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State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 23-0026

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

January 17, 2024

Janet Mann, Director
Arkansas Department of Human Services
112 West 8th Street, Slot S401
Little Rock, AR 72201-4608

RE: Arkansas State Plan Amendment (SPA) 23-0026

Dear Director Mann:

We have reviewed the proposed amendment to Attachment 4.19-A and of your Medicaid state plan submitted under transmittal number (TN) 23-0026 effective for services on or after December 18, 2023. The proposed amendment is amending its Disproportionate Share Hospital (DSH) payment methodology to allow redistribution to other eligible hospitals after the completion of annual independent certified audit of DSH payments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act. We hereby inform you that Medicaid State plan amendment 23-0026 is approved effective December 18, 2023. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Diana Dinh at Diana.Dinh@cms.hhs.gov.

Sincerely,



Rory Howe
Director


Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 2 6</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 12/18/2023	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 455.301 and 304; 42 CFR 447.299	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY <u>2024</u> \$ <u>7,883,264</u> b FFY <u>2025</u> \$ <u>7,883,264</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Att. 4.19-A, page 22a	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) NEW	

9. SUBJECT OF AMENDMENT
Annual Disproportionate Share Hospital Audit.

10. GOVERNOR'S REVIEW (Check One)

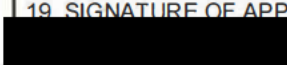
<input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input type="checkbox"/> OTHER, AS SPECIFIED:
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Office of Policy and Rules PO Box 1437, Slot S295 Little Rock, AR 72203-1437 Attn: Mac Golden
12. TYPED NAME Janet Mann	
13. TITLE Deputy Secretary, Department of Human Services	
14. DATE SUBMITTED 12/14/23	

FOR CMS USE ONLY

16. DATE RECEIVED December 14, 2023	17. DATE APPROVED January 17, 2024
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL December 18, 2023	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, FMG

22. REMARKS

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Revised: 12-18-2023

3a. Annual Disproportionate Share Hospital (DSH) Audit

In addition to any other audits which may occur, independent certified audits of the DSH payments shall be conducted annually in accordance with 42 CFR 455.301 and 42 CFR 455.304. Reporting of the audit shall follow the guidelines stated in 42 CFR 447.299. In accordance with 42 CFR 455.304(e), any overpayments of DSH funds shall be redistributed to other eligible hospitals within the state, provided each acute care hospital remains below their hospital specific DSH limit in the following manner:

- (a) The amount of the DSH payment made to the acute care hospital will be recouped by the State of Arkansas to the extent necessary to reduce the DSH payment to an allowable amount.
- (b) Amounts recouped from acute care hospitals with payments in excess of the audited hospital specific DSH limits, will be placed into an acute care hospital redistribution pool. Redistribution will be made to remaining acute care hospitals that do not exceed their hospital specific DSH limit. The allocation will be made based on these remaining acute care hospitals available uncompensated care. No acute care hospital shall exceed its hospital specific DSH limit after redistribution.
- (c) Additionally, DSH funds not otherwise paid to qualifying acute hospitals shall be paid, subject to the uncompensated care cost limits and annual DSH allotment, to the Arkansas State Operated Teaching Hospital.