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State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 19-0009

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

August 28, 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 19-0009

Dear Ms. Stehle:

We have reviewed the proposed Arkansas State Plan Amendment (SPA) to Attachment 4.19-B AR#19-0009, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 27, 2019. The Arkansas Department of Human Services (DHS) proposes to implement a ground transportation access payment program for privately-owned and operated ambulance providers.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2019. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

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 <div style="text-align: center;"> 1 9 — 0 0 0 9 </div>	2. STATE <div style="text-align: center; font-size: 1.5em;">AR</div>
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
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		4. PROPOSED EFFECTIVE DATE <div style="text-align: center; font-size: 1.2em;">7/1/2019</div>	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION <div style="font-size: 1.2em;">42 CFR 447.304 & 42 CFR 432.68</div>		7. FEDERAL BUDGET IMPACT a. FFY 2020 \$ 4,075,008 b. FFY 2021 \$ 8,172,838	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19 -B Page 8aa Attachment 4.19 -B Pages 8aa-1& 8aa-2 Attachment 4.19 -B Pages 8aaa & 8aaaa		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same, Approved 7-11-18, TN 18-09 None, New pages Same, Approved 11-13-01, TN 01-22	
10. SUBJECT OF AMENDMENT Implementation of ground transportation access payment program for privately owned and operated ambulance providers			

11. GOVERNOR'S REVIEW (Check One) <input 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 <div style="background-color: black; width: 150px; height: 20px; margin-top: 5px;"></div>	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	18. DATE APPROVED <div style="text-align: center;">8/28/2020</div>
14. TITLE Director, Division of Medical Services	
15. DATE SUBMITTED 06/28/2019	
FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED	20. SIGNATURE OF REGIONAL OFFICIAL <div style="background-color: black; width: 150px; height: 20px; margin-top: 5px;"></div>
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL <div style="text-align: center;">7/1/2019</div>	22. TITLE Director, Division of Reimbursement Review
21. TYPED NAME Todd McMillon	
23. REMARKS	

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

Revised: July 1, 2019

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

a. Transportation (Continued)

(2) Air Ambulance (continued)

Pediatric Hospitals

1. Helicopter Ambulance: Effective for dates of service occurring August 15, 2001 and after, helicopter ambulance services provided by instate pediatric hospitals will be reimbursed based on reasonable costs with interim payments and year-end cost settlement. Interim payments are made at the lesser of the amount billed or the Title XIX (Medicaid) charge allowed. Arkansas Medicaid will use the lesser of the reasonable costs or customary charges as determined from the hospital's submitted cost report to establish cost settlements. The cost settlements will be calculated using the methods and standards used by the Medicare Program. Methods and standards refer to the allocation of costs on the cost report and do not include any current or future Medicare reimbursement limits for this particular service.

(3) **Emergency Medical Transportation Access Payment**

1. **Effective for dates of service on or after July 1, 2019, qualifying medical transportation providers within the State of Arkansas; except for volunteer ambulance services, ambulance services owned by the state or county and political subdivisions, nonemergency ambulance services, air ambulance services, specialty hospital based ambulance services, and ambulance services subject to the state's assessment on the revenue of hospitals; shall be eligible to receive emergency medical transportation access payments. All emergency medical transportation providers that meet this definition will be referred to as Qualified Emergency Medical Transportation (QEMT) providers for purpose of this section.**

2. **Payment Methodology**

(A) **The emergency medical transportation access payment to each QEMT shall be calculated on an annual basis and paid out quarterly. The access payment will be eighty percent (80%) of the difference between Medicaid payments otherwise made to QEMTs for the provision of emergency medical transportation services and the average amount that would have been paid at the equivalent community rate (hereinafter, average commercial rate or ACR).**

(1) **The Division shall align the paid Medicaid claims for each QEMT with the Medicare fees (Medicare Fee Schedule – Urban) for each healthcare common procedure coding system (HCPCS) or current procedure terminology (CPT) code and calculate the Medicare payment for those claims.**

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

Revised: July 1, 2019

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

a. Transportation (Continued)

(3) Emergency Medical Transportation Access Payment (continued)

(2) The Division shall calculate a separate Medicare equivalent of the ACR for each QEMT that qualifies for the access payment by dividing the total amount of the average commercial payments for the claims by the total Medicare payments for the claims.

(C) The specific payment methodology to be used in establishing the emergency medical transportation access payment for QEMTs is as follows:

- (1) The Division shall send emergency medical transportation access payment data collection forms to QEMTs.
- (2) For each QEMT who submits the required data, the Division shall identify the emergency medical transportation services for which the provider is eligible to be reimbursed.
- (3) For each QEMT who submits the required data, the Division shall calculate the reimbursement paid to the QEMT for the provision of emergency medical ambulance transportation services excluding air ambulance services.
- (4) For each QEMT, the Division shall calculate the QEMT's average commercial rate for all services identified under Subparagraph (2) of this Section.
- (5) For each QEMT, the Division shall subtract an amount equal to the reimbursement calculation for each of emergency medical transportation service from the amount calculated for each of the emergency medical transportation services. [B (4)-B (3)]

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a. Transportation (Continued)

(3) Emergency Medical Transportation Access Payment (continued)

(6) For each QEMT, the Division shall calculate the sum of each of the amounts calculated for emergency medical transportation services in Subparagraph (B (5)).

