ARKANSAS DEPARTMENT OF HUMAN SERVICES

Office of Substance Abuse and Mental Health
P.O. Box 1437, Slot N504, Little Rock, AR 72203-1437

November 13, 2025

Senator Ben Gilmore, Senate Chair
Representative Les D. Eaves, House Chair
1 Capitol Mall, Fifth Floor
Little Rock, Arkansas 72201

Dear Senator Gilmore and Representative Eaves:

As directed by section 20-77-2707(e) of the Arkansas Code Annotated, I am reporting to the Arkansas Legislative Council concerning the data reporting required pursuant to this section.

Very respectfully,

Paula Stone
Director, Office of Substance Abuse and Mental Health

PASSE Quarterly Report – Quarter 3, July – September 2025

Report Requirements

Section 20-77-2707(e) of the Arkansas Code Annotated requires that the Arkansas Department of Human Services provide a quarterly report to the Legislative Council or Joint Budget Committee, if the General Assembly is in session, that includes the following information related to the risk-based provider organization, commonly referred to as the PASSEs[1]:

(1) Risk-based provider organization membership enrollment and distribution;

(2) Patient experience data; and

(3) Financial performance, including demonstrated savings.

PASSE Overview

The PASSE program coordinates health care services for beneficiaries with behavioral health diagnoses and intellectual and/or developmental disability diagnoses through care management entities implemented through 1915(i), 1915(b), and 1915(c) federal waivers. PASSE organizations are responsible for integrating physical health, behavioral health, and specialized developmental disability services for individuals who require intensive levels of treatment or care needs due to a serious mental illness, a serious emotional disturbance or an intellectual and/or developmental disability. The PASSE organizations are considered risk-based provider organizations. Each PASSE must maintain at least 51% ownership by enrolled Arkansas Medicaid providers.

Eligibility and enrollment

The PASSE program includes Medicaid beneficiaries who meet at least one of the following criteria:

- Receives Community and Employment Support waiver services;
- Receives Medicaid State Plan services while on the Community and Employment Support waiver waitlist;
- Lives in a private Intermediate Care Facility for individuals with intellectual or developmental disabilities; or
- Has a behavioral health diagnosis and needs services in addition to counseling and medication management.

[1] PASSE stands for Provider-Led Arkansas Shared Savings Entity.

There are four PASSE organizations operating within the state: Arkansas Total Care; CareSource; Empower; and Summit. As of August 4, 2025, the PASSE program covers approximately 46,720 beneficiaries. The following demonstrates the enrollment and membership distribution of each PASSE:

	Arkansas Total Care	CareSource	Empower	Summit	Total
Enrollment	12,848	5,711	15,105	13,266	46,930

Patient Experience Data

The PASSE program goals include monitoring beneficiaries' health needs, keeping beneficiaries healthy, and helping beneficiaries reach goals as documented in the care plan. All services must be delivered based on an individual person-centered service plan ("PCSP"). The PCSP must have measurable goals and specific objectives. These plans are unique to each individual beneficiary and are created by the beneficiary's PASSE care coordinator in conjunction with the beneficiary, their caregivers, service providers, and other relevant professionals. Based on the importance of the PCSP, a beneficiary's experience is measured, in part, by timeliness of the PCSP.

The following chart demonstrates the timeliness of the PCSPs for each PASSE as well as the member grievances for this quarter:

	Arkansas Total Care	CareSource	Empower	Summit	Total
PCSP Timeliness	90.1%	90.5%	94%	86%	90.15%
Grievances	12	4	24	8	48

Financial Performance, including demonstrated savings

The PASSE program serves some of the highest-need individuals on Arkansas Medicaid with an intellectual or developmental disability, serious mental illness, or serious emotional disturbance behavioral health diagnoses. As such, the PASSE program has a goal of generating behavioral health savings by reducing the need for high-cost services like hospitalization, inpatient psychiatric stays, ambulance, etc. This report demonstrates cost avoidance for the state due to the PASSE program.

The following is a report demonstrating PASSE cost avoidance:

SFY	Baseline PMPM	CMS Published Growth
SFY2020	$ 2,390	4.50%
SFY2021	$ 2,512	5.10%
SFY2022	$ 2,648	5.40%
SFY2023	$ 2,796	5.60%
SFY2024	$ 2,958	5.80%
SFY2025	$ 3,130	5.80%
SFY2026	$ 3,312	5.80%

CY	Risk Corridor Adjustments	Quarterly Amount	Status
CY2019	$(314,659,573)	$(78,664,893)	Final
CY2020	$(115,292,354)	$(28,823,088)	Final
CY2021	$(121,020,077)	$(30,255,019)	Final
CY2022	$ (62,828,093)	$(15,707,023)	Final
CY2023	$ (37,483,706)	$ (9,370,926)	Final
CY2024	$ (18,875,718)	$ (4,718,930)	Projected
CY2025	$ (43,217,467)	$(10,804,367)	Projected

