ARRA and Arkansas: Recommendations for Improving the Health of Children and Families

May 2009

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The American Recovery and Reinvestment Act (ARRA) offers an unprecedented opportunity to invest in programs and systems that will lay the foundation for a healthier, better-prepared, and economically stable workforce. Arkansas stands to receive as much as $720 million in new dollars based on the a minimum 6.33[1] percent increase in the Medicaid matching rate, or Federal Medical Assistance Percentage (FMAP) that the federal government will pay for the period between October 1, 2008 and December 31, 2010.[2] States must spend these dollars or leave them on the table, which also means Arkansas needs to invest enough state money to draw down the maximum amount of federal dollars available.

The infusion of new funds freed up by the FMAP increase should remain dedicated to health care infrastructure and services that will benefit the state's most vulnerable children and families. Since the funding boost is temporary, one-time expenditures and projects should be prioritized. Yet, unlike other states, Arkansas is not facing severe budget shortfalls. Given the large amount of money available, our state has much more flexibility to also invest in projects and services that will save money over the long term, such as increasing the number of women eligible for prenatal care, or improving access to medical care.

Arkansas can make several investments in its health system to ensure that thousands of federal stimulus dollars aren't left on the table.

Arkansas Advocates for Children and Families recommends that the state make several relatively small expenditures to ensure our state does not leave federal money on the table, such as:

1) **DHS ENROLLMENT/RE-ENROLLMENT TECHNOLOGY:** The Arkansas Department of Human Services (DHS) is building a comprehensive online enrollment and re-enrollment system, Access Arkansas, to provide another enrollment and re-enrollment option for families. It is critical that DHS employees,

communities and local partners have sufficient hardware and bandwidth to make the best and most efficient use of new enrollment technology. The state should boost eligibility staffing levels to meet increased enrollment.

2) **ARKids First/Medicaid outreach:** ARKids First enrollment has stagnated in recent years, despite upticks in the rate of uninsured children eligible for the program.[3] More than two-thirds (46,000) of the state's uninsured children are eligible for ARKids First *today* because their family income is under 200 percent of the federal poverty line (FPL). Upcoming changes in eligibility, such as increasing income limits from 200 to 250 percent FPL, and new enrollment options make it critical that we invest in activities that ensure families are aware of the services available to them. Arkansas should invest funds in several kinds of outreach:

- Community-based outreach, funding local community-based organizations to educate community partners through regional forums and ongoing presentations.
- Incentive payments for enrollment and re-enrollment "assistors" such as social workers or school nurses in communities.
- Targeted media campaigns, such as TV, radio and print advertising and news media outreach.

3) **Infrastructure for school-based health services:** Arkansas should make one-time money available to schools to invest in the technology and equipment needed to maximize the availability of school-based health services. At a minimum, school nurses in many districts need spaces equipped to conduct screens and exams. Spaces could also be altered to allow well-child screens and comprehensive services to be conducted at school when necessary and appropriate. The state's Coordinated School Health initiative offers an infrastructure and platform for helping schools find innovative ways to improve student health and engage communities. [4]

Schools can use one-time stimulus dollars to create spaces for nurses to perform critical screens and exams.

4) **Translation services**: DHS needs to ensure that all applications, program information, renewal materials, and instructions are available to *all* potential recipients, regardless of their primary language. Currently a small portion of printed materials and web information are available in Spanish. All program information and materials should be available in Spanish, as well as the many other languages spoken in our state (e.g. Hmong, Vietnamese, Marshallese, etc.), to remove barriers for eligible applicants. The recent

reauthorization of the federal Children's Health Insurance Program (CHIP)[5] also provides an enhanced federal matching rate for translation services.

Rate increases for well-child, developmental and autism screens could attract more doctors to the ARKids First program, allowing rural residents better access to health care.

