



## Daily Legislative Update

91st General Assembly Fiscal Session  
Wednesday, March 7, 2018

### AT THE CAPITOL

The Senate will convene at 11 a.m. and the House will convene at 1:30 p.m.

Two of three issues that hold the key to concluding the Fiscal Session advanced yesterday. The unresolved issue could push the Session into early next week. The two issues moving forward are Revenue Stabilization and Arkansas Works.

### REVENUE STABILIZATION ACT (RSA)

**HB 1137 & SB 122** are identical RSA bills from the House and Senate. This is the bill that prioritizes state spending appropriated by other bills to keep the state's budget balanced. These bills were considered yesterday morning by the Joint Budget Committee and endorsed for passage. Passing the RSA bill is typically the last action of a Legislative Session, which takes a minimum of three days to complete. A vote on the RSA is expected on Thursday.

[Here](#) is a link to the Senate version of the RSA bill.

[Here](#) is a link to the appropriation schedule.

### ARKANSAS WORKS

A key issue in this Fiscal Session is passage of the Department of Human Services (DHS) appropriation for medical service operations, **SB 30**. This would continue Arkansas's Medicaid expansion another year, which is known as Arkansas Works.

Appropriation bills require a 75 percent majority and the Senate has three open seats, so there were fewer members to provide the needed 27 votes. **SB 30** was approved yesterday afternoon by a vote of 27 yeas, 2 nays and 2 not voting. This successful vote on a challenging issue occurred a day after the Trump administration said the state could impose a work requirement on the program.

Below are excerpts from an article published yesterday morning by Steve Brawner of *Talk Business & Politics*. It provides great information about the Arkansas Works program, the federal waiver and the challenges surrounding the vote that occurred yesterday afternoon.

*Arkansas became the third state granted a federal waiver allowing it to require some Medicaid expansion beneficiaries to work, and it was the first to have it hand-delivered by the official responsible for it.*

*The federal government is still considering the state's request to lower the income eligibility to 100% of the federal poverty level.*

*Seema Verna, administrator of the federal Centers for Medicare and Medicaid Services, signed the waiver and gave it to Gov. Asa Hutchinson during a press conference at the Capitol Monday. The waiver allows Arkansas to require beneficiaries of its Arkansas Works program ages 19-49 to work 80 hours per month or engage in other activities such as job training, job searching, education or volunteering, or some combination of those.*

*Arkansas will phase in the program, beginning with recipients ages 30-49 this year. Next year, recipients ages 19-30 will be required to work or engage in work-related activities.*

*The waiver will affect 39,918 beneficiaries this year, said DHS spokesperson Amy Webb. The state has 99,632 recipients ages 30-49, but 59,714 qualify for an exemption. Exempted beneficiaries include those who are medically frail, those who are pregnant, those who face a short-term incapacitation or are caring for an incapacitated person, and others. Arkansas Works covered about 286,000 Arkansans as of the beginning of the year.*

*The state will begin implementing the work requirement this month, and recipients will begin reporting their work activities June 1, said Department of Human Services Director Cindy Gillespie.*

*Hutchinson said Arkansas is the third state to be granted a work requirement waiver, but he expects it to be the first to implement it because it has been working on the waiver and the processes are ready. Beneficiaries will access Department of Workforce Services programs that will help them find and prepare for employment.*

*"This is not about punishing anyone. It's about giving people an opportunity to work," he said.*

*In addition to the three states whose work requirements have been approved, Verma said eight other states have submitted proposals, and nine other states are interested. Verma said this is the first time an administrator has hand-delivered a waiver. She said states are in a better position than the federal government to administer aspects of Medicaid.*

*"We are committed to working with states and being true partners in helping them get to where they want to go," she said.*

*Arkansas' waiver request also included a provision allowing it to lower the income eligibility threshold from 138% of the federal poverty level to 100%. That portion was not yet granted. Hutchinson and Verma said they did not want to wait for that process to unfold before implementing the work requirement.*

*"We're still working through some issues in that particular area, but we wanted to move forward on the community engagement and work requirement piece," Verma said.*

*Hutchinson said he had met with Health and Human Services Secretary Alex Azar while at the National Governors Association meeting in February and Azar was open to the idea. The Centers for Medicare and Medicaid Services is part of HHS.*

**ARKANSAS WORKS HISTORY, UPCOMING VOTE [this story was published before the vote]**

*Arkansas Works was created in 2013 as a result of the Affordable Care Act, otherwise known as Obamacare. The act required states to expand their Medicaid populations, but a Supreme Court decision required that states be given an option of whether to do so. Arkansas chose to expand, but it was granted a waiver by the Obama administration allowing it to use federal dollars to purchase private health insurance rather than expand Medicaid. The program originally was known informally as the private option.*

*The program has been controversial since it was created. Opponents have tried to block it by blocking the Department of Human Services Division of Medicaid Services appropriation. A three-fourths majority is required in the Arkansas Senate and House for all appropriations bills.*

*Legislative supporters of Arkansas Works do not yet have a three-fourths majority in the Senate. The process is complicated for supporters by the fact that three of the 35 Senate seats are vacated, but the three-fourths majority of 27 seats is still required.*

*Majority Leader Jim Hendren, R-Gravette, said the appropriation bill will move out of the Joint Budget Committee Monday or Tuesday and be on the floor the following day. It needs only a majority vote to advance through Joint Budget.*

*Asked if the waiver would be enough to convince opponents to support the appropriation, Hendren said, "I don't know. I mean, it's hard to get people to give me a straight answer. ... I think it will help, and it will get us closer, but whether or not it's going to push us over the edge, we probably won't know until the vote is cast. We need a little drama around here, right?" [the bill passed 27 to 2]*

## **SPECIAL SESSION**

A Special Session is expected to be called very shortly after the Fiscal Session adjourns sine die. The legislature has done a wonderful job protecting the purpose of a Fiscal Session by limiting its consideration to budget-related bills only. However, some issues have arisen that need to be addressed before the 2019 Regular Session. All of the issues included in a Special Session are expected to have their votes in place and the Special Session should be completed in about three days.

## **2018 CANDIDATES ARE SET**

The Candidate Filing period closed at noon last Thursday, March 1. This Sunday's *Arkansas Democrat Gazette* published a list of all candidates and the offices they seek. The newspaper acquired the list from the Secretary of State's office. [Here](#) is a link to that publication.

## **LEGISLATIVE SESSION INFORMATION**

During Fiscal Sessions, this update is provided periodically based upon information of interest. To view schedules, calendars, bill information and legislator information, visit: [www.arkleg.state.ar.us](http://www.arkleg.state.ar.us).

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