SFY	QTR	Baseline PMPM	Quarterly Cost Actuals	Actual PMPM	PMPM Difference	Quarterly Enrollment	PMPM Difference X Enrollment	Risk Corridor Adjustments	PASSE Cost Avoidance By Quarter
SFY2020	Q1	$ 2,390	$ 402,462,789	$ 2,978	$ (587)	135,166	$ (79,357,844)	$(78,664,893)	**$ (692,951)**
SFY2020	Q2	$ 2,390	$ 351,705,061	$ 2,598	$ (207)	135,389	$ (28,067,049)	$(78,664,893)	**$ 50,597,844**
SFY2020	Q3	$ 2,390	$ 298,488,047	$ 2,403	$ (12)	124,221	$ (1,546,365)	$(28,823,088)	**$ 27,276,724**
SFY2020	Q4	$ 2,390	$ 309,757,939	$ 2,430	$ (39)	127,493	$ (4,994,768)	$(28,823,088)	**$ 23,828,321**
SFY2021	Q1	$ 2,512	$323,472,605	$ 2,420	$ 93	133,682	$ 12,382,377	$(28,823,088)	**$ 41,205,465**
SFY2021	Q2	$ 2,512	$336,033,493	$ 2,407	$ 105	139,595	$ 14,676,970	$(28,823,088)	**$ 43,500,058**
SFY2021	Q3	$ 2,512	$320,992,251	$ 2,235	$ 277	143,621	$ 39,832,903	$(30,255,019)	**$ 70,087,922**
SFY2021	Q4	$ 2,512	$331,647,181	$ 2,233	$ 280	148,544	$ 41,546,235	$(30,255,019)	**$ 71,801,255**
SFY2022	Q1	$ 2,648	$342,530,860	$ 2,248	$ 400	152,361	$ 60,922,452	$(30,255,019)	**$ 91,177,471**
SFY2022	Q2	$ 2,648	$353,030,229	$ 2,254	$ 394	156,649	$ 61,777,746	$(30,255,019)	**$ 92,032,765**
SFY2022	Q3	$ 2,648	$340,084,610	$ 2,114	$ 534	160,909	$ 86,003,884	$(15,707,023)	**$101,710,907**
SFY2022	Q4	$ 2,648	$349,764,535	$ 2,105	$ 543	166,180	$ 90,281,614	$(15,707,023)	**$105,988,637**
SFY2023	Q1	$ 2,796	$363,929,013	$ 2,107	$ 689	172,708	$ 119,013,951	$(15,707,023)	**$134,720,974**
SFY2023	Q2	$ 2,796	$368,751,871	$ 2,103	$ 693	175,356	$ 121,595,690	$(15,707,023)	**$137,302,713**
SFY2023	Q3	$ 2,796	$384,566,947	$ 2,193	$ 603	175,349	$ 105,761,039	$ (9,370,926)	**$115,131,966**
SFY2023	Q4	$ 2,796	$373,843,233	$ 2,201	$ 595	169,856	$ 101,124,691	$ (9,370,926)	**$110,495,618**
SFY2024	Q1	$ 2,958	$360,261,614	$ 2,303	$ 656	156,462	$ 102,628,530	$ (9,370,926)	**$111,999,456**
SFY2024	Q2	$ 2,958	$331,781,840	$ 2,357	$ 601	140,760	$ 84,654,206	$ (9,370,926)	**$ 94,025,133**
SFY2024	Q3	$ 2,958	$354,253,088	$ 2,636	$ 323	134,392	$ 43,343,340	$ (4,718,930)	**$ 48,062,269**
SFY2024	Q4	$ 2,958	$367,212,672	$ 2,672	$ 287	137,436	$ 39,389,377	$ (4,718,930)	**$ 44,108,307**
SFY2025	Q1	$ 3,130	$377,728,488	$ 2,709	$ 421	139,424	$ 58,679,069	$ (4,718,930)	**$ 63,397,998**
SFY2025	Q2	$ 3,130	$386,905,863	$ 2,727	$ 403	141,886	$ 57,207,939	$ (4,718,930)	**$ 61,926,868**
SFY2025	Q3	$ 3,130	$422,281,136	$ 2,971	$ 159	142,140	$ 22,627,704	$(10,804,367)	**$ 33,432,071**
SFY2025	Q4	$ 3,130	$426,268,317	$ 2,999	$ 131	142,121	$ 18,581,052	$(10,804,367)	**$ 29,385,419**
SFY2026	Q1	$ 3,312	$433,605,698	$ 3,024	$ 288	143,389	$ 41,244,067	$(10,804,367)	**$ 52,048,434**

*Risk Corridor adjustments for CY2024 and CY2025 are projected settlements and not final. Growth Rates used are published by Centers of Medicare & Medicaid Services - Office of the Actuary

PASSE Premium Collections	
Description	**Total Collections**
CY2019	$ 31,300,751
CY2020	$ 28,595,670
CY2021	$ 28,306,440
CY2022	$ 36,168,323
CY2023	$ 34,062,523
CY2024	$ 36,094,189
Total	$ 194,527,896

IDD Wait List Allocation 50%	$	97,263,948.00
Other Services 50%	$	97,263,948.00
Total	$	194,527,896.00

*Premium Taxes are used as a source of nonfederal matching funds and reduces the need for general revenues.