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State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 13-21 NIRT

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



DEC 11 2013

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

RE: Arkansas 13-21

Dear Dr. Allison:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 13-21. This amendment proposes to revise the Graduate Medical Education (GME) cost reporting period and reimburse GME costs on a quarterly basis.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 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-A.

Based upon your assurances, Medicaid State plan amendment 13-21 is approved effective January 1, 2014. We are enclosing the HCFA-179 and the new plan pages

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A black rectangular box redacting the signature of Cindy Mann.

Cindy Mann
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 2013-021	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 January 1, 2014	
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 413		7. FEDERAL BUDGET IMPACT: a. FFY 2014 \$1,728,460 b. FFY 2015 \$2,396,798	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 8a Attachment 4.19-A, Page 8aa		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same, Approved 06-21-04, TN 04-07 None, New Page	
10. SUBJECT OF AMENDMENT: The Arkansas Title XIX State Plan has been amended to extend the Graduate Medical Education (GME) cost reporting period and make separate payment for GME costs on a quarterly basis.			
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:	
13. TYPED NAME: Andrew Allison, PhD		Division of Medical Services PO Box 1437, Slot S295 Little Rock, AR 72203-1437	
14. TITLE: Director, Division of Medical Services		Attention: Glenda Higgs	
15. DATE SUBMITTED: September 27, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: September 27, 2013		18. DATE APPROVED: DEC 11 2013	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2014		20. SIGNATURE OF OFFICIAL:	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, Policy & Financial Mgt, CMAS	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 4.19-A
Page 8a

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Revised: January 1, 2014

1. Inpatient Hospital Services (Continued)

Arkansas State Operated Teaching Hospitals (Continued)

- (b) Effective with cost reporting periods beginning on or after July 1, 1993, direct medical education costs, including graduate medical education, will be reimbursed using the Medicare rules published in the Federal Register dated September 29, 1989. The only exception to the above Medicare rule will be the inclusion of nursery cost in the calculation of the cost per resident for Medicaid and the State will include nursery days for the allocation of cost to Medicaid. The State will use the Medicare base year for the purpose of calculating the State Operated Teaching Hospitals direct graduate medical education payments.

Effective for cost reporting periods beginning on or after January 1, 1997 and for dates of service up through December 31, 2013, Arkansas Medicaid will begin excluding graduate medical education (GME) cost from the interim rate. A separate payment for GME reimbursement will be made quarterly and will be calculated based on the number of paid days for that quarter, arrived from the Medicaid Management Information System, multiplied by the GME reimbursement per day determined by the previous cost reporting period. A reimbursement settlement for GME will be made at the time the cost settlements are processed. The GME reimbursement will be calculated using the Medicare rules published in the Federal Register dated September 29, 1989. The only exception to the above Medicare rules will be the inclusion of nursery cost in the calculation of the cost per resident for Medicaid and the State will include nursery days for the allocation of cost to Medicaid. The State will use the Medicare base year for the purpose of calculating the State Operated Teaching Hospitals direct graduate medical education payments. GME payments will not be subject to the upper limit.

Effective for dates of service beginning on or after January 1, 2014, Arkansas Medicaid will make a separate payment for GME costs on a quarterly basis. The payments will be equal to the product of (i) the direct GME costs as reported on the State Operated Teaching Hospital's Medicare cost report, and (ii) the Medicaid Ratio. The Medicaid Ratio is the total of Medicaid patient days for traditional Medicaid beneficiaries plus patient days for Medicaid Private Option beneficiaries divided by total hospital patient days. The quarterly payments will be made on an interim basis, estimated using prior year data trended forward to the current year or, where prior year Private Option data is not available, another appropriate proxy. Payments will be subject to an annual settlement to actual costs based on the filed cost report.

STATE	Arkansas
DATE REC'D	9-27-2013
DATE APP'D	DEC 11 2013
DATE EFF	1-1-2014
HHA 179	1321

A

SUPERSEDES: TN- 0407

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 4.19-A
Page 8aa

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Revised: January 1, 2014

1. Inpatient Hospital Services (Continued)

Arkansas State Operated Teaching Hospitals (Continued)

- (c) The base period for the determination of the TEFRA limit will be current year which is the fiscal year ending immediately prior to the first period this change goes into effect. EXAMPLE: The University of Arkansas for Medical Sciences' (UAMS) base period for determination of TEFRA limits will be fiscal year ending June 30, 1989. Only inpatient operating costs are subject to the limit.

Arkansas Medicaid will use the CMS Market Basket Index or the Congressional Set Inflation Factor for hospitals not subject to the Medicare prospective payment system.

Effective for cost reporting periods ending on or after June 30, 2000, the TEFRA rate of increase limit will no longer be applied to Arkansas State Operated Teaching Hospitals.

STATE	Arkansas
DATE REC'D	9-27-2013
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HOUFA 179	13-21

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SUPERSEDES: NONE - NEW PAGE