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State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 12-13 NIRT

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services**

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

**JUL 19 2012**

RE: Arkansas 12-013

Dear Dr. Allison:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 12-013. This amendment implements a 2.15% rate increase for under 16 bed ICF/MR facilities.

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, Medicaid State plan amendment 12-013 is approved effective July 1, 2012. We are enclosing the HCFA-179 and the amended plan page.


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

Sincerely,

A large black rectangular box redacting the signature of Cindy Mann.

Cindy Mann  
Director  
Center for Medicaid and CHIP Services

Enclosures

|  |  |  |                          |
|--|--|--|--------------------------|
| <b>TRANSMITTAL AND NOTICE OF APPROVAL OF<br/>STATE PLAN MATERIAL</b><br><br><b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>   |  | 1. TRANSMITTAL NUMBER:<br><br>2012-013   | 2. STATE<br><br>ARKANSAS |
|  |  | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE<br>SOCIAL SECURITY ACT (MEDICAID)  |                          |
| TO: REGIONAL ADMINISTRATOR<br>HEALTH CARE FINANCING ADMINISTRATION<br>DEPARTMENT OF HEALTH AND HUMAN SERVICES  |  | 4. PROPOSED EFFECTIVE DATE<br><br>July 1, 2012   |                          |
| 5. TYPE OF PLAN MATERIAL (Check One):<br><br><input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT<br>COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)          |  |  |                          |
| 6. FEDERAL STATUTE/REGULATION CITATION:<br><br>42 CFR Part 447, Subpart C  |  | 7. FEDERAL BUDGET IMPACT:<br>a. FFY 2012      \$ 84,283<br>b. FFY 2013      \$ 331,830   |                          |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:<br><br>Attachment 4.19-D, appendix I<br><br>Page 2-7   |  | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION<br>OR ATTACHMENT (If Applicable):<br>Attachment 4.19-D, Appendix I<br><br>Page 2-7           |                          |
| 10. SUBJECT OF AMENDMENT:<br><br>Implements a 2.15% rate increase for under 16 bed ICF/MR facilities.  |  |  |                          |
| 11. GOVERNOR'S REVIEW (Check One):<br><input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED:<br><input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED<br><input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL |  |  |                          |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL:<br><br>   |  | 16. RETURN TO:<br><br>Division of Medical Services<br>PO Box 1437, Slot S295<br>Little Rock, AR 72203-1437<br><br>Attention: LeAnn Edwards |                          |
| 13. TYPED NAME:<br>Andrew Allison, PhD   |  |  |                          |
| 14. TITLE:<br>Director, Division of Medical Services   |  |  |                          |
| 15. DATE SUBMITTED:<br>June 27, 2012   |  |  |                          |
| 17. DATE RECEIVED:   |  |  |                          |
| FOR REGIONAL OFFICE USE ONLY<br>18. DATE APPROVED: JUL 19 2012<br>PLAN APPROVED - ONE COPY ATTACHED  |  |  |                          |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL:   |  | 20. REGIONAL OFFICIAL:   |                          |
| 21. TYPED NAME: Penny Thompson   |  | 22. TITLE: Deputy Director, CMES   |                          |
| 23. REMARKS:   |  |  |                          |

B. Intermediate Care Facilities for the Mentally Retarded – Continued

3. Under 16 Beds:

- a. Small ICF/MR facilities certified as having 15 beds or fewer will be reimbursed on a prospective uniform class rate system. An inflationary adjustment, determined by the Division to be reasonable and adequate, will be applied to the existing rates and will be implemented by State Plan amendment as warranted by analysis of cost report data. Cost reports will be submitted annually for the preceding calendar year (January 1 – December 31) and will be reviewed prior to establishing new rates. The Division has established the per diem rate of \$194.95 for dates of service beginning July 1, 2012.

b. Provider Fee

Act 433 of 2009 established the levy of a provider fee on Intermediate Care Facilities for Individuals with Developmental Disabilities. The reimbursement rate paid Under 16 Beds facilities will include a Provider Fee component. The Provider Fee component will be reimbursed at the amount established as the multiplier for the date of service billed.

The Provider Fee component is paid in addition to the rate identified in paragraph a. above.

c. Enhanced Care Add-On

The Department recognizes that the current class rate structure limits the providers' ability to invest additional monies for the purpose of improving the quality of care. Additionally the recent increase in the minimum wage (an unfunded federal mandate) will make it difficult for providers to maintain current standards much less improve the quality of care. Therefore the Department will implement an enhanced care add-on in the amount of \$7.02 per day. This enhanced payment will provide additional funds for wage adjustments in the base salaries for new hires and incumbent salaries to address the increase of the federal minimum wage in July 2009. This will also directly increase benefits related to these salary increases such as FICA, LTD, Life insurance, retirement, etc. This add-on will also provide funding for additional initiative

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|-------------------------------|--|
| A                             |  |
| STATE <u>Arkansas</u>         |  |
| DATE REC'D <u>06-27-12</u>    |  |
| DATE APP'D <u>JUL 19 2012</u> |  |
| DATE EFF <u>07-01-12</u>      |  |
| HCFA 179 <u>AR-12-13</u>      |  |