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State/Territory Name:       Arkansas

State Plan Amendment (SPA) #: 15-0005

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  
Dallas Regional Office  
1301 Young Street, Suite 833  
Dallas, Texas 75202



**DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI**

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September 28, 2015

Our Reference: SPA TN# AR 15-0005

Mrs. Dawn Stehle  
Director  
Division of Medical Services  
Little Rock, AR 72203-1437

Dear Dawn:

We have reviewed the State's proposed amendment to the Arkansas State Plan submitted under Transmittal Number AR 15-0005, dated July 1, 2015. This state plan amendment requests to increase rates for private duty nursing to 95% of Medicare rates.

Based on the information submitted, we have approved the amendment AR 15-0005 for incorporation into the official Arkansas State Plan with an effective date change of July 1, 2015. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.


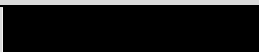
If you have any questions, please contact Lynn Ward at (214) 767-6327.

Sincerely,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks  
Associate Regional Administrator

cc: Seth Blomeley  
Camille Johnson

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER:  2015-005	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 July 1, 2015	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  <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 ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION:		7. FEDERAL BUDGET IMPACT: a. FFY 2015                      \$ 422,681 b. FFY 2016                      \$ 1,670,080	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 3.1-A, Page 3d Attachment 3.1-B, Page 2i Attachment 3.1-B, Page 4a Attachment 4.19 -B, page 3		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Same, Approved 08-18-08, TN 07-21 Same, Approved 08-18-08, TN 07-21 Same, Approved 08-18-08, TN 07-21 Same, Approved 08-18-08, TN 07-21	
10. SUBJECT OF AMENDMENT: The Arkansas Title XIX State Plan has been amended to increase the Medicaid maximum hourly reimbursement rates for Private Duty Nursing Services.			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <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	
13. TYPED NAME: Dawn Stehle		Attention: Seth Blomeley	
14. TITLE: Director, Division of Medical Services			
15. DATE SUBMITTED: July 1, 2015			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: July 1, 2015		18. DATE APPROVED: September 28, 2015	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2015		20. SIGN  OFFICIAL:	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health	
23. REMARKS:			

AMOUNT, DURATION AND SCOPE OF  
SERVICES PROVIDED

Revised: July 1, 2015

CATEGORICALLY NEEDY

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7. Home Health Services (Continued)

7.c. Medical supplies, equipment, and appliances suitable for use in the home. (Continued)

(5) Diapers/Underpads

Diapers/underpads are limited to \$130.00 per month, per beneficiary. The \$130.00 benefit limit is a combined limit for diapers/underpads provided through the Prosthetics Program and Home Health Program. The benefit limit may be extended with proper documentation. Only patients with a medical diagnosis other than infancy which results in incontinence of the bladder and/or bowel may receive diapers. This coverage does not apply to infants who would otherwise be in diapers regardless of their medical condition. Providers can not bill for underpads/diapers if a beneficiary is under the age of three years.

7.d. Physical therapy, occupational therapy, or speech pathology and audiology services provided by a home health agency or medical rehabilitative facility.

Physical therapists must meet the requirements outlined in 42 CFR 440.110(a).

Services under this item are limited to physical therapy when provided by a home health agency and prescribed by a physician. Effective for dates of service on or after October 1, 1999, individual and group physical therapy are limited to four (4) units per day. One unit equals 15 minutes. Evaluations are limited to four (4) units per State Fiscal Year (July 1 through June 30). One unit equals 30 minutes. Extensions of the benefit limits will be provided if medically necessary for eligible Medicaid recipients under age 21.

8. Private Duty Nursing to enhance the effectiveness of treatment for ventilator-dependent beneficiaries or non-ventilator dependent tracheotomy beneficiaries

Enrolled providers are Private Duty Nursing Agencies licensed by Arkansas Department of Human Services, Division of Health. Services are provided by Registered Nurses or Licensed Practical Nurses licensed by the Arkansas State Board of Nursing.

Services are covered for Medicaid-eligible beneficiaries age 21 and over when determined medically necessary and prescribed by a physician.

Beneficiaries 21 and over to receive PDN Nursing Services must require constant supervision, visual assessment and monitoring of both equipment and patient. In addition the beneficiary must be:

- A. Ventilator dependent (invasive) or
- B. Have a functioning trach
  - 1. **requiring** suctioning and
  - 2. oxygen supplementation and
  - 3. receiving Nebulizer treatments or require Cough Assist / inextufflator devices.

State: Arkansas  
Date Received: 7/1/15  
Date Approved: 9/28/15  
Date Effective: 7/1/15  
Transmittal Number: 15-0005

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

ATTACHMENT 3.1-B  
Page 2i

AMOUNT, DURATION AND SCOPE OF  
SERVICES PROVIDED

Revised: July 1, 2015

MEDICALLY NEEDY

4.b Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age, and Treatment of Conditions Found. (Continued)

(4) RESERVED

(5) Private Duty Nursing to enhance the effectiveness of treatment for ventilator-dependent beneficiaries or high technology non-ventilator beneficiaries

Enrolled providers are Private Duty Nursing Agencies licensed by Arkansas Department of Human Services, Division of Health. Services are provided by Registered Nurses or Licensed Practical Nurses licensed by the Arkansas State Board of Nursing.

