



## **Approval of the AR 1115 demonstration waiver “Arkansas Opportunities to Test Transition-Related Strategies to Support Community Reentry from Institutions for Mental Disease”**

- The Centers for Medicare and Medicaid Services (CMS) approved the Seriously Mentally Ill (SMI) and Substance Use Disorder (SUD) portion at Arkansas’s request to prioritize that portion of the waiver. The Reentry portion of the waiver application was not approved.
- CMS has approved the state’s proposal for institutions of mental disease (IMD) once adjustments were made to align with all other states that have been approved for IMD waivers.
- Under the approved portion of the waiver Arkansas requested authority to pay for:
  - What: medically necessary, short-term, inpatient psychiatric and substance abuse treatment services
  - Where: within settings that qualify as IMDs
  - Who: Medicaid eligible adults with SMI or SUD

### **Implementation**

The state now enters the phase of work with CMS to provide extensive data to demonstrate budget neutrality. This means the federal costs of the state’s Medicaid program cannot exceed what the federal government’s Medicaid costs likely would have been absent the demonstration.

The state is required to conduct systematic monitoring and evaluation of the demonstration in accordance with the Special Terms and Conditions (STC). The state must develop, and CMS approve:

- Annual Monitoring Reports
  - Relevant metrics data
  - Narrative details describing progress with implementing demonstration components
- Mid-Point Assessments
  - To support identifying risks and vulnerabilities and subsequent mitigation strategies
- Evaluation Design
  - Interim and summative evaluation reports
  - Examination of impacts on access to and quality of care
  - Utilization of services
  - Beneficiary health outcomes

All reports must be developed and mechanisms for data collection and reporting are in place prior to implementation.

To meet all requirements for IMDs, the state will need to complete the following state level activities prior to implementation:

- Update and promulgate Medicaid service manuals to define service for the population
- Update and promulgate Medicaid licensure manuals
- Update contracts with vendors for service authorization
- Develop systems for provider reporting and monitoring

SMI IMD will launch prior to SUD, but the precise timeline for waiver implementation has not been finalized. Operations and implementation progress will be dependent on other AR Medicaid projects and priorities.