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State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 25-0016-A

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355 (300)
Kansas City, Missouri 64106

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid and CHIP Operations Group

March 10, 2026

Janet Mann
Director of 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) AR-25-0016-A

Dear Director Mann:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) AR-25-0016A. This amendment proposes adding Targeted Case Management (TCM) services for eligible juveniles, as required under Section 5121 of the Consolidated Appropriations Act, 2023 (CAA).

We conducted our review of your submittal according to the statutory requirements in Title XIX of the Social Security Act and implementing regulations at 42 CFR 440.169. This letter informs you that Arkansas' Medicaid SPA TN AR-25-0016-A was approved on March 9, 2026, with an effective date of December 22, 2025.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the Arkansas State Plan.

If you have any questions, please contact Lee Herko at (570) 230-4048 or via email at Lee.Herko@cms.hhs.gov.

Sincerely,

Wendy E. Hill Petras
Acting Director, Division of Program Operations

Enclosures

cc: Elizabeth Pitman

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25-0016A

2. STATE: AR

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
12/22/2025

5. FEDERAL STATUTE/REGULATION CITATION
1902(a)(84)of the Act and1905(a)(19) 42 CFR 440.169

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 82,918
b. FFY 2027 $ 112,618

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Supplement 1 to Attachment 3.1A Pages 39-45
4.19B Page 7c

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
New
4.19B Page 7c (11-1-97)

9. SUBJECT OF AMENDMENT
Healthcare Coverage for Incarcerated, Eligible Juveniles

10. GOVERNOR'S REVIEW *(Check One)*
- [✓] GOVERNOR'S OFFICE REPORTED NO COMMENT
- [ ] COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- [ ] NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
- [ ] OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Elizabeth Pitman

13. TITLE
Director, Division of Medical Services

14. DATE SUBMITTED
12-12-2025

15. RETURN TO
Office of Rules Promulgation
PO Box 1437, Slot S295
Little Rock, AR 72203-1437

Attn: Mac Golden

FOR CMS USE ONLY

16. DATE RECEIVED
December 12, 2025

17. DATE APPROVED
March 9, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
December 22, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Wendy E. Hill Petras

21. TITLE OF APPROVING OFFICIAL
Acting Director, Division of Program Operations

22. REMARKS
State authorized pen and ink change request to Box 1 to reflect 25-0016A on March 2, 2026.

Instructions on Back

State Plan under Title XIX of the Social Security Act
State/Territory: Arkansas

TARGETED CASE MANAGEMENT SERVICES FOR ELIGIBLE JUVENILES

Target Group (42 Code of Federal Regulations 441.18(a)(8)(i) and 441.18(a)(9)):

Eligible juveniles as defined in §1902(nn) (individuals who are under 21 years of age and determined eligible for any Medicaid eligibility group, or individuals determined eligible for the mandatory eligibility group for former foster care children age 18 up to age 26, immediately before becoming an inmate of a public institution or while an inmate of a public institution) who are within 30 days of their scheduled date of release from a public institution **following adjudication,** and for at least 30 days following release.

Post Release TCM Period beyond 30 day post release minimum requirement:
☒ State will provide TCM beyond the 30-day post release requirement. **[explain]:**

TCM services will be allowable beyond the 30-day post-release period as determined medically necessary.

Areas of State in which services will be provided (§1915(g)(1) of the Act):
☒ Entire state

Comparability of services (§§1902(a)(10)(B) and 1915(g)(1))
☒ Services are not comparable in amount duration and scope (§1915(g)(1)).

Definition of services (42 CFR 440.169): Targeted case management (TCM) services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services.

Targeted Case Management includes the following assistance:

- Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social or other services. These assessment activities include:
  - taking client history;
  - identifying the individual's needs and completing related documentation; and
  - gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the eligible individual;

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The periodic reassessment is conducted every (check all that apply):

- ☒ 1 month
- ☐ 3 months
- ☐ 6 months
- ☐ 12 months
- ☐ Other frequency **[explain]:** Click or tap here to enter text.

- ❖ Development (and periodic revision) of a specific care plan that is based on the information collected through the assessment that:
  - specifies the goals and actions to address the medical, social, educational, and other services needed by the individual;
  - includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals; and
  - identifies a course of action to respond to the assessed needs of the eligible individual;

- ❖ Referral and related activities, including referrals to appropriate care and services available in the geographic region of the home or residence of the eligible juvenile, where feasible (such as scheduling appointments for the individual) to help the eligible individual obtain needed services including:
  - activities that help link the individual with medical, social, educational providers, or other programs and services that are capable of providing needed services to address identified needs and achieve goals specified in the care plan; and

- ❖ Monitoring and follow-up activities are:
  activities and contacts that are necessary to ensure the care plan is implemented and adequately addresses the eligible individual's needs, and which may be with the individual, family members, service providers, or other entities or individuals and conducted as frequently as necessary, and including at least one annual monitoring, to determine whether the following conditions are met:

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TARGETED CASE MANAGEMENT SERVICES FOR ELIGIBLE JUVENILES

- services are being furnished in accordance with the individual's care plan;
- services in the care plan are adequate; and
- changes in the needs or status of the individual are reflected in the care plan.

Monitoring and follow-up activities include making necessary adjustments in the care plan and service arrangements with providers.

Frequency of additional monitoring:
Specify the type and frequency of monitoring (check all that apply)
☒ Telephonic. Frequency: Monthly
☒ In-person. Frequency: Monthly
☐ Other **[explain]:** Click or tap here to enter text.

