

## Table of Contents

State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 16-0001

This file contains the following documents in the order listed:

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

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



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**Financial Management Group**

**JUL 13 2016**

Ms. Dawn Stehle  
State Medicaid Director  
Arkansas Department of Health and Human Services  
Division of Medical Services  
P.O. Box 1437  
Little Rock, Arkansas 72203-1437

RE: TN 16-001

Dear Ms. Stehle:

We have reviewed the proposed amendment to Attachments 4.19-A and 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 16-001. This amendment proposes to add Hysterectomy, Appendectomy, Uncomplicated Pediatric Pneumonia and Urinary Tract Infection Episodes of Care.

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.

Based on the information provided by the State, Medicaid State plan amendment 16-001 is approved effective October 1, 2016. We are enclosing the CMS-179 and the amended plan pages.



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

Sincerely,

A black rectangular box redacting the signature of Kristin Fan.

Kristin Fan  
Director

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER:  2016-001	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  October 1, 2016	
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:		7. FEDERAL BUDGET IMPACT: a. FFY 2017 (\$255,493.89) b. FFY 2018 (\$254,170.10)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Please see attached listing		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Please see attached listing	
10. SUBJECT OF AMENDMENT:  The Arkansas Title XIX State Plan has been amended to add Hysterectomy, Appendectomy, Uncomplicated Pediatric Pneumonia and Urinary Tract Infection Episodes.			
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:  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: May 3, 2016			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: May 3, 2016		18. DATE APPROVED: JUL 13 2016	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2016		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin FAN		22. TITLE: Associate Regional Administrator Director, FMC	
23. REMARKS:			

**ATTACHED LISTING FOR  
ARKANSAS STATE PLAN  
TRANSMITTAL #2016-001**

**8. Number of the Plan  
Section or Attachment**

Attachment 4.19-A, Page 11g

Attachment 4.19-B, Page 1aa(3)

Attachment 4.19-B, Page 1aaaaaaa

Attachment 4.19-B, Page 2a(4)

Attachment 4.19-B, Page 9aaa

**9. Number of the Superseded Plan  
Section or Attachment**

Attachment 4.19-A, Page 11g  
Approved 12-12-12, TN 13-05

Attachment 4.19-B, Page 1aa(3)  
Approved 12-12-12, TN 13-05

Attachment 4.19-B, Page 1aaaaaaaa  
Approved 03-14-14, TN 13-25

Attachment 4.19-B, Page 2a(4)  
Approved 05-09-13, TN 13-05

Attachment 4.19-B, Page 9aaa  
Approved 12-12-12, TN 13-05

State: Arkansas Date Received: May 3, 2016 Date Approved: <b>JUL 13 2016</b> Date Effective: October 1, 2016 Transmittal Number: 16-001
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM  
STATE ARKANSAS

ATTACHMENT 4.19-A  
Page 11g

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -  
INPATIENT HOSPITAL SERVICES

Revised: October 1, 2016

1. Inpatient Hospital Services (continued)

A. INCENTIVES TO IMPROVE CARE QUALITY, EFFICIENCY, AND ECONOMY (CONTINUED)

**V. APPLICATION:** Complete details including technical information regarding specific quality and reporting metrics, performance thresholds and incentive adjustments are available in the Episodes of Care Medicaid Manual available at <https://www.medicaid.state.ar.us/InternetSolution/Provider/docs/docs.aspx> and also at the Arkansas Health Care Payment Improvement Initiative website at <http://www.paymentinitiative.org/Pages/default.aspx>.

Effective for dates of service on or after October 1, 2012, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Perinatal Care Episodes

Effective for dates of service on or after February 1, 2013, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Congestive Heart Failure (CHF) Episodes
- (2) Total Joint Replacement Episodes

Effective for dates of service on or after October 1, 2016, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Hysterectomy
- (2) Appendectomy
- (3) Uncomplicated Pediatric Pneumonia

State: Arkansas  
Date Received: May 3, 2016  
Date Approved: **JUL 13 2016**  
Date Effective: October 1, 2016  
Transmittal Number: 16-001

TN No: 16-001      APPROVAL DATE **JUL 13 2016**      EFFECTIVE DATE: 10/1/2016  
SUPERSEDES TN: 13-05

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

ATTACHMENT 4.19-B  
Page 1aa(3)

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

Revised: October 1, 2016

2.a. Outpatient Hospital Services (continued)

**B. INCENTIVES TO IMPROVE CARE QUALITY, EFFICIENCY, AND ECONOMY (CONTINUED)**

**V. APPLICATION:** Complete details including technical information regarding specific quality and reporting metrics, performance thresholds and incentive adjustments are available in the Episodes of Care Medicaid Manual available at <https://www.medicaid.state.ar.us/InternetSolution/Provider/docs/docs.aspx> and also at the Arkansas Health Care Payment Improvement Initiative website at <http://www.paymentinitiative.org/Pages/default.aspx>.

