



Division of Medical Services
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November 2, 2021

Via email @ mitch.morris@empowerarkansas.gov

Mitch Morris, CEO
Empower Healthcare Solutions
1401 West Capitol Avenue
Little Rock, AR 72201

RE: Readiness Review Timelines

Mr. Morris:

Please accept this letter as formal notice of the expected timeframes for Empower to complete readiness review. It has come to the attention of the Department of Human Services, Division of Medical Services (DMS) that there are still several requirements outstanding. As you are aware, DMS is required by 42 CFR § 438.66 to “complete the readiness review] “in sufficient time to ensure smooth implementation” of the event that triggered the readiness review requirement. In this case, the transition of Beacon as a primary owner and contractor of Empower, on January 1, 2022.

Considering the short time frame and DMS’s legal obligations to continue providing services to Medicaid clients, DMS wanted to list out Empower’s outstanding readiness review requirements and formally notify Empower these requirements must be met by November 24, 2021.

- 1) DMS requires assurance from the Arkansas Insurance Department (AID) that Empower will continue with seamless operations following the transition from Beacon as an owner and that Empower is approved to offer a PASSE plan for calendar year 2022.
- 2) Empower must schedule with DMS an onsite readiness review that will be completed before November 24, 2021.
- 3) Testing of the transfer of files, which did not begin until October 28, 2021, must be completed to the satisfaction of DHS’s Office of Information Technology (OIT).
- 4) Outstanding documents from Round 1 and Round 2 desk reviews must be provided and approved. (The list of outstanding items is included as an attachment to this letter).

DMS is obligated under 42 CFR § 438.62 to ensure a smooth transition and continuation of services for any Medicaid enrollee of a managed care entity whose contract is terminated or dissolved for any reason. Furthermore, DMS must ensure that should there be a need to transition beneficiaries, DMS is in a position to do so in compliance with our obligations to provide

information under 42 CFR 42 CFR § 438.10, which requires at least 30 days' notice. Therefore, DMS must be able to make a final decision prior to December 1, 2021, so that all affected members and their receiving PASSEs have adequate notice to ensure continued services and as smooth a transition as possible.

Thank you in advance for your continued cooperation with DMS through the readiness review process. We will continue to work with you to assist with meeting these timeframes.

Sincerely,



Elizabeth Pitman
DMS Director

CC with attachments: Cindy Gillespie, DHS Secretary
Dawn Stehle, Medicaid Director
Kristin Koenigsfest, DMS Assistant Director