Table of Contents

State/Territory Name: Arkansas

State Plan Amendment (SPA) #: AR-25-0007

This file contains the following documents in the order listed:

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

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Children and Adults Health Programs Group

January 26, 2026

Janet Mann
State Medicaid Director
Wisconsin Department of Health Services
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) AR-25-0007, submitted June 27, 2025, with additional information submitted on January 26, 2026, has been approved. The effective date for this SPA is January 1, 2025.

Through AR-25-0007, Arkansas demonstrates compliance with section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023) by modifying CHIP eligibility requirements for the treatment of incarcerated youth and providing pre-release services to eligible juveniles. Additionally, the state clarifies its policies for this population related to cost sharing, the delivery system for pre-release services, and the availability of targeted case management services.

The state anticipates an April 1, 2026, implementation date, which is contingent upon approval from the Arkansas state legislature. If the state is unable to implement this SPA by that date, it should notify CMS.

Your Project Officer is Abbie Walsh. She is available to answer your questions concerning this amendment and other CHIP-related matters and can be reached at Abagail.Walsh@cms.hhs.gov.

If you have additional questions, please contact Mary Beth Hance, Acting Director, Division of State Coverage Programs, at (410) 786-4299. We look forward to continuing to work with you and your staff.

Sincerely,

/Signed by Jessica Stephens/

Jessica Stephens
Acting Director

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

SPA#16 (AR-25-0007), Purpose of SPA:

The purpose of this SPA is to add Targeted Case Management Services for Incarcerated Juveniles to the ARKids-B Sections of the CHIP state plan and to attest to the state's compliance with sections 2102(d) and 2110(b)(7) of the Consolidated Appropriations Act.

Proposed effective date: January 1, 2025

Proposed implementation date: April 1, 2026

Examples of utilization control systems include, but are not limited to: requirements for referrals to specialty care; requirements that clinicians use clinical practice guidelines; or demand management systems (e.g., use of an 800 number for after-hours and urgent care). In addition, the State should describe its plans for review, coordination, and implementation of utilization controls, addressing both procedures and State developed standards for review, in order to assure that necessary care is delivered in a cost-effective and efficient manner. (42 CFR 457.490(b))

If the State does not use a managed care delivery system for any or some of its CHIP populations, describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of:

- The methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102(a)(4); 42 CFR 457.490(a))
- The utilization control systems designed to ensure that enrollees receiving health care services under the State plan receive only appropriate and medically necessary health care consistent with the benefit package described in the approved State plan. (Section 2102(a)(4); 42 CFR 457.490(b))

Guidance: Only States that use a managed care delivery system for all or some CHIP populations need to answer the remaining questions under Section 3 (starting with 3.1.1.2). If the State uses a managed care delivery system for only some of its CHIP population, the State's responses to the following questions will only apply to those populations.

3.1.1.2 Do any of your CHIP populations that receive services through a managed care delivery system receive any services outside of a managed care delivery system?

☐ No ☒
Yes

If yes, please describe which services are carved out of your managed care delivery system and how the State provides these services to an enrollee, such as through fee-for-service. Examples of carved out services may include transportation and dental, among others.

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
- Pre-release services provided through carceral facilities for incarcerated youth consistent with section 2102 (d)(2)

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)

6.1.4.3. ☐ Coverage that either includes the full EPSDT benefit or that the State has extended to the entire Medicaid population

Guidance: Check below if the coverage offered includes benchmark coverage, as specified in §457.420, plus additional coverage. Under this option, the State must clearly demonstrate that the coverage it provides includes the same coverage as the benchmark package, and also describes the services that are being added to the benchmark package.

6.1.4.4.[X] Coverage that includes benchmark coverage plus additional coverage.) Vision services (eye exam – one routine eye exam [refraction] every 12 months and eyeglasses – one pair every 12 months) and dental services (routine dental care & orthodontia) make up the additional benefit coverage to the Arkansas State and Public School Employees benchmark benefits. (See ATTACHMENT A for a copy of Arkansas State and Public School Employees benchmark benefits description). Beginning January 1, 2025, Targeted Case Management for Incarcerated Juveniles was added to the existing benefit coverage.

6.1.4.5. Coverage that is the same as defined by existing comprehensive state-based coverage applicable only New York, Pennsylvania, or Florida (under 457.440)

Guidance: Check below if the State is purchasing coverage through a group health plan, and intends to demonstrate that the group health plan is substantially equivalent to or greater than to coverage under one of the benchmark plans specified in 457.420, through use of a benefit-by-benefit comparison of the coverage. Provide a sample of the comparison format that will be used. Under this option, if coverage for any benefit does not meet or exceed the coverage for that benefit under the benchmark, the State must provide an actuarial analysis as described in 457.431 to determine actuarial equivalence.

