

---

## **Table of Contents**

**State/Territory Name:** Arkansas

**State Plan Amendment (SPA) #:** AR-24-0016

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) State Plan Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop: S2-01-16  
Baltimore, Maryland 21244-1850



**Children and Adults Health Programs Group**

---

November 19, 2024

Janet Mann  
State Medicaid Director  
State of Arkansas, Department of Human Services  
112 West 8th Street, Slot S401  
Little Rock, AR 72201

Dear Director Mann:

Your title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) number AR-24-0016, submitted on July 28, 2024, with additional information received on November 19, 2024, has been approved.

Under this SPA, the state transitioned its delivery system for dental benefits from the *Healthy Smiles* managed care program to the fee-for-service system administered by the Division of Medical Services, effective November 1, 2024. The state is continuing to work on an analysis of its Current Dental Terminology (CDT) codes under its fee-for-service system and intends to complete this analysis by June 31, 2025. Included in this analysis is an examination of its dental standards relative to standards in other states. CMS will follow up with the state in July of 2025 for an update on the state's findings and applicable modifications to dental coverage.

Your title XXI project officer is Abbie Walsh. She is available to answer questions concerning this amendment and other CHIP-related issues. Her contact information is as follows:

Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850  
Telephone: 667-290-8863  
E-mail: [abigail.walsh@cms.hhs.gov](mailto:abigail.walsh@cms.hhs.gov)

We appreciate the efforts of your staff and share your goal of providing quality health care to low-income, uninsured children through title XXI. Thank you for your cooperation.

Sincerely,

/Signed by Sarah deLone/

Sarah deLone  
Director

antepartum care were provided culminating in delivery or the beneficiary was continuously CHIP eligible for two or more months before delivery and on the delivery date, the global method of billing CHIP for postpartum services provided is used. When less than two months of antepartum care was provided to the Unborn Child program beneficiary or the beneficiary was not CHIP eligible for at least the last two months of the pregnancy, the antepartum/obstetrical care without delivery and the delivery and postpartum care can be billed to CHIP using the itemized billing method.)

- Services that are determined by the physician as medically necessary as, if not provided, could complicate or endanger the eligible Unborn Child program's beneficiary's pregnancy.

#### **E. Healthy Smiles Dental Managed Care Program**

The Arkansas Department of Human Services transitioned the Medicaid dental program to a prepaid ambulatory health plan (PAHP) on January 1, 2018. Two vendors were selected to provide state-wide dental benefits:

- a. Delta Dental
- b. Managed Care of North America (MCNA)

In early December 2017, all Arkansas Medicaid and CHIP beneficiaries who are eligible for dental benefits were randomly and evenly assigned to one of the two dental managed care plans. Each plan sent a welcome packet to each member and the members were able to access plan providers starting January 1, 2018, for covered dental services. Both dental vendors will provide the same dental services that were covered under the Medicaid and CHIP fee-for-service program.

[Effective November 1, 2024, Arkansas Department of Human Services transitioned the CHIP dental program to the previous fee-for-service arrangement for all covered dental services and is administered by Division of Medical Services.](#)

#### **F. Provider Led Arkansas Shared Savings Entity (PASSE)-MCO Model of care for client with high behavioral health or developmental disabilities service needs.**

Effective February 1, 2018, Arkansas included the ARKids-B Title XXI CHIP program beneficiaries as part of its overall 1915(b) waiver implementing a Provider-Led Arkansas Shared Savings Entity (PASSE) Program. As of May 6, 2019, approximately 2,598 children who participate in ARKids-B were also enrolled in a PASSE. More ARKids-B eligible children will be mandatorily enrolled in a PASSE if they are determined to be a Tier 2 or Tier 3 on the Arkansas Independent Assessment (ARIA) for behavioral health or developmental disabilities services.

The PASSE program is an innovative approach to organizing and managing the

**SPA # 13, Purpose of SPA:**

The state is assuring that it covers age-appropriate vaccines and their administration, without cost sharing.

Proposed effective date: October 1, 2023

Proposed implementation date: October 1, 2023

**SPA # 14, Purpose of SPA:**

The purpose of this SPA is to improve access to continuous glucose monitors (CGMs) through pharmacy claim submission processing for reimbursement to pharmacies and DME providers. Beneficiaries eligible for CGMs include those with Type 1 diabetes or any other type of diabetes with either insulin use or evidence of level 2 or level 3 hypoglycemia, or beneficiaries diagnosed with glycogen storage disease type 1a. Patch type insulin pumps, blood glucose monitors (BGMs) and testing supplies will be covered in the same manner. Coverage is being extended to comply with Arkansas Act 393 of 2023.