**Beneficiaries under age 21 to receive PDN Nursing Services must require constant supervision, visual assessment and monitoring of both equipment and patient. PDN services may be covered for Medicaid beneficiaries under 21 who meet the following requirements:**

- A. Medicaid-eligible ventilator-dependent (invasive) beneficiaries when determined medically necessary and prescribed by a physician or
- B. Medicaid-eligible beneficiaries under age 21 who are:
  - 1. In the Child Health Services (EPSDT) Program, and
  - 2. High technology non-ventilator dependent beneficiary requiring at least two (2) of the following services:

- (1) Intravenous Drugs (e.g. chemotherapy, pain relief or prolonged IV antibiotics)
- (2) Hyperalimentation - parenteral or enteral
- (3) Respiratory - Tracheostomy or Oxygen Supplementation
- (4) Total Care Support for ADLs and close patient monitoring

These services require prior authorization. Services may be provided in the beneficiaries' home, a Division of Developmental Disabilities (DDS) community provider facility or a public school. (Home does not include an institution.) Prior authorization is required. Private duty nursing medical supplies are limited to a maximum reimbursement of \$80.00 per month, per beneficiary. With substantiation, the maximum reimbursement may be extended.

State: Arkansas  
Date Received: 7/1/15  
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM  
STATE ARKANSAS

ATTACHMENT 3.1-B  
Page 4a

AMOUNT, DURATION AND SCOPE OF  
SERVICES PROVIDED

Revised: October 1, 2015

MEDICALLY NEEDY

9. Private Duty Nursing to enhance the effectiveness of treatment for ventilator-dependent beneficiaries or non-ventilator dependent tracheotomy beneficiaries

Enrolled providers are Private Duty Nursing Agencies licensed by Arkansas Department of Human Services, Division of Health. Services are provided by Registered Nurses or Licensed Practical Nurses licensed by the Arkansas State Board of Nursing.

Services are covered for Medicaid-eligible beneficiaries age 21 and over when determined medically necessary and prescribed by a physician.

Beneficiaries 21 and over to receive PDN Nursing Services must require constant supervision, visual assessment and monitoring of both equipment and patient. In addition the beneficiary must be:

- A. Ventilator dependent (invasive) or
- B. Have a functioning trach
  - 1. **requiring** suctioning and
  - 2. oxygen supplementation and
  - 3. receiving Nebulizer treatments or require Cough Assist / inxsufflator devices.

In addition at least one from each of the following conditions must be met:

- 1. Medications:
  - Receiving medication via gastrostomy tube (G-tube)
  - Have a Peripherally Inserted Central Catheter (PICC) line or central port
- 2. Feeding:
  - Nutrition via a permanent access such as G-tube, Mickey Button, Gastrojejunostomy tube (G-J tube) feedings are either bolus or continuous
  - Parenteral nutrition (total parenteral nutrition)

Services are provided in the beneficiary's home, a Division of Developmental Disabilities (DDS) community provider facility or a public school. (Home does not include an institution.) Prior authorization is required. Private duty nursing medical supplies are limited to a maximum reimbursement of \$80.00 per month, per beneficiary. With substantiation, the maximum reimbursement may be extended.

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -  
OTHER TYPES OF CARE

Revised: July 1, 2015

8. Private Duty Nursing to enhance the effectiveness of treatment for ventilator-dependent beneficiaries, high technology non-ventilator beneficiaries or tracheotomy beneficiaries

Reimbursement is based on the lesser of the amount billed or the maximum Title XIX (Medicaid) charge allowed. The State is under a U. S. District Court order that sets out the process for rates to be determined. That process includes evaluation of rates based upon market forces as they impact on access. Payment of the resultant rates is ordered by the court.

The agency's private duty nursing fee schedule rates were set as of **July 1, 2015** and are effective for fee schedule services on or after that date. All fee schedule rates are published on the agency's website ([www.medicaid.state.ar.us](http://www.medicaid.state.ar.us)). Except as noted in the plan, state developed fee schedule rates are calculated using the same method for both governmental and private providers of private duty nursing services.

Effective for dates of service on or after October 1, 1994, reimbursement for private duty nursing medical supplies is based on 100% of the Medicare maximum for medical supplies reflected in the 1993 Arkansas Medicare Pricing File not to exceed the Title XIX coverage limitations as specified in Attachment 3.1-A, page 3d, and Attachment 3.1-B, page 4a.

Effective for dates of service on or after **July 1, 2015**, RN and LPN hourly reimbursement rate maximums are set based on market analysis of salaries, fringe benefits and administrative/overhead costs. Market analysis included the following steps:

- Acquired **2013** wage rates from the Federal Bureau of Labor Statistics **for Arkansas**,
- Determining employee benefit costs by using **Skilled Nursing Facility cost reports submitted as of July 1, 2014**,
- Assessing overhead costs by calculating the percent of direct to indirect costs reported in the most recent audited Medicare Home Health cost reports by the top 70% of Medicaid reimbursed non-hospital home health providers during SFY 2007, **and**
- **It was estimated that a private duty nurse will travel approximately 8 miles each hour.**

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