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State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 18-0005

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



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

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August 16, 2018

Our Reference: SPA AR 18-0005

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) No. 18-0005, with an effective date of August 1, 2018. This amendment was submitted to provide special consideration to border city university-affiliated pediatric teaching hospitals to utilize cost data in a manner consistent with the method used for identifying cost for private hospital access payments.

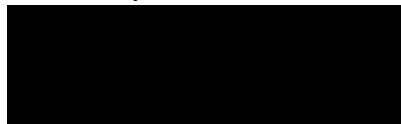
This letter affirms that AR 18-0005 is approved effective August 1, 2018 as requested by the State.

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

- Attachment 4.19B, Page 1aa(1)

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](mailto:stacey.shuman@cms.hhs.gov).

Sincerely,



Bill Brooks  
Associate Regional Administrator

CC: Billy Bob Farrell, DMCH Dallas  
Stacey Shuman, DMCH Dallas  
Tia Lyles, CMS Baltimore  
Andrew Badaracco, CMS Baltimore

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>  <b>TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		<b>1. TRANSMITTAL NUMBER:</b> 2018-005  <b>2. STATE</b> ARKANSAS  <b>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>  <b>4. PROPOSED EFFECTIVE DATE:</b> August 1, 2018	
<b>5. TYPE OF PLAN MATERIAL (Check One):</b>  <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)			
<b>6. FEDERAL STATUTE/REGULATION CITATION:</b>  42 CFR 413.40		<b>7. FEDERAL BUDGET IMPACT:</b> a. FFY 2018      \$ 0 b. FFY 2019      \$ 2,272,891	
<b>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:</b>  Attachment 4.19, Page 1aa(1)		<b>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):</b>  None, New Page	
<b>10. SUBJECT OF AMENDMENT:</b> The Arkansas Title XIX State Plan has been amended to provide special consideration to border city university-affiliated pediatric teaching hospitals to utilize cost data in a manner consistent with the method used for identifying cost for private hospital access payments.			
<b>11. GOVERNOR'S REVIEW (Check One):</b> <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			
<b>12. SIGNATURE OF STATE AGENCY OFFICIAL:</b> <div style="background-color: black; width: 300px; height: 30px; margin-top: 5px;"></div>		<b>16. RETURN TO:</b>  Division of Medical Services PO Box 1437, Slot S295 Little Rock, AR 72203-1437  Attention: Dave Mills	
<b>13. TYPED NAME:</b> Rose M. Naff		<b>17. DATE RECEIVED:</b> March 29, 2018	
<b>14. TITLE:</b> Director, Division of Medical Services			
<b>15. DATE SUBMITTED:</b> March 29, 2018			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
<b>17. DATE RECEIVED:</b> March 29, 2018		<b>18. DATE APPROVED:</b> August 16, 2018	
<b>PLAN APPROVED – ONE COPY</b>			
<b>19. EFFECTIVE DATE OF APPROVED MATERIAL:</b> August 1, 2018		<b>20.</b> <div style="background-color: black; width: 300px; height: 40px; margin-top: 5px;"></div>	
<b>21. TYPED NAME:</b>  Bill Brooks		<b>22. TITLE:</b> Associate Regional Administrator Division of Medicaid & Children's Health	
<b>23. REMARKS:</b>          			

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

August 1, 2018

2.a. Outpatient Hospital Services (continued)

(6) Border City University-Affiliated Pediatric Teaching Hospitals

Special consideration is given to border city university-affiliated pediatric teaching hospitals due to the higher costs typically associated with such hospitals. Effective for claims with dates of service on or after January 1, 2018, outpatient hospital facility services provided to patients under the age of 21 at border city university-affiliated pediatric teaching hospitals will be reimbursed based on reasonable costs with interim payments and a year-end cost settlement. The State will utilize cost data in a manner approved by CMS consistent with the method used for identifying cost for the private hospital access payments as outlined in this Attachment 4.19-B, Page 1a.

Arkansas Medicaid will use the lesser of the reasonable costs or customary charges to establish cost settlements. The cost settlements will be calculated using the methods and standards used by the Medicare Program.

A border city university-affiliated pediatric teaching hospital is defined as a hospital located within a bordering city (see Attachment 4.19-A page 3b) that submits to the Arkansas Medicaid Program a copy of a current and effective affiliation agreement with an accredited university, and documentation establishing that the hospital is university-affiliated, is licensed and designated as a pediatric hospital or pediatric primary hospital within its home state, maintains at least five different intern pediatric specialty training programs, and maintains at least one-hundred (100) operated beds dedicated exclusively for the treatment of patients under the age of 21.

State: Arkansas  
Date Received: 29 March, 2018  
Date Approved: 16 August, 2018  
Effective Date: 1 August, 2018  
Transmittal Number: 18-05