

Table of Contents

State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 13-14

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Companion Letter
- 3) CMS 179/Summary Form
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

December 20, 2013

Our Reference: SPA-AR-13-14

Dr. Andrew Allison
State Medicaid Director
Arkansas Department of Health and Human Services
P.O. Box 1437
Little Rock, Arkansas 72203

Dear Dr. Allison:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number (TN) 13-14. With the approval of TN 13-14, CMS has reviewed and approved Modified Adjusted Gross Income (MAGI) based income methodologies for the State's Medicaid mandatory and optional eligibility groups under the authority of 42 Code of Federal Regulations (CFR) 431.10, and according to the new provisions of the Affordable Care Act (ACA).

Transmittal Number 13-14 is approved with an effective date of January 1, 2014, as requested. A signed and dated copy of the Transmittal No. 13-14 summary is enclosed, along with the approved plan pages and their attachments.

If you have any questions, please contact Stacey Shuman at (214) 767-6479.

Sincerely,

A handwritten signature in black ink, which appears to read "Bill Brooks", is written over a solid black rectangular redaction box.

Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosures

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December 20, 2013

Our Reference: SPA-AR-13-14

Dr. Andrew Allison
State Medicaid Director
Arkansas Department of Health and Human Services
P.O. Box 1437
Little Rock, Arkansas 72203

Dear Dr. Allison:

This letter is being sent as a companion to the Centers for Medicare & Medicaid Services (CMS) approval of state plan amendment (SPA) 13-0014-MM3 (MAGI Income Methodologies), which was submitted to CMS on September 23, 2013. Our review of this submission included a review of the state's application of the Affordable Care Act requirement to deduct an amount equivalent to 5 percentage points of the federal poverty level in determining financial eligibility for Medicaid based on modified adjusted gross income (i.e., the 5 percent disregard).

As described in the July 15, 2013 Medicaid final rule, 42 CFR 435.603(d)(4) states that the 5 percent disregard will only be applied to determine the Medicaid eligibility of an individual under the eligibility group with the highest income standard, but not to determine eligibility for a particular eligibility group. Based on discussions with the state, Arkansas' eligibility system is not programmed to apply the 5 percent disregard to individuals aged 65 and older or who receive Medicare, for whom the eligibility group for parents and other caretaker relatives is the eligibility group with the highest income standard. The state will effect a system change, no later than July 1, 2014, to correctly implement the 5 percent disregard for these individuals. Until that time, the state will identify any individuals who may be denied eligibility due to this system issue, and the state will redetermine their eligibility applying the 5 percent disregard consistent with the regulations.

The state will need to affirm that the 5 percent disregard has been programmed correctly by submitting a letter to CMS no later than July 1, 2014. We continue to be available to provide technical assistance. If you have any questions, please contact Stacey Shuman at (214) 767-6479.

Sincerely,

A black rectangular redaction box covering the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosures

Medicaid State Plan Eligibility: Summary Page (CMS 179)

State/Territory name: Arkansas

Transmittal Number:

Please enter the Transmittal Number (TN) in the format ST-YY-0000 where ST= the state abbreviation, YY= the last two digits of the submission year, and 0000 = a four digit number with leading zeros. The dashes must also be entered.

AR-13-0014

Proposed Effective Date

01/01/2014

(mm/dd/yyyy)

Federal Statute/Regulation Citation

42 CFR 431.10

Federal Budget Impact

	Federal Fiscal Year	Amount
First Year	2014	\$ 0.00
Second Year	2015	\$ 0.00

Subject of Amendment

Incorporating a new group of eligibles using the Medicaid Modified Adjusted Gross Income (MAGI) methodology. Also, establishing the new mandatory groups in accordance with the Affordable Care Act.

Governor's Office Review

☒ Governor's office reported no comment

☐ Comments of Governor's office received

Describe:

☐ No reply received within 45 days of submittal

☐ Other, as specified

Describe:

Signature of State Agency Official

Submitted By:

Glenda Higgs

Last Revision Date:

Nov 15, 2013

Submit Date:

Sep 23, 2013

Date Received: 9/23/13

Date Approved: 12/19/13

Signature of Regional Official:

PRINTED NAME and Title: Bill Brooks, Associate Regional Administrator
Division of Medicaid and Children's Health

**SUPERSEDING PAGES OF
STATE PLAN MATERIAL**

TRANSMITTAL NUMBER:

AR-13-0014

STATE:

Arkansas

**PAGE NUMBER OF THE PLAN SECTION OR
ATTACHMENT:**

S10 - MAGI Income Methodology

**PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):**

Notwithstanding any other provisions of the Arkansas Medicaid State Plan, the financial eligibility methodologies described in State Plan Amendment AR-13-0014 will apply to all MAGI-based eligibility groups covered under Arkansas' Medicaid State Plan. The MAGI financial methodologies set forth in 42 CFR § 435.603 apply to everyone except those individuals described at 42 CFR § 435.603(j) for whom MAGI-based methods do not apply. This State Plan Amendment supersedes the current financial eligibility provisions of the Medicaid State Plan only with respect to the MAGI-based eligibility groups.

State: Arkansas

Date Received: 9/23/13

Date Approved: 12/19/13

Date Effective: 1/1/14

Transmittal Number: 13-14

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Medicaid Eligibility

OMB Control Number 0938-1148
OMB Expiration date: 10/31/2014

MAGI-Based Income Methodologies

S10

1902(e)(14)
42 CFR 435.603

- ☒ The state will apply Modified Adjusted Gross Income (MAGI)-based methodologies as described below, and consistent with 42 CFR 435.603.

In the case of determining ongoing eligibility for beneficiaries determined eligible for Medicaid on or before December 31, 2013, MAGI-based income methodologies will not be applied until March 31, 2014, or the next regularly-scheduled renewal of eligibility, whichever is later, if application of such methods results in a determination of ineligibility prior to such date.

In determining family size for the eligibility determination of a pregnant woman, she is counted as herself plus each of the children she is expected to deliver.

In determining family size for the eligibility determination of the other individuals in a household that includes a pregnant woman:

- ☐ The pregnant woman is counted just as herself.
☐ The pregnant woman is counted as herself, plus one.
☒ The pregnant woman is counted as herself, plus the number of children she is expected to deliver.

Financial eligibility is determined consistent with the following provisions:

When determining eligibility for new applicants, financial eligibility is based on current monthly income and family size.

When determining eligibility for current beneficiaries, financial eligibility is based on:

- ☒ Current monthly household income and family size
☐ Projected annual household income and family size for the remaining months of the current calendar year

In determining current monthly or projected annual household income, the state will use reasonable methods to:

- ☐ Include a prorated portion of a reasonably predictable increase in future income and/or family size.
☐ Account for a reasonably predictable decrease in future income and/or family size.

Except as provided at 42 CFR 435.603(d)(2) through (d)(4), household income is the sum of the MAGI-based income of every individual included in the individual's household.

In determining eligibility for Medicaid, an amount equivalent to 5 percentage points of the FPL for the applicable family size will be deducted from household income in accordance with 42 CFR 435.603(d).

Household income includes actually available cash support, exceeding nominal amounts, provided by the person claiming an individual described at §435.603(f)(2)(i) as a tax dependent.

☐ Yes ☒ No



Medicaid Eligibility

☐ The age used for children with respect to 42 CFR 435.603(f)(3)(iv) is:

☒ Age 19

☐ Age 19, or in the case of full-time students, age 21

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

State: Arkansas
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