Dear Mr. Allison:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) has awarded Arkansas the State Balancing Incentive Payment Program grant under Section 10202 of the Affordable Care Act (hereafter referred to as the “Balancing Incentive Program.”)

The Balancing Incentive Program provides a strong financial incentive to stimulate greater access to non-institutionally based long-term services and supports (LTSS.) The passage of the Balancing Incentive Program reflects Congress’ recognition of the demographic and fiscal imperatives to reshape our long-term care system to meet the needs of our beneficiaries and assure the future viability of the system.

The period of performance for this grant award is April 1, 2013 through September 30, 2015. Arkansas will receive an enhanced match rate of 2% for non-institutional LTSS. Your award is $61.2 million which is based upon your projected expenditures and is dependent on the actual amount spent on non-institutional LTSS and the implementation of the required structural changes. This funding will be available through the end of the Period of Performance, or until the entire $3 billion appropriation for the Balancing Incentive Program has been expended, whichever occurs first.

Please review the attached terms and conditions. In addition to the general terms and conditions, this grant award contains programmatic and grant specific terms and conditions. Your assigned CMS Project Officer will schedule a call in the next few days to discuss the details of your award and to answer any questions you may have concerning your award. By drawing grant funds from your account, you have accepted the terms and conditions of this grant award.

Thank you for your commitment to improving the long-term services and supports that are so critical to the lives of thousands of beneficiaries. We look forward to working with you throughout the grant period.

Sincerely,

Barbara Edwards
Director
Enclosures

Documents regarding your Balancing Incentive Program Grant Award:

1. **Terms and Conditions** - This legal document cites the regulations governing the grant and sets forth the general requirements, assurances, reporting requirements, and other terms and conditions that apply specifically to the grant.
   - General Terms & Conditions
   - Programmatic Terms & Conditions

cc:
Suzanne Bierman, Director of Customer Care and Coordination of Coverage
Effie R. George, Ph.D., CMS Project Officer
Billy B. Farrell, CMS Associate Regional Administrator
Stacey Shuman, CMS Regional Office
Kerston Crawford-Thorns, CMS Regional Office
Debbie Abshire, CMS Technical Director, Budget and Grants