6.1.4.6. Coverage under a group health plan that is substantially equivalent to or greater than benchmark coverage through a benefit by benefit comparison (Provide a sample of how the comparison will be done)

Guidance: Check below if the State elects to provide a source of coverage that is not described above. Describe the coverage that will be offered, including any benefit limitations or exclusions.

6.1.4.7.[ ] Other (Describe)

Guidance: All forms of coverage that the State elects to provide to children in its plan must be checked. The State should also describe the scope, amount and duration of

Physician
Podiatry
Prenatal Care
Prescription Drugs, CGMs, and diabetic supplies
Preventive Health Screenings (All per protocol)
Rural Health Clinic
Speech Therapy Evaluation – Four 30 minute units/SFY (July 1 – June 30) unless benefit extension is approved Therapy – Four 15 minute units/day unless benefit extension is approved
Physical Therapy Evaluation – Four 30 minute units/SFY (July 1 – June 30) unless benefit extension is approved Therapy – Four 15 minute units/day unless benefit extension is approved
Occupational Therapy Evaluation – Four 30 minute units/SFY (July 1 – June 30) unless benefit extension is approved Therapy – Four 15 minute units/day unless benefit extension is approved
Substance Abuse Treatment Services (SATS), Outpatient
Targeted Case Management for Incarcerated Juveniles
Vision (Eye exam – One routine eye exam (refraction) every 12 months Eyeglasses) – One pair every 12 months

*The Prescription Drugs and diabetic supplies category includes prescription drugs, Continuous Glucose Monitors (CGMs) with CGM supplies, patch type insulin pumps, and blood glucose monitors (BGMs) with blood glucose testing supplies (test strips, calibration solution).

6.2.1.[X] Inpatient services (Section 2110(a)(1))

6.2.2.[X] Outpatient services (Section 2110(a)(2))

6.2.3.[X] Physician services (Section 2110(a)(3))

6.2.4.[X] Surgical services (Section 2110(a)(4))

6.2.5.[X] Clinic services (including health center services) and other ambulatory health care services. (Section 2110(a)(5))

6.2.6.[X] Prescription drugs (Section 2110(a)(6))

6.2.7.[X] Over-the-counter medications (Section 2110(a)(7))

6.2.8.[X] Laboratory and radiological services (Section 2110(a)(8))

6.2.9.[X] Prenatal care and pre-pregnancy family services and supplies (Section 2110(a)(9))

6.2.20.[X] Case management services (Section 2110(a)(20))

Primary Care Case Management

Targeted Case Management for Incarcerated Juveniles

6.2.21. ☐ Care coordination services (Section 2110(a)(21))

6.2.22.[X] Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders (Section 2110(a)(22))

Speech Therapy Evaluation – Four 30 minute units/SFY (July 1 – June 30) unless benefit extension is	
approved Therapy – Four 15 minute units/day unless benefit extension is approved	$10 per visit
Physical Therapy Evaluation – Four 30 minute units/SFY (July 1 – June 30) unless benefit extension is approved Therapy – Four 15 minute units/day unless benefit extension is approved	$10 per visit
Occupational Therapy Evaluation – Four 30 minute units/SFY (July 1 – June 30) unless benefit extension is approved Therapy – Four 15 minute units/day unless benefit extension is approved	$10 per visit
Substance Abuse Treatment Services (SATS), outpatient	$10 per visit
Targeted Case Management for Incarcerated Juveniles**	None
Vision (Eye exam, Eyeglasses)	$10 per visit No co-pay for eyeglasses

*The Prescription Drugs and diabetic supplies category includes prescription drugs, Continuous Glucose Monitors (CGMs) with CGM supplies, patch type insulin pumps, and blood glucose monitors (BGMs) with blood glucose testing supplies (test strips, calibration solution). Inclusion in the prescription drugs and diabetic supplies category requires a $5 co-pay rather than the DME $500 limitation per State Fiscal Year (SFY) July 1 – June 30, and the 10% coinsurance required for DME products. These products are reimbursable to both pharmacies and DME providers, and pricing methodology and billing processes have been aligned for both categories. Pharmacy and DME provider billing procedures for diabetic supplies would be aligned with the payment of a copay rather than ten percent (10%) coinsurance.
Only the traditional insulin pumps requiring a canula and tubing would have applicable 10 % coinsurance, as those will remain billed only through the DME benefit.

