



**Office of External Affairs**

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## **FACT SHEET**

**FOR IMMEDIATE RELEASE**

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### **DISASTER RELIEF FOR HURRICANE KATRINA EVACUEES IN ARKANSAS**

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The Centers for Medicare & Medicaid Services (CMS) announced the approval of a Section 1115 waiver to expeditiously respond to the health care needs of thousands of Hurricane Katrina evacuees in Arkansas and the medical providers who are caring for them. The Arkansas initiative is the seventh state CMS has approved for using the model for disaster relief response. The Section 1115 model that Alabama, Arkansas, Florida, Georgia, Idaho, Mississippi, and Texas are using could also be used by other states to meet the needs of low-income beneficiaries who need health care. CMS is ready to provide expedited review and approval of these waivers so that care can quickly be provided to victims of Hurricane Katrina.

The waiver establishes a separate temporary eligibility category for evacuees from geographic areas damaged by Hurricane Katrina. Arkansas will provide temporary eligibility for five months of Medicaid or the State Children's Health Insurance Program (SCHIP) coverage to evacuees who are parents, pregnant women, children under age 19, individuals with disabilities, low income Medicare recipients, and low income individuals in need of long-term care up to specified income levels included with the waiver template.

Under this expedited program, evacuees will be able to register for Medicaid and SCHIP without many of the traditional administrative requirements for verification and enrollment. CMS recognizes that many people's income and resources have changed significantly because of Hurricane Katrina, and that they may not have the usual documentation. Consequently, we expect many people to be eligible who would not have been before the hurricane, and we want to make sure all of them get help as quickly as possible.

Key features of the Arkansas section 1115 demonstration project include:

- Arkansas will use the simplified eligibility chart for evacuees.
- Evacuees may apply using a simplified application. Individuals in Arkansas can apply for evacuee status for five months of temporary eligibility through January 31, 2006. The waiver program will continue through June 30, 2006.
- Normal documentation requirements for verification of Medicaid and SCHIP eligibility have been waived. Residency requirements have been waived. Evacuee status can be established by self-attestation of displacement, resources, income, and immigration

status, but evacuees will be required to cooperate in demonstrating evacuee and eligibility status.

- Arkansas will extend the expedited application process to evacuees who may be newly eligible because of new economic circumstances created by the hurricane (i.e. loss of job and income or resources that may have made them ineligible prior to the storm.)
- The benefits for evacuees will be those of Arkansas's Medicaid and SCHIP programs.
- States will not be required to meet budget neutrality tests under these demonstration programs. Individuals participating in the waiver will be presumed to be otherwise eligible for Medicaid in their respective home state and costs to the federal government would have otherwise been incurred or allowable.
- If individuals with evacuee status wish to be determined eligible for regular Medicaid/SCHIP, at the end of the temporary eligibility period, they must reapply for eligibility under a permanent eligibility category in Arkansas or their Home State.
- In addition, an uncompensated care fund will be available to Arkansas through the section 1115 waiver. The fund has been established for a period of five months to allow Arkansas to reimburse providers that have been incurring uncompensated care costs for medically necessary services and supplies for evacuees who do not have other coverage for such services and supplies through insurance, including Title XIX and XXI. Arkansas shall establish mechanisms to prevent payments from the fund on behalf of individuals who have coverage for their care or for which other options are available. Expenditures from the fund will be subject to an audit.

As the President said, States like Arkansas that provide these services in good faith to evacuees should be supported. The President is working with Congress to assist the home states with the added burdens they are facing as a result of the hurricane.