

Extending ARHOME, Preserving Access

The Arkansas Health and Opportunity for Me (ARHOME) program is set to expire on December 31, 2026, and a sustainable replacement model is vital for Arkansas hospitals, patients and communities.

ARHOME is a lifeline for 200,000 Arkansans.

THE PROGRAM

Signed into law in 2013 as the "Private Option," what is now known as ARHOME was a first-in-the-nation solution for Medicaid expansion under the Affordable Care Act. Today, the program covers 200,000+ adults ages 19 to 64.

THE MODEL

The model uses federal (90%) and state (10%) funds to purchase private commercial health plans for low-income adults.

THE DIFFERENCE

Through private commercial plans, ARHOME offers enrollees expanded access and a broader network of care while supporting hospitals with a more competitive reimbursement rate than fee-for-service or managed care organization solutions.

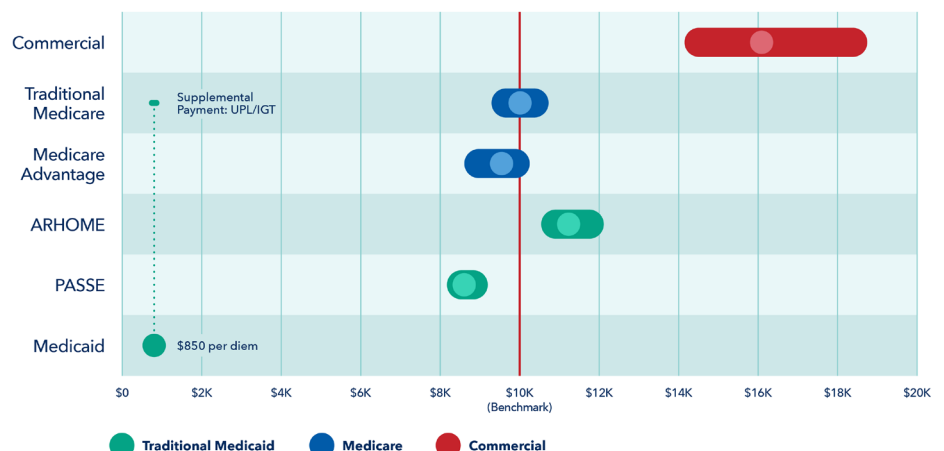
Arkansas's health and economic future hinges on a two-year extension of ARHOME.

If ARHOME ends this year, Arkansas faces an overnight cliff. With traditional (fee-for-service) Medicaid or a managed care organization being the only readymade solutions, Arkansas hospitals will face lower reimbursement rates that they simply can't sustain.

Without ARHOME, Arkansas hospitals will be expected to meet today's rising costs with Medicaid reimbursement structures that have gone decades without a broad increase.

REIMBURSEMENT ESTIMATED BY PAYOR TYPE

Estimated payor reimbursement compared with a \$10,000 Medicare benchmark.



2007 | Last broad changes for traditional fee-for-service inpatient care

1992 | Last broad changes for outpatient care, which led to rate decreases

Arkansas can't build a sustainable path forward overnight.

1

We are **advocating for a thoughtful transition**, not a preservation of the status quo.

2

The development of a **new Medicaid expansion plan** that supports the 200,000 Arkansans impacted requires intentional planning, coordination and alignment led by the state, federal officials, provider organizations and health plans.

3

A **two-year extension** will give us the runway required to build a solution that works.

AR hospitals are already on the brink.

The Fairness Gap: Federal law gives states with qualifying state directed payments a multi-year runway to absorb Medicaid payment reductions. Arkansas's ARHOME financing does not receive that same transition protection, creating the perfect storm for an abrupt and detrimental financial impact on hospitals.

The Access Impact: Arkansas hospitals don't have the financial buffer to absorb another shock. The potential impact on finances translates into a direct impact on access in a state where hospitals are already stretched thin.

And with some of the lowest commercial reimbursement rates in the country, Arkansas hospitals don't have the private payer cushion needed to make up for Medicaid shortfalls.

55% of Arkansas rural hospitals are vulnerable to closure, the second highest in the nation

~40% Arkansas hospitals lost money in 2025

9 labor and delivery units have closed since 2020, leaving only 30 delivering hospitals across 75 counties



For AR hospitals, the two-year ARHOME extension isn't optional. It's essential.

Extending ARHOME is a vital bridge to keep essential hospital doors open. Arkansas leaders must ensure every community keeps the care it depends on.