**Proposed effective date:** April 1, 2024

**Proposed implementation date:** April 1, 2024

SPA # 15—, Purpose of SPA:

The purpose of this SPA is to end the Healthy Smiles Managed Care waiver for dental services and transition the dental program to fee-for-services (FFS).

Proposed effective date: November 1, 2024

Proposed implementation date: November 1, 2024

**1.4- TC**

**Tribal Consultation** (Section 2107(e)(1)(C)) Describe the consultation process that occurred specifically for the development and submission of this state plan amendment, when it occurred and who was involved.

Not applicable, as there are no Indian Health Programs or Urban Indian Organizations in the State of Arkansas

TN No: Approval Date Effective Date \_\_\_\_\_

**Section 2. General Background and Description of Approach to Children’s Health Insurance Coverage and Coordination**

Guidance: The demographic information requested in 2.1. can be used for State planning and will be used strictly for informational purposes. THESE NUMBERS WILL NOT

### Section 3. Methods of Delivery and Utilization Controls

- Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State’s Medicaid plan, and continue on to Section 4 (Eligibility Standards and Methodology).

Guidance: In Section 3.1, describe all delivery methods the State will use to provide services to enrollees, including: (1) contracts with managed care organizations (MCO), prepaid inpatient health plans (PIHP), prepaid ambulatory health plans (PAHP), primary care case management entities (PCCM entities), and primary care case managers (PCCM); (2) contracts with indemnity health insurance plans; (3) fee-for-service (FFS) paid by the State to health care providers; and (4) any other arrangements for health care delivery. The State should describe any variations based upon geography and by population (including the conception to birth population). States must submit the managed care contract(s) to CMS’ Regional Office for review.

#### 3.1. Delivery Systems (Section 2102(a)(4)) (42 CFR 457.490; Part 457, Subpart L)

##### 3.1.1 Choice of Delivery System

**3.1.1.1** Does the State use a managed care delivery system for its CHIP populations? Managed care entities include MCOs, PIHPs, PAHPs, PCCM entities and PCCMs as defined in 42 CFR 457.10. Please check the box and answer the questions below that apply to your State.

- No, the State does not use a managed care delivery system for any CHIP populations.
- Yes, the State uses a managed care delivery system for all CHIP populations.

All children enrolled in CHIP will be enrolled in Healthy Smiles. Healthy Smiles dental managed care ended October 31, 2024.

- Yes, the State uses a managed care delivery system; however, only some of the CHIP population is included in the managed care delivery system and some of the CHIP population is included in a fee-for-service system.

If the State uses a managed care delivery system for only some of its CHIP populations and a fee-for-service system for some of its CHIP populations, please describe which populations are, and

~~For children who are not enrolled in the PASSE, they will only receive dental services through the Healthy Smiles Dental Managed Care program. All other services will still be provided in the fee-for-service system.~~

For children who are enrolled in the PASSE, the following services are carved-out of the model:

- Nonemergency Medical Transportation
- Dental Benefits
- School-based services provided by school employees
- Services provided to residents of a human development center, a skilled nursing facility, or an assisted living facility
- They are enrolled in ARChoices, Independent Choices, the 1915(c) Autism Waiver, or any successor to these programs.

### 3.1.2 Use of a Managed Care Delivery System for All or Some of the State's CHIP Populations

3.1.2.1 Check each of the types of entities below that the State will contract with under its managed care delivery system, and select and/or explain the method(s) of payment that the State will use:

Managed care organization (MCO) (42 CFR 457.10)

Capitation payment

Describe population served:

Those individuals who receive behavioral health and developmental disabilities services who are determined to meet the Tier II or Tier III level of need, unless they are residing in a Human Development Center, a skilled nursing facility, or an assisted living facility or they are enrolled in ARChoices, Independent Choices, the 1915(c) Autism Waiver, or a successor to one of these programs.

Prepaid inpatient health plan (PIHP) (42 CFR 457.10)

Capitation payment

Other (please explain)

Describe population served:

Guidance: If the State uses prepaid ambulatory health plan(s) (PAHP) to exclusively provide non-emergency medical transportation (a NEMT PAHP), the State should not check the following box for that plan. Instead, complete section 3.1.3 for the NEMT PAHP.

