

## Table of Contents

State/Territory Name:       Arkansas

State Plan Amendment (SPA) #: 15-0007

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



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

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November 30, 2015

Ms. Dawn Stehle  
Arkansas Medicaid Director  
700 Main Street,  
PO Box 1437  
Little Rock, Arkansas 72203-1437

RE: AR SPA #15-0007

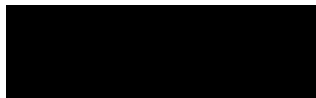
Dear Ms. Stehle:

We have reviewed the Arkansas State Plan Amendment (SPA) submitted under transmittal number (TN) AR 15-0007, which is being submitted to change the reimbursement rates for personal care services.

Based on the information submitted, we have approved the amendment AR 15-0007 for incorporation into the official Arkansas State Plan with an effective date change of January 1, 2016. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.

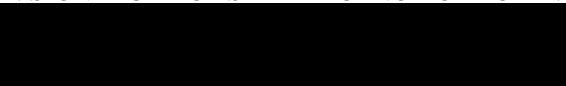
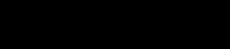
If you have any questions, please contact Lynn Ward at (214) 767-6327.

Sincerely,



Bill Brooks  
Associate Regional Administrator

cc: Seth Blomeley  
Camille Johnson  
Craig Cloud

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER:  2015-007	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, 2016	
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 2016                      \$ 6,343,645 b. FFY 2017                      \$11,182,062	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Supplement 3 to Attachment 3.1-A, Page 37A Supplement 4 to Attachment 3.1-A, Pages 1 & 11 Attachment 3.1-F, Page 13 Attachment 3.1-F, Page 29 Attachment 4.19-B, Page 13		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Same, Approved 03-24-04, TN 04-01 Same, Approved 08-02-12, TN 12-09 Same, Approved 09-30-13, TN 13-08 Same, Approved 01-30-14, TN 13-26 Same, Approved 04-26-12, TN 12-02	
10. SUBJECT OF AMENDMENT: The Arkansas Title XIX State Plan has been amended to increase the Medicaid maximum unit reimbursement rate for certain personal care services and to rename ElderChoices to ARChoices.			
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  Attention: Seth Blomeley	
13. TYPED NAME: Dawn Stehle			
14. TITLE: Director, Division of Medical Services			
15. DATE SUBMITTED: August 5, 2015			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:  5 August, 2015		18. DATE APPROVED:  30 November, 2015	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL:  1 January, 2016		20. SIGNA  OFFICIAL:	
21. TYPED NAME:  Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ARKANSAS

## PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY

## Program of All-Inclusive Care for the Elderly (PACE) Reimbursement Methodology

The PACE rates are based on the Upper Payment Limit methodology. The historical fee-for-service population data is extracted for claims and eligibility for a PACE eligible populations for more than one fiscal period. Data for recipient aged, blind and disabled aid categories for those 55 or greater is used in the UPL and rate calculations. The level of care codes are limited to nursing facility level of care eligible or **ARChoices** Waiver level of care eligible.

The data includes both those that are eligible only for Medicaid and those that are eligible for both Medicaid and Medicare. In addition, this data includes only QMB-Plus and SLMB-Plus populations. The claims data includes all categories of service. The UPL and base rate information is also inclusive of patient liability.

The base rates are calculated using calendar year base data. The base year data is trended forward using the historical claims and eligibility information extracted for the fee-for-service population. The recent trend rates are compared to linear regression model trend rates to determine comparability, and to determine if any adjustments are necessary. The trend rates for future periods are expected to be consistent with historical rate changes rather than the more recent experience.

The following rate category groupings were developed for Arkansas: Pre-65 Medicaid Only, Pre-65 Dual Eligible, Post-65, and QMB Only. The UPL for QMB Only is based on actual expenditures for co-payments and deductibles for the base year period trended forward for inflation, and adjusted for investment income and administration expense. Due to the limited size population in the post-65 age group that was not Medicare eligible, it was determined that a Medicare eligibility rate for those over 65 would not improve predictability. The data did not reflect a necessity for a rate grouping for either geographic region or gender.