** For eligible incarcerated youth, copays are not required for pre-release services provided consistent with section 2102(d)(2) of the Act.

During the Federal COVID-19 public health emergency, cost sharing shall be waived for any in vitro diagnostic product described in section 2103(c)(10) of the Social Security Act and any other COVID-19 testing-related services regardless of setting type. In addition, the state will waive copayments for COVID treatment.

8.2.3 Coinsurance or Copayments:

Effective March 11, 2021 and through the last day of the first calendar quarter that begins one year after the last day of the COVID-19 emergency period described in section 1135(g)(1)(B) of the Act, and for all

Attachment G

FFY 2025 Budget – Targeted Case Management for CAA

CHIP Budget

STATE:	**FFY Budget**
Federal Fiscal Year	2025
State's enhanced FMAP rate	79.80%
Benefit Costs	
Insurance payments	$0.00
Managed care	$
per member/per month rate	$
Fee for Service	$15,969.60
Total Benefit Costs	$15,969.60
(Offsetting beneficiary cost sharing payments)	
Net Benefit Costs	$
Cost of Proposed SPA Changes – Benefit	$15,969.60
Administration Costs	
Personnel	$0.00
General administration	$0.00
Contractors/Brokers	$0.00
Claims Processing	$0.00
Outreach/marketing costs	$0.00
Health Services Initiatives	$0.00
Other	$0.00
Total Administration Costs	$0.00
10% Administrative Cap	$0.00
Cost of Proposed SPA Changes	$15,969.60
Federal Share	$12,743.74
State Share	$3,225.86
Total Costs of Approved CHIP Plan	$15,969.60

CHIP Eligibility

State Name: Arkansas

OMB Control Number: 0938-1148

Transmittal Number: AR - 25 - 0007

Incarcerated CHIP Beneficiaries — CS31

2102(d) and 2110(b)(7) of the SSA

Targeted Low-Income Children Who Become Incarcerated

☒ The state assures that it does not terminate eligibility for children enrolled in a separate CHIP because the child is an inmate of a public institution.

States may either suspend CHIP coverage or continue to provide CHIP state plan (or waiver of such plan) services otherwise not covered by the carceral facility to children who are incarcerated. States that elect to suspend CHIP coverage for the duration of a child's incarceration may implement a benefits or eligibility suspension.

The state elects to suspend CHIP coverage for the duration of a child's incarceration: Yes

If yes, then check an option below:

- (•) Benefits suspension
- ( ) Eligibility suspension

☒ The state assures that it redetermines eligibility for any child prior to their release if it has been longer than 12 months since the child's last redetermination and restores coverage for child health assistance to eligible children upon their release.

☒ Within the 30 days prior to release (or within one week of release, or as soon as practicable after release), the state assures that it provides eligible children with any screenings, diagnostic services, or case management services that would otherwise be available to children under the CHIP state plan (or waiver of such plan).

Additional information regarding implementation of mandatory provisions of section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023), including providing screenings, diagnostic services, or case management services:

The state may determine that it is not feasible to provide the required services during the pre-release period in certain carceral facilities (e.g., identified local jails, youth correctional facilities, and state prisons) and/or certain circumstances (e.g., unexpected release or short-term stays). The state will maintain clear documentation in its internal operational plan regarding each facility and/or circumstances where the state determines that it is not

Under section 5122 of the CAA, 2023, states may consider otherwise eligible children who are inmates pending disposition of charges as eligible for CHIP and provide all services covered under the CHIP state plan.

☐ The state elects to provide all CHIP state plan benefits (or waiver of such plan) to eligible children who are inmates pending disposition of charges.

V.20240322

CHIP Eligibility

Children Determined Eligible for CHIP While Incarcerated

Generally, children who apply for CHIP when they are in a carceral facility are not eligible because of the eligibility exclusion for inmates of a public institution under section 2110(b) of the Act. However, section 2110(b)(7) of the Act provides an exception to this eligibility exclusion for children who are within 30 days prior to their release.

☒ The state assures that they will process any application submitted on behalf of a child and make an eligibility determination for child health assistance upon their release from the institution.

☒ Children who apply and are found eligible within 30 days prior to their release will be provided screening and diagnostic services, and case management services that are otherwise available under the CHIP state plan (or waiver of such plan).