Arkansas Snapshot

At a glance

In 2012, a state budget crisis drove the Governor's office to support efforts to reduce health care costs through multi-payer adoption of alternative payment models (APMs) across major commercial payers, Medicaid, the state employee health plan, and a large self-funded employer. Stakeholders developed two APM programs, Episodes of Care and Patient-Centered Medical Home (PCMH), as part of the Arkansas Health Care Payment Improvement Initiative (AHCPII). Since the inception of these programs, Arkansas has advanced APMs by leveraging participation in federal demonstrations and passing legislation and regulation that require adoption of AHCPII by plans on the health insurance marketplace.

Provider resistance towards downside risk led to legislation that removed it from Episodes of Care; the program continued as upside-only until it ultimately ended in 2023. The PCMH program, however, has continued and is considered by stakeholders to be a success, introducing positive changes in care delivery while financially supporting practices.

Federal

State

2012

Comprehensive Primary Care Initiative (CPC)

Arkansas Health Care Payment Improvement Initiative (AHCPII)

- AHCPII is a multi-payer, voluntary initiative involving participation in PCMH and Episodes of Care APMs.
- PCMH program: provides a per-member, per-month payment (PMPM) to primary care practices for medical home care capabilities such as care coordination and efforts to increase patient access.
- Episodes of Care program: Principal accountable providers become eligible for shared savings for defined condition-based episodes if quality targets are achieved (and at financial risk if costs exceed an acceptable threshold).
- Led by the Department of Human Services' (DHS) Medicaid program and the Arkansas Center for Health Improvement (ACHI).
- Current participating payers include Medicaid, Blue Cross Blue Shield (BCBS), Arkansas State and Public School Employees Health Plan, Centene (previously QualChoice), HealthScope, and Walmart.

2013

State Innovation Model (SIM)

State Innovation Model

- Awarded $42 million to support AHCPII.
- Extended the PCMH and Episodes of Care programs to additional participating providers.
- Participating payers included Medicaid, BCBS, and QualChoice.

SB1020 to Create the Health Care Independence Act of 2013; and to Declare an Emergency

- Expands Medicaid through a private option by providing premium assistance and other cost-sharing supplemental payments to plans on the exchange.
- Requires qualified health plans (QHPs) on the health insurance marketplace to participate in AHCPII, including assignment of primary care clinicians, support for PCMH, and access to clinical performance data for providers.

Federal

State

2014

The Arkansas Insurance Department Rule 108

- Mandates QHPs on the health insurance marketplace follow the Arkansas PCMH model or a nationally accepted PCMH model.
- Requires payers to prospectively attribute every enrollee to a primary care practice.
- Sets the floor for payers to provide PCMH participating practices an average of five dollars PMPM, which may be risk stratified, for care coordination services.
- Carriers can terminate practice support for not meeting milestones or quality targets.
- Requires carriers to provide the state quarterly performance reports on practice transformation and quality metrics.

SB701 to Limit Financial Penalties on Physicians in Alternative Payment Systems

- Specifies that carriers, when determining gainsharing or risk-sharing amounts, shall not financially penalize physicians for costs that are a result of contracts with other persons or entities outside of the physician's practice.
- As a result of this legislation, carriers are no longer able to include downside risk in episodes of care.

2016

2017

HB1439 To Amend the Healthcare Quality and Payment Policy Advisory Committee

- Amends the membership of the Healthcare Quality and Payment Policy Advisory Committee to include two of each of the following: family physicians, pediatricians, internal medicine physicians, physicians of any specialty, and medical directors of an insurance company.
- Tasks the Committee with making recommendations and providing approval to DHS related to the development of AHCPII, PCMH, and episodes of care.

Comprehensive Primary Care Plus (CPC+)

2021

HB1271 To Amend the Prior Authorization Transparency Act; And To Exempt Certain Healthcare Providers That Provide Certain Healthcare Services From Prior Authorization Requirements

- Creates exemptions to prior authorizations for health care providers, including that insurers will not impose prior authorization requirements for any health care service that is included in a value-based reimbursement arrangement.

Primary Care First (PCF)

2023

Healthcare Payment Learning & Action Network State Transformation Collaborative

- Builds on groundwork of AHCPII and alignment efforts in CPC+ and PCF.
- Focused on all-payer alignment for quality metrics and increasing payer representation in quality measure discussions.

Health Care Payment Learning & Action Network State Transformation Collaborative (HCPLAN STC)

2025