Claims completion factors are developed from the fee-for-service paid claims experience with the most recently available paid dates. Claims completion factors were developed for fourteen (14) primary groupings with comparable categories of service grouped for improved predictability. The completion factors were adjusted to exclude low and high outliers for each specific lag month.

The following adjustments are necessary in the development of the rates:

- Prescription Drug (PD) Rebate – Reduce PD expenditure data to reflect the rebate received by Arkansas.
- Investment Income – Reduce expenditure data by 0.2% for all Categories of Services (COS) to reflect an average payment lag of 2.49 months.
- Administration Expense – Increase expenditure data for all COS by 0.3% to reflect the cost of administration of the fee-for-service program.

State: Arkansas

Date Received: 5 August, 2015

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Transmittal Number: AR 15-0007

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARKANSAS

1915(j) Self-Directed Personal Assistance Services

Notwithstanding anything else in this State Plan provision, the coverage will be subject to such other requirements that are promulgated by CMS through interpretive issuance or final regulation.

i. Eligibility

The State determines eligibility for Self-Directed Personal Assistance Services:

- A.   X   In the same manner as eligibility is determined for traditional State Plan personal care services, described in Item 24 of the Medicaid State Plan.
- B.   X   In the same manner as eligibility is determined for services provided through a 1915(c) Home and Community-Based Services Waiver.

ii. Service Package

The State elects to have the following included as Self-Directed Personal Assistance Services:

- A.   X   State Plan Personal Care and Related Services, to be self-directed by individuals eligible under the State Plan.
- B.   X   Services included in the following Section 1915(c) Home and Community-Based Services waiver(s) to be self-directed by individuals eligible under the waiver(s). The State assures that all services in the impacted waiver(s) will continue to be provided regardless of service delivery model. Please list waiver names and services to be included.

ARChoices Attendant Care

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iii. Payment Methodology

- A.        The State will use the same payment methodology for individuals self-directing their PAS under section 1915(j) as that approved for State plan personal care services or for section 1915(c) Home and Community-Based waiver services.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARKANSAS

1915(j) Self-Directed Personal Assistance Services (Continued)

xi. Quality Assurance and Improvement Plan (Continued)

Each active and pending record contained within the database only includes data fields that are used in reporting. Each participant record may include the following:

- representative information, if applicable,
- participant's employee,
- participant's back-up worker,
- directions to the participant's home,
- nurse tracking,
- counselor tracking,
- contact notes,
- HCBS **ARChoices** service plan for persons receiving both **ARChoices** and IndependentChoices.

These data elements will assist the counselors and nurses in performing their duties by allowing timely management and monitoring of each participant's case. The HCBS service plan is used to determine if an extension of benefits is warranted, as all community resources are considered when requesting an extension of benefits. The database allows nurses, counselors or contractors to set health risk indicators identifying program participants who may require more frequent monitoring.

The data allows nurses and counselors to run reports from their case load. Automated highlights on specific data elements draw the nurse or counselor's attention to areas that require special attention. Highlighted data fields represent the following:

- assessment performed by the nurse but not received by DAAS,
- counselor's request for authorization by a physician not received after four or more days,
- date enrollment forms sent to a potential enrollee but not returned.

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Citation	Condition or Requirement
1905(t)	<p>The following PCCM exempt services do not require PCP authorization:</p> <p>Dental Services Emergency hospital care</p> <p>DDS Alternative Community Services Family Planning Anesthesia Alternative Waiver Programs Developmental Day Treatment Services Core Services only Disease Control Services for Communicable Diseases Domiciliary care <b>ARChoices</b> waiver services Gynecological care Inpatient Hospital admissions on the effective date of PCP enrollment or on the day after the effective date of PCP enrollment Mental health services as follows:</p> <ol style="list-style-type: none"><li>Psychiatry for services provided by a psychiatrist enrolled in Arkansas Medicaid and practice as an individual practitioner</li><li>Rehabilitative services for persons with mental illness aged 21 or older or for specified procedures for persons under age 21</li><li>Rehabilitative Services for Youth and Children</li></ol> <p>Nurse Midwife services ICF/IID services Nursing Facility services Hospital non-emergency or outpatient clinic services on the effective date of PCP enrollment or on the day after the effective date of PCP enrollment. Ophthalmology and Optometry services Obstetric (antepartum, deliver and postpartum) services Pharmacy Physician Services for inpatients acute care. Transportation Sexual Abuse Examination. Targeted case management provided by the Division of Youth Services or the Division of Children and Family services under an interagency agreement with the Division of Medical Services.</p>

1932 (a)(1)(A)(ii)

M. Selective contracting under a 1932 state plan option

To respond to items #1 and #2, place a check mark. The third item requires a brief narrative.

