

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-13-15  
Baltimore, Maryland 21244-1850



**Center for Medicaid and State Operations, CMSO**

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Mr. Roy Jeffus, Director  
Division of Medical Services  
Arkansas Department of Human Services  
Post Office Box 1437  
Little Rock, Arkansas 72203-1437  
Attention: LeAnn Edwards, Slot S295

SEP 24 2009

RE: Arkansas 09-14

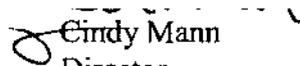
Dear Mr. Jeffus:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 09-14. This amendment provides for enhanced payment for facility beds certified as Home Style.

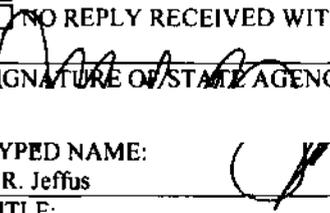
We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding funding of the State share of expenditures under Attachment 4.19-D. Based upon your assurances we are pleased to inform you that Medicaid State plan amendment 09-14 is approved effective August 1, 2009. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Sandra Dasheiff, CPA at (214) 767-6490.

Sincerely,

  
Cindy Mann  
Director  
Center for Medicaid and State Operations (CMSO)

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER:  2009-014	2. STATE  ARKANSAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE  August 1, 2009	
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION:  42 CFR Part 447, Subpart C		7. FEDERAL BUDGET IMPACT: (Attachment A) a. FFY 2009      \$ 5,774 b. FFY 2010      \$ 297,926	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-D, appendix I  Page 2-2k, 2-2l		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D, Appendix I  None	
10. SUBJECT OF AMENDMENT:  Provides for enhanced payment for facility beds certified as Home Style.			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:  		16. RETURN TO:  Division of Medical Services PO Box 1437, Slot S295 Little Rock, AR 72203-1437  Attention: LeAnn Edwards	
13. TYPED NAME: Mike R. Jeffus			
14. TITLE: Director, Division of Medical Services			
15. DATE SUBMITTED:			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: 9-24-09	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:  	
21. TYPED NAME: William Lasowski		22. TITLE: Deputy Director, CMSO	
23. REMARKS:			

be directly identified and benefit both reporting entities. These shared costs must be allocated between each of the benefiting entities. Any shared cost included in the calculation of the facility's fair market rental payment must be allocated based on the Current Asset Value (CAV). All other shared cost must be allocated based on resident days. The cost report for the Home Style portion of a combination facility will include forms 1, 2, 3, 4, 6, 7, 8, 9, 10, and 16. The cost report for the traditional beds in a combination facility must include all forms. The cost report for traditional beds in a combination facility will include aggregate information (includes both traditional and Home Style) on forms 5, 11, 12, 13, 14, and 15. These forms relate to the overall operation of the facility and cannot be allocated between traditional and Home Style.

The Cost Report for Home Style Beds will be used for the purpose of establishing a per diem rate for the facility's Home Style beds.

Full year cost reports for facilities certified entirely as Home Style Facilities will be included when calculating the direct care ceiling and the median for the indirect, administrative and operating component of the rate during the overall rate setting process. Full year cost reports for combination facilities will be combined into an aggregate per diem cost for both direct care and indirect, administrative and operating, and will be included in the overall rate setting process as well.

C. Staffing

Certified Nurse Assistant's (CNA) utilized in staffing Home Style beds are designated as universal workers within the Home Style concept. The universal worker performs CNA duties, and performs dietary, laundry, housekeeping and other services to meet the needs of residents. CNA duties are considered primary to other duties performed by the CNA, therefore the cost of salaries and fringe benefits for CNA's are considered direct care costs and are appropriately reported in Section 1 of Form 6 on the facility cost report.

D. Rate Setting

Facility beds newly certified as Home Style beds are eligible for a provisional rate.

With the exceptions detailed above, the per diem rate for beds certified as Home Style beds will be established in the same manner as traditional beds.

STATE <u>Arkansas</u>	A
DATE REC'D <u>7-27-09</u>	
DATE APPROV'D <u>SEP 24 2009</u>	
DATE EFF. <u>8-1-09</u>	
HCFA 179 <u>09-14</u>	

STATE <u>Arkansas</u>	
DATE REC'D <u>7-27-09</u>	
DATE APP'D <u>SEP 24 2009</u>	A
DATE EFF <u>8-1-09</u>	
HCFR 179 <u>09-14</u>	

## 9. Home Style Facilities

### A. Fair Market Rental Payment

Facility beds certified by the Office of Long Term Care as Home Style will receive an enhanced Medicaid payment. The Department recognizes that the cost of constructing and equipping one nursing facility bed certified as a Home Style Facility bed is greater than the current Per Bed Valuation (PBV) as defined in this Cost Manual at Section 2-4 A. 1. C. The fair market rental component of the per diem rate paid for Home Style certified beds will be calculated using a Home Style adjusted PBV reflecting the increased cost. The PBV for Home Style facility beds will be identified as PBV-HS and will be established at \$65,000 for the cost reporting period ending June 30, 2010. It has been determined that the cost of constructing and equipping a Home Style Facility bed is at least \$65,000. Minimum occupancy rules for calculating the facility fair market rental payment will be calculated and applied separately for beds certified as Home Style. All other policy described in this Cost Manual regarding the calculation of a facility's fair market rental payment is applicable to Home Style Facility beds.

Any and all costs associated with renovating or constructing beds for initial certification as Home Style shall not be considered a renovation as detailed in section 2-4, A. 1. C. 5. of this Cost Manual. Thereafter, Home Style beds are eligible for renovation adjustment as detailed in the Cost Manual.

A nursing facility participating in this program may certify less than 100% of its beds as Home Style Facility beds. A facility may have a combination of traditional style nursing facility beds and also Home Style Facility beds within a single licensed facility.

### B. Cost Reporting

A facility or any part thereof, certified by the Office of Long Term Care as Home Style shall prepare and submit a Financial and Statistical Report/Cost Report. The cost report for Home Style beds will be identified as such by including the words Home Style at the end of the facility name where ever used. The cost report must be prepared in accordance with all of the reimbursement rules and reporting requirements detailed in this "Manual of Cost Reimbursement Rules." Combination facilities will be required to complete a separate cost report for both the traditional beds and beds certified as Home Style Facility beds. Whenever possible, costs that can be directly identified to either the traditional or Home Style beds must be included on the appropriate cost report. The department recognizes that certain costs can not be directly identified and benefit both reporting entities. These shared costs