Effective for dates of service on or after October 1, 2012, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Perinatal Care Episodes

Effective for dates of service on or after February 1, 2013, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Congestive Heart Failure (CHF) Episodes
- (2) Total Joint Replacement Episodes

Effective for dates of service on or after October 1, 2016, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Hysterectomy
- (2) Appendectomy
- (3) Uncomplicated Pediatric Pneumonia
- (4) Urinary Tract Infection

State: Arkansas  
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TN No: 16-001      APPROVAL DATE **JUL 13 2016**      EFFECTIVE DATE: 10/1/2016  
SUPERSEDES TN: 13-05

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

ATTACHMENT 4.19-B  
Page 1aaaaaaa

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

Revised: October 1, 2016

- 2.b. Rural Health Clinic Services and other ambulatory services that are covered under the plan and furnished by a rural health clinic (continued)

C. ALTERNATE PAYMENT METHODOLOGY TO INCENTIVES TO IMPROVE CARE QUALITY, EFFICIENCY, AND ECONOMY (CONTINUED)

V. APPLICATION: Complete details including technical information regarding specific quality and reporting metrics, performance thresholds and incentive adjustments are available in the Episodes of Care Medicaid Manual available at <https://www.medicaid.state.ar.us/InternetSolution/Provider/docs/docs.aspx> and also at the Arkansas Health Care Payment Improvement Initiative website at <http://www.paymentinitiative.org/Pages/default.aspx>.

Effective for dates of service on or after October 1, 2012, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Perinatal Care Episodes

Effective for dates of service on or after October 1, 2013, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Acute Exacerbation of Chronic Obstructive Pulmonary Disease (COPD) Episodes
- (2) Acute Exacerbation of Asthma Episodes

Effective for dates of service on or after March 14, 2014, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Acute Ambulatory Upper Respiratory Infection (URI) Episodes

Effective for dates of service on or after October 1, 2016, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Hysterectomy
- (2) Appendectomy
- (3) Uncomplicated Pediatric Pneumonia
- (4) Urinary Tract Infection

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TN No: 16-001 APPROVAL DATE: JUL 13 2016 EFFECTIVE DATE: 10/1/2016  
SUPERSEDES TN: 13-25

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM  
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ATTACHMENT 4.19-B  
Page 2a(4)

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

Revised: October 1, 2016

5. Physicians' Services (continued)

A. INCENTIVES TO IMPROVE CARE QUALITY, EFFICIENCY, AND ECONOMY (CONTINUED)

**V. APPLICATION:** Complete details including technical information regarding specific quality and reporting metrics, performance thresholds and incentive adjustments are available in the Episodes of Care Medicaid Manual available at <https://www.medicaid.state.ar.us/InternetSolution/Provider/docs/docs.aspx> and also at the Arkansas Health Care Payment Improvement Initiative website at <http://www.paymentinitiative.org/Pages/default.aspx>.

Effective for dates of service on or after October 1, 2012, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Acute Ambulatory Upper Respiratory Infection (URI) Episodes
- (2) Perinatal Care Episodes
- (3) Attention Deficit Hyperactivity Disorder (ADHD) Episodes

Effective for dates of service on or after February 1, 2013, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Congestive Heart Failure (CHF) Episodes
- (2) Total Joint Replacement Episodes

Effective for dates of service on or after October 1, 2013, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Tonsillectomy Episodes
- (2) Cholecystectomy Episodes
- (3) Colonoscopy Episodes
- (4) Oppositional Defiant Disorder (ODD) Episodes
- (5) Attention Deficit Hyperactivity Disorder (ADHD) / Oppositional Defiant Disorder (ODD) Comorbid Episodes
- (6) Acute Exacerbation of Chronic Obstructive Pulmonary Disease (COPD) Episodes
- (7) Percutaneous Coronary Intervention (PCI) Episodes
- (8) Acute Exacerbation of Asthma Episodes
- (9) Coronary Arterial Bypass Graft (CABG) episodes

Effective for dates of service on or after October 1, 2016, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Hysterectomy
- (2) Appendectomy
- (3) Uncomplicated Pediatric Pneumonia
- (4) Urinary Tract Infection

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SUPERSEDES TN: 13-05



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM  
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ATTACHMENT 4.19-B  
Page 9aaa

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

October 1, 2016

23. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.  
(Continued)

e. Emergency Hospital Services (Continued)

A. INCENTIVES TO IMPROVE CARE QUALITY, EFFICIENCY, AND ECONOMY  
(CONTINUED)

V. APPLICATION: Complete details including technical information regarding specific quality and reporting metrics, performance thresholds and incentive adjustments are available in the Episodes of Care Medicaid Manual available at <https://www.medicaid.state.ar.us/InternetSolution/Provider/docs/docs.aspx> and also at the Arkansas Health Care Payment Improvement Initiative website at <http://www.paymentinitiative.org/Pages/default.aspx>.

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(1) Perinatal Care Episodes

Effective for dates of service on or after February 1, 2013, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

(1) Congestive Heart Failure (CHF) Episodes

Effective for dates of service on or after October 1, 2016, the defined scope of services within the following episode(s) of care are subject to incentive adjustments:

- (1) Appendectomy
- (2) Uncomplicated Pediatric Pneumonia
- (3) Urinary Tract Infection

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