

## **Table of Contents**

**State/Territory Name: Arkansas**

**State Plan Amendment (SPA) AR: 22-0020**

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



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**Financial Management Group**

July 24, 2023

Janet Mann  
Deputy Secretary of Health and State Medicaid Director  
Arkansas Department of Human Services  
112 West 8<sup>th</sup> Street, Slot S401  
Little Rock, AR 72201-4608

RE: TN 22-0020

Dear Director Mann:

We have reviewed the proposed Arkansas State Plan Amendment (SPA) to Attachment 4.19-B, AR-22-0020, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 9, 2022. This SPA adds Therapeutic Communities to the Arkansas Adult Behavioral Health Service for Community Independence (ABSCI) program.

Based upon the information provided by the State, we have approved the amendment with an effective date of November 1, 2022. 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 Robert Bromwell at 410-786-5914 or [Robert.bromwell@cms.hhs.gov](mailto:Robert.bromwell@cms.hhs.gov).

Sincerely,



Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <u>2 2 - 0 0 2 0</u>	2. STATE <u>A R</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>November 1, 2022</b>	
5. FEDERAL STATUTE/REGULATION CITATION <b>§1932(a) of the Act    §1915i of the Social Security Act</b>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY <u>2023</u> \$ <u>4,271,537</u> b FFY <u>2024</u> \$ <u>4,659,859</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  4.19 B pg 19 4.19 B pg 20	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  4.19 B pg. 19; TN: 18-0016; Approved 1-9-2019 None - new page	

9. SUBJECT OF AMENDMENT  
**Adds Therapeutic Communities information to the Methods and Standards for Establishing Payment Rates**

10. 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

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Office of Rules Promulgation PO Box 1437, Slot S295 Little Rock, AR 72203-1437  Attn: Mac Golden
12. TYPED NAME Elizabeth Pitman	
13. TITLE Director, Division of Medical Services	
14. DATE SUBMITTED 8-9-22	

**FOR CMS USE ONLY**

16. DATE RECEIVED August 9, 2022	17. DATE APPROVED July 24, 2023
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL November 1, 2022	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion	21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review

22. REMARKS

Pen and ink change authorized via email on 7/18/2023 for block 5, from §1932(a) of the act to §1915i of the Social Security Act.

## Methods and Standards for Establishing Payment Rates

1. **Services Provided Under Section 1915(i) of the Social Security Act.** For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates):*

	HCBS Case Management
	HCBS Homemaker
	HCBS Home Health Aide
	HCBS Personal Care
	HCBS Adult Day Health
	HCBS Habilitation
<input type="checkbox"/>	HCBS Respite Care
For Individuals with Chronic Mental Illness, the following services:	
<input checked="" type="checkbox"/>	<p><b>HCBS Day Treatment or Other Partial Hospitalization Services</b></p> <p>Based on the information gained from the peer state analysis and the consideration of adjustment factors such as Bureau of Labor Statistics (BLS) along with Geographic Pricing Cost Index (GPCI) to account for economic differences, the state was able to select appropriate rates from fee schedules published by peer states. Once this rate information was filtered according to Arkansas requirements a “state average rate” was developed. This “state average rate” consisting of the mean from every peer state’s published rate for a given procedure served as the base rate for the service, which could then be adjusted by previous mentioned factors (BLS), (GPCI) etc.</p> <p>Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency’s fee schedule rate was set as of January 1, 2019 and is effective for services provided on or after that date. All rates are published at the <a href="#">Fee Schedules website</a>.</p>
	HCBS Psychosocial Rehabilitation
	HCBS Clinic Services (whether or not furnished in a facility for CMI)

**Other Services (Specify below):****Therapeutic Communities**

Effective November 1, 2022, the new rate for Therapeutic Communities is established with the highest intensity program set at 70% of the Arkansas State Hospital (ASH) inpatient rate, and the lowest intensity level of programming at 50% of the ASH inpatient rate. Because a rate comparison analysis of similar programs in other Region 6 states found no comparable programs, in-state facilities offering comparable levels of care were surveyed. Specifically, the rates for human development centers (HDCs) and the ASH were used for comparison because Therapeutic community provider actual costs for services were also considered in the rate setting process. A revised rate methodology was determined, focused on two levels of program intensity utilizing this method.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rate was set as of November 1, 2022, and is effective for services provided on or after that date. All rates are published at the [Fee Schedules website](#).

For all other Adult Behavioral Health Services for Community Independence (ABHSCI) program services, the rate methodology is based on the information gained from the peer state analysis and the consideration of adjustment factors such as Bureau of Labor Statistics (BLS) along with Geographic Pricing Cost Index (GPCI) to account for economic differences, the state was able to select appropriate rates from fee schedules published by peer states. Once this rate information was filtered according to Arkansas requirements a "state average rate" was developed. This "state average rate" consisting of the mean from every peer state's published rate for a given procedure served as the base rate for the service, which could then be adjusted by previous mentioned factors (BLS), (GPCI) etc.