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CMS-PM-10120  
Date: January 1, 2014  
Revised: January 1, 2016

ATTACHMENT 3.1-F  
Page 29  
OMB No.:0938-933

State: ARKANSAS

Citation	Condition or Requirement
	I. Describe any additional circumstances of "cause" for disenrollment (if any).
	K. <u>Information requirements for beneficiaries</u>  Place a check mark to affirm state compliance.
1932(a)(5) 42 CFR 438.50 42 CFR 438.10	<input checked="" type="checkbox"/> The state assures that its state plan program is in compliance with 42 CFR 438.10(i) for information requirements specific to MCOs and PCCM programs operated under section 1932(a)(1)(A)(i) state plan amendments. (Place a check mark to affirm state compliance.)
1932(a)(5)(D) 1905(t)	L. <u>List all services that are excluded for each model (MCO &amp; PCCM)</u>  The following PCCM exempt services do not require PCP authorization: Dental Services Emergency hospital care DDS Alternative Community Services Family Planning Anesthesia Alternative Waiver Programs Developmental Day Treatment Services Core Services only Disease Control Services for Communicable Diseases Domiciliary care <b>ARChoices</b> waiver services Gynecological care Inpatient Hospital admissions on the effective date of PCP enrollment or on the day after the effective date of PCP enrollment Mental health services as follows: a. Psychiatry for services provided by a psychiatrist enrolled in Arkansas Medicaid and practice as an individual practitioner b. Rehabilitative services for persons with mental illness aged 21 or older or for specified procedures for persons under age 21 c. Rehabilitative Services for Youth and Children Nurse Midwife services ICF/IID Services Nursing Facility services Hospital non-emergency or outpatient clinic services on the effective date of PCP enrollment or on the day after the effective date of PCP enrollment. Ophthalmology and Optometry services Obstetric (antepartum, deliver and postpartum) services Pharmacy Physician Services for inpatients acute care. Transportation



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

Revised: January 1, 2016

26. Personal care furnished in accordance with the requirements at 42 CFR §440.167 and with regulations promulgated, established and published for the Arkansas Medicaid Personal Care Program by the Division of Medical Services.
- (a) Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of personal care services and the fee schedule and any annual/periodic adjustments to the fee schedule are published on the Medicaid website at [www.medicaid.state.ar.us](http://www.medicaid.state.ar.us).
  - (b) Reimbursement for Personal Care Program Services is by fee schedule, at the lesser of the billed charge or the Title XIX (Medicaid) maximum allowable fee per unit of service. Effective for dates of service on and after July 1, 2004, one unit equals fifteen minutes of service.
  - (c) Effective for dates of service on and after July 1, 2007, reimbursement to enrolled Residential Care Facilities (RCFs) for personal care services furnished to Medicaid eligible residents (i.e., clients) is based on a multi-hour rate system not to exceed one day, based on the individual clients' levels of care. A client's level of care is determined from the service units required by his or her service plan. Rates will be recalculated as needed to maintain parity with other Personal Care providers when revisions of the Title XIX maximum allowable fee occur. The effective date of any such revised rates shall be the effective date of the revised fee.
  - (d) **Reimbursement to enrolled Assisted Living Facilities (ALF) for personal care services furnished to Medicaid eligible residents (i.e., clients) is based on a multi-hour rate system not to exceed one day, based on the individual clients' level of care. A client's level of care is determined from the service units required by his or her service plan. Rates will be recalculated as needed to maintain parity with other Personal Care providers when revisions of the Title XIX maximum allowable fee occur. The effective date of such revised rates shall be the effective date of the revised fee.**
  - (e) Agencies rates are set as of January 1, 2016 and are effective for services on or after that date. All rates are published at the agency's website, (<http://www.medicaid.state.ar.us/>).

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