5) **Rate increases for medical providers:** Arkansas struggles to ensure that enough doctors and other medical professionals are available to serve all of the children on ARKids First. Last year, DHS planned to increase reimbursement rates for well-child screens (i.e. federally-required EPSDT screens, where the state has fallen short), with additional bonus payments for developmental and autism screens. These rate increases were put on hold along with many other planned initiatives because of budget constraints. Rate increases would not only to help ensure more children get screened, but could also help to attract more doctors to the ARKids First program and improve access to services.

6) **Prenatal care for pregnant women to 250 percent of the federal poverty line (FPL):** Under Gov. Mike Beebe's healthcare initiative[6], passed during the recent legislative session,[7] eligibility for ARKids First will expand from 200 to 250 percent of the federal poverty line (FPL). However, pregnant women under 200 FPL, who receive prenatal care under ARKids First, would not be covered under this expansion. Arkansas should also increase income eligibility for prenatal care. Proper prenatal care will increase health odds for newborns who will be eligible for the program once born. Research is clear about the benefits and long-term cost savings related to prenatal care. The recent reauthorization of the Children's Health Insurance Program (CHIP) also provides incentives for states that expand eligibility for pregnant women.

7) **12-month continuous coverage for ARKids First:** Under ARKids First B, which covers children at higher income levels, coverage is guaranteed for 12 months, regardless of income changes during the year. This helps to ensure that income fluctuations do not disrupt continuous coverage, which is especially important for children as they develop. This same benefit should be extended to ARKids First A participants, most of whom are under the federal poverty line, to prevent disruptions in coverage for poor children. In addition to better consistency with ARKids First B, the change would avoid the administrative costs associated with children moving in and out of coverage. There may be some cost associated with this change, but with administrative cost savings and more consistent health coverage for kids, the cost would be minimal in the long run. Based on other states' experiences, this change could make a significant difference in enrolling and keeping

Simple changes could set the stage for a more robust health system and complement the state's 2009 health care successes.

eligible children in the program. Two-thirds of the state's uninsured children are already eligible for ARKids First.

These recommendations would set the stage for a more robust health system and complement the successes of the 2009 legislative session and Governor Beebe's health care initiative. Thanks to the ARRA, Arkansas can take proactive steps to strengthen the systems that help children and families access needed health care.

Arkansas Advocates for Children and Families is a statewide, non-profit child advocacy organization established in 1977. Our mission is to ensure that all children and their families have the resources and opportunities to lead healthy and productive lives and to realize their full potential. Reach us at (501) 371-9678 or online at www.aradvocates.org.

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For more information on ARRA and its potential for Arkansas children and families, see AACF's American Recovery and Reinvestment Act: What's in it for Arkansas Children and Families? Available at www.aradvocates.org.

[1] Many reports cite 6.2 percent; DHS estimates 6.33 based on rounding.

[2] NOTE: This FMAP increase applies only to Medicaid dollars, and not the Children's Health Insurance Program, or CHIP, which covers the majority of ARKids First B enrollees. CHIP is already at a higher match rate of approximately 81 percent.

[3] Arkansas Advocates for Children & Families (2009). *Crossing the Finish Line: How Arkansas Can Cover all Children* - 2009 State of Children's Health Insurance in Arkansas, p 8. Available at http://www.aradvocates.org/_images/pdfs/AACF%20health%20insurance%202009%20SMALL.pdf

[4] Note: Schools may also elect to use State Fiscal Stabilization or other funds for this purpose. See *ARRA Funding for Education in Arkansas: A Jump Start for Moving From Adequacy to Excellence* at www.aradvocates.org

[5] For more information, see *The Children's Health Insurance Act of 2009: Overview and Summary*, available at http://ccf.georgetown.edu/index/cms-filesystem-action?file=ccf%20publications/federal%20schip%20policy/chip%20summary%2003-09.pdf

[6] http://www.healthyarkansas.com/healthcare_initiatives/

[7] For more information, see AACF's *Kids at the Capitol: 2009 Legislative Summary*, available at www.aradvocates.org