(7) The Division shall provide a demonstration that access payments for the state fiscal year are within the applicable fee-for-service upper payment limits as defined in 42 CFR 447.272, when the upper payment limit demonstrations are due for the fiscal year. If the demonstration shows that payments for any category have exceeded the UPL, the state will take corrective action as determined by CMS.

(C) The Division shall reimburse QEMTs the access payment of eighty percent (80%) of their UPL gap.

(D) These access payments are considered supplemental payments and do not replace any currently authorized Medicaid payments for emergency medical transportation services.

(4) Early Intervention Day Treatment (EIDT) and Adult Developmental Day Treatment (ADDT) Transportation

Effective for claims with dates of service on or after July 1, 2018, EIDT and ADDT transportation providers will be reimbursed on a per mile basis at the lesser of the billed charges or the maximum Title XIX (Medicaid) charge allowed. Transportation will be covered from the point of pick-up to the EIDT and ADDT facility and from the EIDT and ADDT facility to the point of delivery. If more than one eligible Medicaid recipient is transported at the same time to the same location, Medicaid may be billed only for one recipient. If more than one Medicaid recipient is transported at the same time to different locations, the provider may bill only for the recipient traveling the farthest distance. The route must be planned to ensure that beneficiaries spend the least **amount** of time being transported. The maximum per mile is based on reasonable cost.

The **EIDT** and ADDT transportation providers will submit annual statements of mileage, revenues and expenses, i.e. salaries, repairs, supplies, rent, indirect overhead costs, etc. The State Agency will review the cost and mileage information at least biennially and adjust the reimbursement rate if necessary. Therefore, an inflation factor will not be automatically applied.

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

Revised: July 1, 2019

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

a. Transportation (Continued)

(5) Non-Emergency

(a) Public Transportation

Effective for dates of service on or after December 1, 2001, the following reimbursement applies to public transportation services:

Taxi and Wheelchair Van - Reimbursement is based on the lesser of billed charges or the Title XIX maximum allowable. The billed charges must reflect the same charges made to all other passengers for the same service as determined by the local municipality which issues the permit to operate or by the Interstate Commerce Commission. The Title XIX maximum was established utilizing the 1991 Taxicab Fact Book issued by the International Taxicab and Livery Association. The calculations are as follows:

Taxi - The cost per mile of 1990 plus Market Basket Index of 1991 plus Market Basket Index of 1992 plus 25% = \$1.13 per mile (unit).

Wheelchair Van - Must transport **six** (6) or more passengers comfortably.

The cost per mile of 1990 plus Market Basket Index of 1991 plus Market Basket Index of 1992 plus 65% = \$1.50 per mile (unit). An additional 40% was added to the reimbursement per mile due to the added cost of wheelchair van adaptation for wheelchair accessibility and for additional provider compensation for physically assisting the disabled.

The State Agency will negotiate with the affected provider group representative should recipient access become an issue.

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

Revised: July 1, 2019

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

a. Transportation (Continued)

(5) Non-Emergency (Continued)

(b) Non-Public Transportation

Effective for dates of service on or after December 1, 2001, Non-Public Transportation Services reimbursement is based on the lesser charges or the Title XIX maximum allowable. The Title XIX maximum is based on the Internal Revenue Service (IRS) reimbursement for private mileage in a business setting, plus an additional allowance for the cost of the driver. The standard mileage private reimbursement is compliant to the 1997 Standard Federal Tax Report, paragraph #8540.011. The calculation of the additional allowance for the cost of the driver is based on the minimum wage per hour, plus 28% of salaries (minimum wage) for fringe benefits, plus a fixed allowance of \$2.11 for the **provider's** overhead and billings, divided by 30 (average number of miles per trip). The average number of miles was determined by utilizing data from SFY 1996 and dividing the number of miles per trip by the number of trips made.

The State Agency will negotiate with the affected provider group representatives should recipients access become an issue.

(6) Volunteer Transportation: Amount of payment is agreed on by County Human Services Office and the Carrier. Medicaid reimburses the County Human Services Office for the agreed amount.

The rate of reimbursement equals the amount of travel reimbursement per mile for a state employee. Medicaid reimbursement will not be made for services provided free of charge.

(7) Domiciliary Care: Fixed price set by Assistant Director, Division of Medical Services, based on reasonable cost. The provider submits a statement of expenses, i.e. salaries, repairs, supplies, rent, etc. for their past fiscal year. These costs are reviewed by the **State's** auditors for reasonableness. These costs are reviewed annually and adjusted if necessary, therefore, an inflation factor is not applied.

The cost of meals and lodging are provided only when necessary in connection with transportation of a recipient to and from medical care.