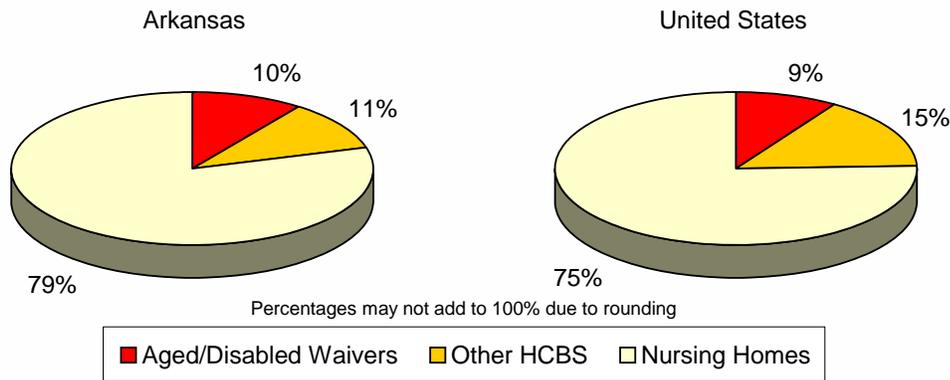


State Long-Term Care Reform in  
**ARKANSAS**

**Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Arkansas and the U.S., 2006**



Compared to the U.S. average, Arkansas allocates a greater percentage (79 percent) of its Medicaid long-term care (LTC) spending to nursing homes for older people and adults with physical disabilities, even though most people with disabilities prefer to remain in their own homes and communities. In FY 2006, Arkansas spent 10 percent on waiver services and 11 percent on other home and community-based services (HCBS), including personal care services (PCS).

Type of Service	Medicaid Participants <sup>1</sup>			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	26,814	24,207	-2,607	\$111	\$136	+\$24
Nursing Homes	20,699	28,854	+8,155	\$370	\$522	+\$152

Recent Medicaid trends indicate that Arkansas still has an unbalanced LTC system for older people and adults with physical disabilities. The number of Medicaid participants receiving nursing home services increased from 1999 to 2004, while participants receiving HCBS actually declined (specifically, the number of personal care beneficiaries declined from 1999 to 2004). From FY 2001 to FY 2006, the increase in Medicaid spending on nursing homes was more than six times as great as the increase in spending on HCBS.

<sup>1</sup> This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

## Major Initiative

Arkansas has pioneered several HCBS initiatives for older persons, including incorporating self-direction of services into its programs and developing affordable housing alternatives. Arkansas has been “branding” its HCBS programs for persons with LTC needs under the heading, “Choices.”

Arkansas was one of the first three states to implement a Cash and Counseling demonstration program of self-directed home care services, which the state has called “IndependentChoices.” The Medicaid HCBS waiver program for older persons, implemented in 1991, is called “ElderChoices,” and had about 6,400 participants in 2006.

The most recent HCBS programs include an assisted living model, called “Living Choices,” which features apartment-style housing with 24-hour supervision, support services, and personal health care; and “Next Choice,” which provides cash allowances for community services for persons leaving nursing homes. The state also planned to combine three waivers into one—ElderChoices, Alternatives for Adults with Physical Disabilities, and Living Choices/Assisted Living.

### *“Choices”*

*Arkansas brands its home and community-based programs “Choices,” which includes one of the first three Cash and Counseling demonstration programs (IndependentChoices); an HCBS waiver program for older persons (ElderChoices); an assisted living program (Living Choices); and a nursing home transition program (Next Choice).*

## Other Developments

**Adult Foster Care.** State officials, with assistance from a state-appointed working group, are in the early stages of changing the Elder Choices Program 1915(c) waiver program to incorporate Adult Foster Homes as an option. In addition, the Division of Aging and Adult Services has partnered with NCB Capital Impact to create a Web-based training curriculum program for providers. Based on certification requirements, providers who meet an aggregate score of 75 or higher will be considered certified.

**Single Point of Entry.** The state received a \$2.9 million federal Systems Transformation grant in October 2005 to develop a statewide, single-entry-point system for LTC services. The one-stop system will include Web-based records for application, a screening assessment tool, a financial tool to predict eligibility, a process for service authorization, links to community entities that serve individuals at risk for nursing home admission, and a triage strategy for persons referred to the center. One key objective of the system is to streamline the application process for home and community waiver services so that the time it takes to determine a person’s eligibility is shortened from the current 45 days or more to less than five days.