☒ Case management includes contacts with non-eligible individuals that are directly related to identifying the eligible individual's needs and care, for the purposes of helping the eligible individual access services; identifying needs and supports to assist the eligible individual in obtaining services; providing case managers with useful feedback, and alerting case managers to changes in the eligible individual's needs. For instance, a case manager might also work with state children and youth agencies for children who are involved with the foster care system.
(42 CFR 440.169(e))

☒ If another case manager is involved upon release or for case management after the 30-day post release mandatory service period, states should ensure a warm hand off to transition case management and support continuity of care of needed services that are documented in the person-centered care plan. A warm handoff should include a meeting between the eligible juvenile, and both the pre-release and post-release case manager. It also should include a review of the person-centered care plan and next steps to ensure continuity of case management and follow-up as the eligible juvenile transitions into the community.

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TARGETED CASE MANAGEMENT SERVICES FOR ELIGIBLE JUVENILES

Qualifications of providers (42 CFR 441.18(a)(8)(v) and 42 CFR 441.18(b)):
[Specify provider qualifications that are reasonably related to the population being served and the case management services furnished.]

Targeted case management services are provided only through qualified providers. Qualified case management providers must meet the following criteria:

A. The provider must be enrolled with Arkansas Medicaid.
B. The provider must have a minimum of one year's experience in providing all core elements of case management services to the target populations.
C. The provider must have the financial management capacity and system that provides documentation of services and costs in conformity with generally accepted accounting principles.
D. The provider must have a capacity to document and maintain individual case records in accordance with state and federal requirements.

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Freedom of choice (42 CFR 441.18(a)(1)):

☒ The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a)(23) of the Act.

1. Eligible individuals will have free choice of any qualified Medicaid provider within the specified geographic area identified in this plan.
2. Eligible individuals will have free choice of any qualified Medicaid providers of other medical care under the plan.

Freedom of Choice Exception (§1915(g)(1) and 42 CFR 441.18(b)):

☐ Target group consists of eligible individuals with developmental disabilities or with chronic mental illness. Providers are limited to qualified Medicaid providers of case management services capable of ensuring that individuals with developmental disabilities or with chronic mental illness receive needed services:

[Identify any limitations to be imposed on the providers and specify how these limitations enable providers to ensure that individuals within the target groups receive needed services below.]

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Access to Services (42 CFR 441.18(a)(2), 42 CFR 441.18(a)(3), 42 CFR 441.18(a)(6)):

☒ The state assures the following:

- Case management (including targeted case management) services will not be used to restrict an individual's access to other services under the plan.
- Individuals will not be compelled to receive case management services, condition receipt of case management (or targeted case management) services on the receipt of other Medicaid services, or condition receipt of other Medicaid services on receipt of case management (or targeted case management) services; and
- Providers of case management services do not exercise the agency's authority to authorize or deny the provision of other services under the plans.
- Delivery of TCM and the policies, procedures, and processes developed to support implementation of these provisions are built in consideration of the individuals release and will not effectuate a delay of an individual's release or lead to increased involvement in the juvenile and adult justice systems.

Payment (42 CFR 441.18(a)(4)):

☒ The state assures payment for case management or targeted case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

Case Records (42 CFR 441.18(a)(7)):

☒ The state assures providers maintain case records that document for all individuals receiving case management as follows: (i)The name of the individual; (ii) The dates of the case management services; (iii)The name of the provider agency (if relevant) and the person providing the case management service; (iv) The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved; (v) Whether the individual has declined services in the care plan; (vi) The need for, and occurrences of, coordination with other case managers; (vii) A timeline for obtaining needed services; (viii) A timeline for reevaluation of the plan.

Limitations:

☒ The state assures that case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).

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Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other services to which an eligible individual has been referred, including for foster care programs, services such as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportation; administering foster care subsidies; making placement arrangements. (42 CFR 441.18(c))
FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))

☐ State has additional limitations **[Specify any additional limitations.]**
Click or tap here to enter text.

19. Case Management Services (continued)

E-1. Incarcerated Juveniles

Reimbursement is based on the lesser of the billed amount or the Title XIX (Medicaid) maximum allowable bundled rate.

Payment for Targeted Case Management services located at Supplement 1, Pages 39 - 45 is established prospectively using a standardized rate-setting methodology for eligible individuals who are under 21 years of age and eligible for any Medicaid eligibility group, or who are eligible under the mandatory former foster care group ages 18 through 25, and who were eligible for Medicaid immediately before becoming an inmate of a public institution or while an inmate of a public institution. Services are provided during incarceration when the individual is within thirty (30) days of their scheduled release date following adjudication and for at least thirty (30) days following release, as determined to be medically necessary. Payment is limited to one bundled unit per individual per thirty-day period

Rates reflect the reasonable and efficient costs a provider would incur and are developed using an independent rate build-up approach informed by publicly available economic data, including wage and compensation information from the U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics and Employer Costs for Employee Compensation. The bundled rate incorporates direct staff wages, associated fringe benefits and payroll taxes, supervisory costs, and allowable administrative and program support costs. The rate does not include costs related to room and board or other unallowable facility costs

All providers furnishing Targeted Case Management services under the bundled payment are reimbursed exclusively through the applicable bundled payment rate. Providers may not bill separately for individual service components, administrative activities, overhead costs, or any other services that are included in the bundled rate. Payment through the bundle constitutes payment in full for all covered Targeted Case Management services delivered during the applicable billing period, and no additional or duplicative reimbursement is permitted for the same services.

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 (insert date here) and is effective for services provided on or after that date. All rates are published within Fee Schedules - Arkansas Department of Human Services on the Division of Medical Services website. Rates will be rebased at least once every three years.