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State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 18-0015

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Regional Operations Group – Region VI
1301 Young Street, Room 833
Dallas, Texas 75202



Regional Operations Group, Division of Medicaid Field Operations South

February 27, 2019

Our Reference: SPA AR 18-0015

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

Dear Ms. Stehle:

Enclosed is a copy of approved Arkansas (AR) State Plan Amendment (SPA) 18-0015, with an effective date of January 1, 2019. This amendment was submitted to increase the Medicaid maximum hourly reimbursement rate for Private Duty Nursing Services, and update the fee schedule Uniform Resource Locator (URL).

This letter affirms that AR 18-0015 is approved effective January 1, 2019 as requested by the State.

We are enclosing the CMS-179 and the following amended plan page:

- Attachment 4.19B, Page 3

If you have any questions regarding this matter you may contact Stacey Shuman at 214-767-6479, or by email at stacey.shuman@cms.hhs.gov.

Sincerely,



Bill Brooks
Director
Division of Medicaid Field Operations South
Region VI
Regional Operations Group

Cc: Billy Bob Farrell, Regional Operations Group, Dallas
Tia Lyles, CMS Baltimore

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 8 0 0 1 5

2. STATE

Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2019

5. TYPE OF PLAN MATERIAL (*Check One*)

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

Section 1902

7. FEDERAL BUDGET IMPACT

a. FFY 2019 \$ 225,998

b. FFY 2020 \$ 305,220

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, Page 3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Same, Approved 09-28-15, TN 15-0005

10. SUBJECT OF AMENDMENT

The Arkansas Title XIX State Plan has been amended to increase the Medicaid maximum hourly reimbursement rate for Private Duty Nursing Services. The URL for the fee schedule is also updated on this page.

11. GOVERNOR'S REVIEW (*Check One*)

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ OTHER, AS SPECIFIED

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME

Tami Harlan

14. TITLE

Director, Division of Medical Services

15. DATE SUBMITTED

12/20/2018

16. RETURN TO

Office of Rules Promulgation

PO Box 1437, Slot S295

Little Rock, AR 72203-1437

Attn: Isaac Linam

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

12/20/2018

18. DATE APPROVED

2/27/2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

1/1/2019

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

Bill Brooks

22. TITLE Director, Division of Medicaid Field Operations
Region VI, Regional Operations Group

23. REMARKS

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

Revised: January 1, 2019

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 (<https://medicaid.mmis.arkansas.gov/Provider/Docs/fees.aspx>). 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 **through December 31, 2018**, 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.

Effective for dates of service on or after January 1, 2019, 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:

- **Wage rates from the Federal Bureau of Labor Statistics for Arkansas do not exceed two calendar years from the establishment of the hourly reimbursement rates,**
- **Determining employee benefit costs by using Skilled Nursing Facility cost reports submitted as of July 1st of the State Fiscal Year that precedes the effective date of the rates,**
- **Overhead costs percentage was calculated using Skilled Nursing Facility cost reports submitted as of July 1st of the State Fiscal Year that precedes the effective date of the rates, and**
- **It was estimated that a private duty nurse will travel approximately 8 miles each hour.**

The fee schedule will be published on the agency's website as referenced above.

State: Arkansas
Date Received: 20 December, 2018
Date Approved: 27 February, 2019
Effective Date: 1 January, 2019
Transmittal Number: 18-0015