic and rebate manufacturer, if available)
Outpatient Mental and Behavioral Health	First \$500, no Prior Authorization Required. Next \$2000, Prior Authorization Required. Maximum \$2500 in benefits per state fiscal year (July 1 through June 30)	PCP Referral and Prior Authorization	\$10 per visit



DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

Center for Medicaid and State Operations
Family and Children's Health Programs Group
7500 Security Boulevard
Baltimore, MD 21244-1850

OCT 18 1999

Mr. Ray Hanley
Director
Arkansas Department of Human Services
Division of Medical Services
Donaghey Plaza South
P.O. Box 1437
Little Rock, Arkansas 72203-1437

Dear Mr. Hanley:

I am writing to reaffirm the position we expressed in our April 27 conversation regarding the ARKids First section 1115 demonstration. Under section 1115(a)(2) of the Social Security Act, you were granted approval to receive Federal financial participation for services provided to individuals who are not otherwise eligible under the Medicaid program. These program costs are specifically for those services that are provided to children who are not eligible for Medicaid. This authority does not encompass services provided to individuals under your demonstration who would otherwise be eligible through the Medicaid program, i.e., Medicaid eligible children who are enrolled in Medicaid or children who are eligible to be enrolled in Medicaid.

Therefore, to operate ARKids First in compliance with the authority we granted you under section 1115, the program must be limited to uninsured children under age 19 with family income at or below 200 percent of the Federal Poverty Level who are not otherwise eligible for Medicaid. This means that you must discontinue enrolling any Medicaid eligible ARKids First applicants in ARKids First. Further, you must screen current ARKids First children and enroll them in Medicaid if they are determined Medicaid eligible. These requirements will also apply to any amendments to your demonstration necessary as a result of your pending CHIP amendment.

We are willing to work with you on the timing and procedures associated with implementing these changes. Regarding the procedures, we can recommend examples

Page 2 - Mr. Ray Hanley

from other States of screen and enroll methods that have been approved as part of their screen and enroll requirements. We are also available to talk with you about ways to make the Arkansas Medicaid program more attractive to applicants, thereby removing some of the barriers to application and enrollment that ARKids First was designed to overcome.

Once again, we applaud your accomplishments in extending health coverage to uninsured children, and share your goals in this area. However, under the law and the terms of your demonstration, Medicaid eligible children are required to be enrolled in Medicaid.

Sincerely,



David S. Cade
Director

cc: Andrew Fredrickson
HCFA, Region VI

347

2417

Section 1115 Award letter
Relevant authority highlighted on page 2



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

Washington D.C. 20201 - 0001

JUL 19 1997

Mr. Ray Hanley
Director
Arkansas Department of Human Services
Division of Medical Services
Donaghey Plaza South
P.O. Box 1437
Little Rock, Arkansas 72203-1437

Dear Mr. Hanley:

We are pleased to inform you that your proposal, entitled "ARKids First" as amended by revisions submitted on June 23, July 11, and July 22, 1997, has been approved as Project No. 11-W-00115/6 for the period beginning September 1, 1997 through August 31, 2002. The approval is under the authority of section 1115 of the Social Security Act (the Act).

Our approval of the ARKids First demonstration, and the waivers and Federal matching provided for thereunder, is contingent upon compliance with the enclosed Special Terms and Conditions. These Special Terms and Conditions also set forth in detail the nature, character, and extent of anticipated Federal involvement in the project. The award is subject to our receiving your written acceptance of the award within 30 days of the date of this letter.

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived or identified as not applicable in this letter or the attached Special Terms and Conditions, shall apply to the ARKids First demonstration.

Waivers

Under the authority of section 1115(a)(1) of the Act, waivers of the following provisions of the Act (and its implementing regulations) are granted for a five-year period effective September 1, 1997 to enable the State to carry out the demonstration:

1. To enable the State to offer a different benefit package to demonstration participants than is being offered to the traditional Medicaid population.

Section 1902(a)(10)(B)

2. To enable the State to restrict freedom of choice of provider for demonstration participants.

Section 1902(a)(23)

Page 2 - Mr. Ray Hanley

Costs Not Otherwise Matchable

Under the authority of section 1115(a)(2) of the Act, expenditures made by the State for the item identified below (which would not otherwise be included as matchable expenditures under section 1903) shall, for the period of this project, be regarded as matchable expenditures under the State's Medicaid State plan:

Expenditures for extending health insurance coverage to children through age 18 with family income at or below 200 percent of the Federal Poverty Level, who would not otherwise be eligible for Medicaid.

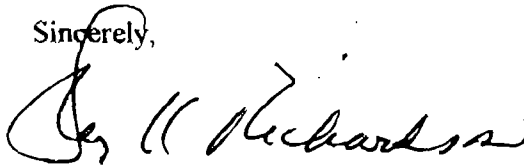
Miscellaneous

In addition, the restrictions on copayments in section 1916, as incorporated in section 1902(a)(14), will not apply to the ARKids First population.

Your project officer for this demonstration is Joan Peterson. Ms. Peterson is available to answer any questions concerning the scope and implementation of the project described in your proposal and may be reached at (410) 786-0621. Correspondence for Ms. Peterson should be sent to Health Care Financing Administration, Center for Medicaid and State Operations, Family and Children's Health Programs Group, Division of Integrated Health Systems, Mail Stop C3-18-26, 7500 Security Boulevard, Baltimore, Maryland 21244-1850. Communications regarding program matters should be submitted simultaneously to the project officer and the Arkansas State representative, Shirley Glaspie, at the Dallas Regional Office. Ms. Glaspie's address is Health Care Financing Administration, Dallas Regional Office, 1200 Main Street, Suite 2000, Dallas, Texas 75202-4348. Official correspondence concerning the project, including continuation applications, should also be sent to the attention of these individuals.

We extend our congratulations on this award and look forward to working with you during the course of the project.

Sincerely,


Bruce C. Vladeck
Administrator

Enclosure