

Table of Contents

State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 20-0008

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

May 15, 2020

Ms. Dawn Stehle
Deputy Director for Health and Medicaid Director
Arkansas Department of Human Services
112 West 8th Street, Slot S401
Little Rock, Arkansas 72201-4608

RE: Arkansas TN 20-0008

Dear Ms. Stehle:

We have reviewed the proposed Arkansas State Plan Amendment (SPA) to Attachment 4.19-B transmittal notice 20-0008, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on April 14, 2020. The Arkansas Department of Human Services (DHS) proposes to amend the rates for physicians' evaluation and management services.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Tamara Sampson at 214-767-6431 or Tamara.Sampson@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2</u> <u>0</u> — <u>0</u> <u>0</u> <u>0</u> <u>8</u>	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 July 1, 2020
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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*)

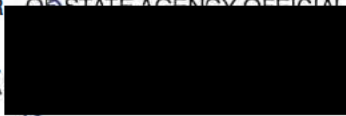
6. FEDERAL STATUTE/REGULATION CITATION N/A	7. FEDERAL BUDGET IMPACT a. FFY 2020 \$ <u>821,182</u> b. FFY 2021 \$ <u>3,293,924</u>
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B Page 2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Same: Approved 9-27-2006; TN 06-14
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10. SUBJECT OF AMENDMENT
Physicians' Evaluation & Management Code Rate Increase

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

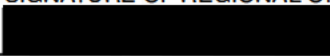
GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Office of Rules Promulgation PO Box 1437, Slot S295 Little Rock, AR 72203-1437 Attn: Alexandra Rouse
13. TYPED NAME Janet Mann	
14. TITLE Director, Division of Medical Services	
15. DATE SUBMITTED 4-10-2020	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED	18. DATE APPROVED 05/15/2020
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL 7/1/2020	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Todd McMillon	22. TITLE Director, Division of Reimbursement Review

23. REMARKS

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

Revised: July 1, 2020

5. Physicians' Services

Reimbursement is based on the lesser of the amount billed or the maximum Title XIX (Medicaid) charge allowed. Reimbursement rates (payments) shall be as ordered by the United States District Court for the Eastern District of Arkansas in the case of Arkansas Medical Society v. Reynolds.

For dates of service occurring July 1, 1994 through March 31, 2004, reimbursement rates are set at 66% of the Arkansas Physician's Blue CrossBlue Shield (BCBS) Fee Schedule dated October 1, 1993.

For dates of service occurring April 1, 2004 and after:

- A. Reimbursement rates are increased by **ten percent (10%)** up to a maximum or benchmark rate of eighty percent (80%) of the 2003 Arkansas Blue Cross and Blue Shield (BCBS) fee schedule. For rates that as of March 31, 2004, are equal to or greater than **eighty percent (80%)** of the 2003 BCBS fee schedule rate, no increase will be given. A minimum rate or floor amount of **forty-five percent (45%)** of the 2003 BCBS fee schedule rate will be reimbursed. For those rates that after the **ten percent (10%)** increase is applied are still less than the floor amount, an additional increase will be given to bring these rates up to the floor amount.
- B. Reimbursement rates are capped at **one hundred percent (100%)** of the 2003 BCBS rate. Rates that **exceed the cap** as of March 31, 2004, shall be reduced in order to bring the rates in line with the cap by making four equal annual reductions beginning July 1, 2005.
- C. Adjustments to payment rates that are comprised of two components, e.g., a professional component and a technical services component, shall be calculated based on a combined payment rate that includes both components. After determining the increase or decrease applicable to the combined rate, the payment rate adjustment for each rate component shall be apportioned as follows:
- (1) Increases: If one component rate, either technical or professional, exceeds the cap, the entire increase shall be apportioned to the other component. If neither rate component exceeds the cap, the increase shall be applied in proportion to the component's ratio to the combined rate (i.e., if the technical component rate is **thirty percent (30%)** of the combined rate, then **thirty percent (30%)** of the increase shall be applied to the technical component payment rate), up to the benchmark. Once a component rate is increased to the benchmark, any remaining increase shall be applied to the other component.
 - (2) Decreases: If one component rate, either technical or professional, is at the floor, the entire decrease shall be apportioned to the other component. If one component rate is above the cap, the entire decrease shall be apportioned to that component. If both component rates are above the cap, each component shall be reduced to the cap.
- D. For dates of service beginning September 28, 2006, the maximum reimbursement rate for fitting of spectacles (procedure code 92340) is **fifty-one dollars and twenty-two cents (\$51.22)**. The rate is based on **eighty percent (80%)** of the **sixty-four dollars and two cents (\$64.02)**, which is the 2006 Arkansas Physician's Blue Cross/Blue Shield fee schedule rate.
- E. **For dates of service beginning July 1, 2020, the maximum reimbursement rate for evaluation and management codes were increased based upon a routine rate study conducted by DMS in the Fall of 2019.**