



**Weathering the Storm: The Impact of the Great  
Recession on Long-Term Services and Supports**  
State Profile: ARKANSAS

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# INTRODUCTION

*Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports* is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

*Weathering the Storm* contains several components:

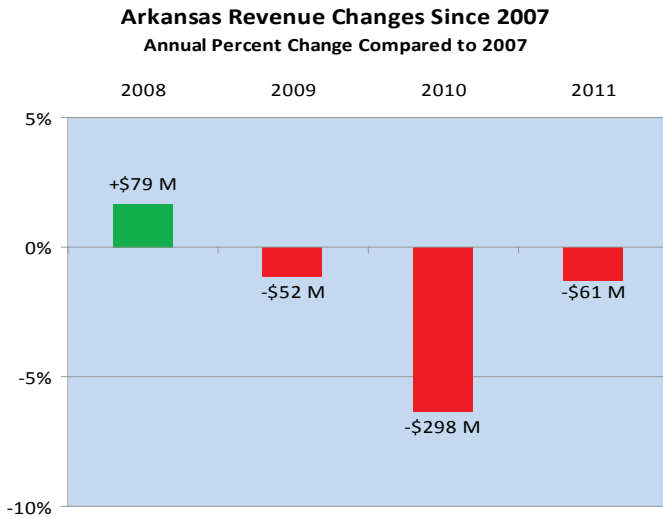
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email [jgasaway@aarp.org](mailto:jgasaway@aarp.org).

All of the components of *Weathering the Storm* are also available on the web and can be found at [www.aarp.org/ppi](http://www.aarp.org/ppi), [www.nasuad.org](http://www.nasuad.org), and [www.healthmanagement.com](http://www.healthmanagement.com).

# ARKANSAS

## TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

## ARRA FUNDING

### IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- State officials estimated the annual enhanced FMAP value to be around \$350 million to \$400 million.
- The enhanced FMAP allowed the state to fund more home and community-based services (HCBS) and waiver slots.
- Without the ARRA FMAP, further expansion will likely not be possible.

### PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Programs and services will be reduced.
- Waiting lists will increase.
- Programs and services will be eliminated.

## STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

### STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
162,744	170,881	179,425	10%

### STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
None	None

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STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care	NA	NA	+
Adult Day Care	-		0
Adult Protective Services*	0	0	+
Assisted Living	NA	NA	+
Behavioral Supports	NA	NA	DK
Case Management	-		+
Chore	-		0
Community Transition	NA	NA	+
Congregate Meals	-	NA	+
Day Habilitation	NA	NA	DK
Disease Prevention/Health Promotion	-		DK
Elder Abuse Prevention	NA	NA	+
Environmental Modifications	-	NA	0
Equipment and Supplies	NA	NA	0
Family Caregiver Support	-		+
Food Stamps/Supplemental Nutrition Assistance Program			+
Foreclosure Counseling	NA	NA	DK
Homemaker	+		0
Home-Delivered Meals	-	NA	+
Housing Assistance	-		DK
Information and Referral	-		+
Legal Assistance Development	-		DK
LIHEAP			DK
Long-Term Care Ombudsman	-	0	+
Nutritional Supplements	NA	NA	DK
Occupational Therapy	NA	NA	DK
Personal Care/Assistance	+		+
Physical Therapy	NA	NA	DK
Recreational Therapy	NA	NA	DK
Residential Habilitation	NA	NA	DK
Respite	+		0
Senior Community Service Employment Program	NA	NA	0
Senior Centers	NA	NA	DK
Speech Therapy	NA	NA	DK
State Adult Guardianship Program	NA	NA	+
State Pharmaceutical Assistance	NA	NA	DK
Supported Employment	-		0
Supported Living	NA	NA	0
Transportation	-		+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

\* Since SFY 2009, the State Unit on Aging has received increased calls for Adult Protective Services, e.g., financial exploitation.

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STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$7,697,578	\$7,174,606	None Listed	-7%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009– 2010
ElderChoices	5,502	5,570	7,400	1%
Alternatives for Adults with Physical Disabilities*	2,191	2,087	2,300	-5%
Living Choices/ Assisted Living	394	504	800	28%
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census*	12,003		No change	

- The state froze slots in the Alternatives for Adults with Physical Disabilities (APD) waiver in April 2010 and implemented a waiting list. APD enrollees aged 65 and older were transitioned to the Elder Choices waiver. SFY 2011 is a waiver renewal year, and the state will increase the APD cap to 2,600.
- The nursing facility census is the average daily census in SFY 2009.
- A decreasing trend in nursing facility census seems to be leveling off and actually increased slightly in SFY 2009.

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$101,262,999	\$115,326,081	\$131,357,276	14%
Medicaid LTSS State Plan	\$89,980,000	\$105,980,000	\$116,190,000	18%
Nursing Facility	\$517,545,091	\$544,712,266	\$569,227,039	5%

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home	+4.71%	+4.6%
Home Health	+41%	+3%
Personal Care Services	+15%	0
HCBS Waiver Services*	+	0
+ Provider rate increase   -   Provider rate decrease   0   No change in provider rate		NA   Not applicable

## ARKANSAS

- Waiver services rate change includes the following: (1)Effective July 1, 2009, Adults with Physical Disabilities Waiver Attendant Care rates increased 15 percent; Elderly Choices Waiver Chore, Homemaker, In-Home Respite and Adult Companion services increased 15 percent; Home Delivered Meals increased 20.5 percent. (2)Effective December 1, 2009, Living Choices/Assisted Living rates increased 3 percent.
- The state rebased home health rates in FY 2010. In FY 2011 the increase is due to a consent decree.
- Rate increases are intended to increase provider participation.

### OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program				X
Community First Choice Option				X
<b>Money Follows the Person Demonstration</b>				
1. Apply for new program				
2. Apply for extension of existing program	X			
<b>Medical/Health Home Initiative</b>				
1. Agency applying for planning grant	X			
2. State plan amendment to establish medical/health home services				X
3. Apply to establish community health teams				X

### STATE PRIORITIES: 18–24 MONTHS

- Developing a universal assessment tool for LTSS for seniors and adults with physical disabilities.
- Developing conflict-free case management.
- Improving the LTSS eligibility determination process.

### STATE ISSUES

- Waiver wait lists and whether they can be eliminated is a primary issue.
- Despite cuts and freezes, Arkansas expanded assisted living slots, noting this is a more cost-effective and preferred service delivery option.

### STATE PROMISING PRACTICES

- Arkansas' Independent Choice consumer-directed model is nationally recognized.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Arkansas' fiscal year begins July 1 and ends June 30.