Prepaid ambulatory health plan (PAHP) (42 CFR 457.10)

Capitation payment

Other (please explain)

~~Describe population served: All children who are enrolled in CHIP will be mandatorily enrolled in the Healthy Smiles PAHP.~~

Primary care case manager (PCCM) (individual practitioners) (42 CFR 457.10)

Case management fee

Other (please explain)

Primary care case management entity (PCCM Entity) (42 CFR 457.10)

Case management fee

Shared savings, incentive payments, and/or other financial rewards for improved quality outcomes (see 42 CFR 457.1240(f))

Other (please explain)

If PCCM entity is selected, please indicate which of the following function(s) the entity will provide (as described in 42 CFR 457.10), in addition to PCCM services:

Provision of intensive telephonic case management

Provision of face-to-face case management

Operation of a nurse triage advice line

Development of enrollee care plans

Execution of contracts with fee-for-service (FFS) providers in the FFS program

Oversight responsibilities for the activities of FFS providers in the FFS program

Provision of payments to FFS providers on behalf of the State

Provision of enrollee outreach and education activities

Operation of a customer service call center

Review of provider claims, utilization and/or practice patterns to conduct provider profiling and/or practice improvement

### **The Source of State Share Funds:**

- Planned use of funds, including:
  - Projected amount to be spent on health services;
  - Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation;
  - Assumptions on which the budget is based, including cost per child and expected enrollment;
  - Projected expenditures for the separate child health plan, including but not limited to expenditures for targeted low income children, the optional coverage of the unborn, lawfully residing eligibles, dental services, etc.;
  - All cost sharing, benefit, payment, eligibility need to be reflected in the budget.
- Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees;
- Include a separate budget line to indicate the cost of providing coverage to pregnant women;
- States must include a separate budget line item to indicate the cost of providing coverage to premium assistance children;
- Include a separate budget line to indicate the cost of providing dental-only supplemental coverage;
- Include a separate budget line to indicate the cost of implementing Express Lane Eligibility;
- Provide a 1-year projected budget for all targeted low-income children covered under the state plan using the attached form. Additionally, provide the following:
  - Total 1-year cost of adding prenatal coverage;
  - Estimate of unborn children covered in year one treatment



**Attachment F**

**FFY 2025 Budget – Transition from Dental Managed Care to Fee-for-Service**

**CHIP Budget**

<b><u>STATE:</u></b>	<b><u>FFY Budget</u></b>
<b><u>Federal Fiscal Year</u></b>	<u>2025</u>
<u>State’s enhanced FMAP rate</u>	<u>79.80%</u>
<b><u>Benefit Costs</u></b>	
<u>Insurance payments</u>	<u>\$0.00</u>
<u>Managed care</u>	<u>\$1,039,481 (one month of</u>
<u>per member/per month rate</u>	<u>\$22</u>
<u>Fee for Service</u>	<u>\$11,434,295 (eleven months of</u>
	<u>FFS)</u>
<b><u>Total Benefit Costs</u></b>	<u>\$12,473,776 (Total Cost –</u>
	<u>budget neutral)</u>
<u>(Offsetting beneficiary cost sharing payments)</u>	
<b><u>Net Benefit Costs</u></b>	<u>\$12,473,776</u>
<b><u>Cost of Proposed SPA Changes – Benefit</u></b>	<u>\$0.00</u>
<b><u>Administration Costs</u></b>	
<u>Personnel</u>	<u>\$0.00</u>
<u>General administration</u>	<u>\$0.00</u>
<u>Contractors/Brokers</u>	<u>\$0.00</u>
<u>Claims Processing</u>	<u>\$0.00</u>
<u>Outreach/marketing costs</u>	<u>\$0.00</u>
<u>Health Services Initiatives</u>	<u>\$0.00</u>
<u>Other</u>	<u>\$0.00</u>
<b><u>Total Administration Costs</u></b>	<u>\$0.00</u>
<u>10% Administrative Cap</u>	<u>\$0.00</u>
<b><u>Cost of Proposed SPA Changes</u></b>	<u>\$0.00</u>
<u>Federal Share</u>	<u>\$9,954,073</u>
<u>State Share</u>	<u>\$2,519,703</u>
<b><u>Total Costs of Approved CHIP Plan</u></b>	<u>\$12,473,776</u>