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State/Territory Name: AR

State Plan Amendment (SPA) #: 21-0014

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 AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

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

Re: Arkansas State Plan Amendment (SPA) 21-0014

Dear Ms. Stehle:

We have reviewed the proposed amendment to Attachments 3.1-A, 3.1-B, and 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 21-0014 effective for services on or after July 1, 2021. The State Plan has been amended in order to expand Acute Crisis Units (ACUs) into hospital settings and increase the reimbursement rate for freestanding ACUs operated outside of a hospital.


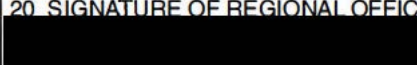
We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 20-0002 is approved effective July 1, 2021. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Fred Sebree at Fredrick.sebree@cms.hhs.gov

Sincerely,



Rory Howe
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2</u> <u>1</u> — <u>0</u> <u>0</u> <u>1</u> <u>4</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, 2021	
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 42 CFR 440.130	7. FEDERAL BUDGET IMPACT a. FFY 2021 \$ 169,801 b. FFY2022 \$ 682,921	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Att. 3.1-A, Page 1a(1) Att. 3.1-B, Page 2a(1) Att. 4.19-A, Page 24 Att. 4.19-B, Page 5aa	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) New New Same, Approved 12-19-14, Supersedes TN AR 13-0030 Same, Approved 3-19-18, Supersedes TN AR 16-0008	
10. SUBJECT OF AMENDMENT Adds outpatient hospital acute crisis units; update rate methodology for Outpatient Behavioral Health Services acute crisis units, and add the same rate methodology for Outpatient Hospital Acute Crisis Units.		
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 Office of Rules Promulgation PO Box 1437, Slot S295 Little Rock, AR 72203-1437	
13. TYPED NAME Elizabeth Pitman	Attn: Mac Golden	
14. TITLE Director, Division of Medical Services		
15. DATE SUBMITTED 9/27/21		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED 9/27/2021	18. DATE APPROVED 3/1/2022	
PLAN APPROVED - ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL 7/1/2021	20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME Rory Howe	22. TITLE Director	
23. REMARKS		

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

July 1, 2021

CATEGORICALLY NEEDY

1. Inpatient Hospital Services (continued)

Acute Crisis Unit

Effective for dates of service on or after July 1, 2021, Hospital Acute Crisis Units are covered for eligible Medicaid clients who are experiencing a psychiatry or substance use disorder, or both, crisis that does not meet the need for inpatient hospitalization. These units provide hospital diversion and step-down services in a safe environment with psychiatry and substance use disorder services available on-site, as well as on-call psychiatry available 24 hours per day. They must ensure the following services are available at a minimum:

- A. ongoing assessment and observation;
- B. crisis intervention;
- C. psychiatric, substance, and co-occurring treatment; and
- D. initiation of referral mechanisms for independent assessment and care planning.

Services are available for up to 96 hours per encounter. Providers must initiate an extension of benefits request for medical necessity approval prior to providing services beyond 96 hours.

This expenditure is being paid as inpatient hospital because the definition of outpatient limits services to less than a 24-hour period. (42 CFR 440.2)

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

July 1, 2021

MEDICALLY NEEDY

1. Inpatient Hospital Services (continued)

Acute Crisis Unit

Effective for dates of service on or after July 1, 2021, Hospital Acute Crisis Units are covered for eligible Medicaid clients who are experiencing a psychiatry or substance use disorder, or both, crisis that does not meet the need for inpatient hospitalization. These units provide hospital diversion and step-down services in a safe environment with psychiatry and substance use disorder services available on-site, as well as on-call psychiatry available 24 hours per day. They must ensure the following services are available at a minimum:

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This expenditure is being paid as inpatient hospital because the definition of outpatient limits services to less than a 24-hour period. (42 CFR 440.2)

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

July 1, 2021

5. Alternative Benefit Plan (ABP)

Effective for dates of service on or after January 1, 2014, the Arkansas Medicaid program will cover inpatient acute hospital days in excess of twenty-four days (during a state fiscal year) for those beneficiaries covered under the Alternative Benefit Plan (ABP). The per diem rate for ABP inpatient acute hospital days twenty-five and above will be 400 dollars per day. The intent of the policy change is to increase access to care in all hospitals in the state of Arkansas. Inpatient Acute hospital days under twenty-five will be reimbursed in accordance with the methodology set forth in Attachment 4.19A page 1. Except as otherwise noted in the Plan, this rate is the same for both governmental and private providers of inpatient acute hospital services.

Effective for dates of service on or after January 1, 2014, the Arkansas Medicaid program will cover inpatient rehabilitation hospital days in excess of twenty-four days (during a state fiscal year) for those beneficiaries covered under the Alternative Benefit Plan (ABP). The per diem rate for ABP inpatient rehabilitation hospital days twenty-five and above will be 400 dollars per day. The intent of the policy change is to increase access to care in all hospitals in the state of Arkansas. Inpatient rehabilitation hospital days under twenty-five will be reimbursed in accordance with the methodology set forth in Attachment 4.19A page 9a. Except as otherwise noted in the State Plan, this rate is the same for both government and private providers of inpatient rehabilitation hospital services.

6. Reimbursement for Acute Crisis Units

Acute Crisis Units provide acute care hospital diversion and step-down services to Medicaid clients experiencing psychiatric or substance use disorder related distress in a safe environment with psychiatry and substance use disorder services available on-site, as well as on-call psychiatry available 24 hours per day. Effective for dates of service on or after July 1, 2021, reimbursement for Acute Crisis Units is based on 80% of the current (7/1/2021) daily rate for the Arkansas State Hospital. No room and board costs, or other unallowable facility costs, are built into the daily rate. State developed fee schedule rates are the same for both governmental and private providers. The fee schedule can be accessed at [Fee Schedules - Arkansas Department of Human Services](#).