

# APPENDIX K: Emergency Preparedness and Response and COVID-19 Addendum

## Background:

This standalone appendix may be utilized by the state during emergency situations to request amendments to its approved waiver, to multiple approved waivers in the state, and/or to all approved waivers in the state. It includes actions that states can take under the existing Section 1915(c) home and community-based waiver authority in order to respond to an emergency. Other activities may require the use of various other authorities such as the Section 1115 demonstrations or the Section 1135 authorities.<sup>i</sup> This appendix may be applied retroactively as needed by the state. Public notice requirements normally applicable under 1915(c) do not apply to information contained in this Appendix.

## Appendix K-1: General Information

### General Information:

A. State: Arkansas

B. Waiver Title(s): Living Choices

C. Control Number(s):

AR.0400.R04.02

D. Type of Emergency (The state may check more than one box):

<input checked="" type="radio"/>	Pandemic or Epidemic
<input type="radio"/>	Natural Disaster
<input type="radio"/>	National Security Emergency
<input type="radio"/>	Environmental
<input type="radio"/>	Other (specify):

E. **Brief Description of Emergency.** *In no more than one paragraph each*, briefly describe the: 1) nature of emergency; 2) number of individuals affected and the state's mechanism to identify individuals at risk; 3) roles of state, local and other entities involved in approved waiver operations; and 4) expected changes needed to service delivery methods, if applicable. The state should provide this information for each emergency checked if those emergencies affect different geographic areas and require different changes to the waiver.

This additive amendment will apply fully across the board for each waiver in this Appendix, to all individuals impacted by the virus or the response to the virus (e.g. closure of day programs, etc.).

As the COVID-19 pandemic and Public Health Emergency has continued, there has been an increase in applications for the Living Choices waiver increasing the need for direct care staff, further compounded by all providers competing within a severely tightened health care labor market with increased personnel costs. We are implementing a rate increase from January 1, 2022, through December 31, 2022, not to exceed the end date of the Appendix K.

The State of Arkansas will not use ARP Funding for this requested rate increase.

**F. Proposed Effective Date: Start Date:** March 12, 2020 **Anticipated End Date:** Six (6) months after the end of the Public Health Emergency.

**G. Description of Transition Plan.**

All activities will take place in response to the impact of COVID-19 as efficiently and effectively as practicable given the complexity of the changes.

**H. Geographic Areas Affected:**

These actions will apply across the waiver to all individuals impacted by the COVID-19 virus.

**I. Description of State Disaster Plan (if available)** *Reference to external documents is acceptable:*

N/A

## Appendix K-2: Temporary or Emergency-Specific Amendment to Approved Waiver

### Temporary or Emergency-Specific Amendment to Approved Waiver:

*These are changes that, while directly related to the state's response to an emergency situation, require amendment to the approved waiver document. These changes are time limited and tied specifically to individuals impacted by the emergency. Permanent or long-ranging changes will need to be incorporated into the main appendices of the waiver, via an amendment request in the waiver management system (WMS) upon advice from CMS.*

f.  X  Temporarily increase payment rates.

[Provide an explanation for the increase. List the provider types, rates by service, and specify whether this change is based on a rate development method that is different from the current approved waiver (and if different, specify and explain the rate development method). If the rate varies by provider, list the rate by service and by provider.]

Due to the current emergency, we are increasing the rate for the Assisted Living Facilities in the Living Choices Waiver from the current rate of \$67.25 per person per day to \$81.59 per person per day, with an additional 5% differential for rural facilities, which totals \$85.67. The interim rate will be in effect for dates of service beginning January 1, 2022, and continuing through December 31, 2022, not to exceed the end date of the Appendix K.

This rate is comprised of two components:

- A daily rate of \$49.04 for total practitioner costs, meaning the costs of all direct care labor (care aides, CNAs, nurses). This rate is based on the wages currently paid by DHS to similar staff at the Arkansas Health Center, a state-owned nursing home. This amount represents an increase from the 2019 survey data to account for the competitive labor market and increased wages in the health care sector as a result of the COVID-19 pandemic.
- A daily rate of \$32.55 for remaining administrative and overhead costs. This rate is based on a cost survey and rate review completed by Milliman in 2019. In that rate review, Milliman recommended that the then current rate include administrative/overhead costs as 90.5% of the total practitioner costs, which for the then effective rate equaled \$32.55 per patient per day. The 90.5% was based on the average administrative and overhead costs for surveyed assisted living providers. Therefore, \$32.55 represents the average overhead and administrative cost of surveyed providers. We have received sample cost data from providers within the last three months, and that sample cost data demonstrates that \$32.55 per patient per day is sufficient to cover allowable administrative and overhead costs.

The rate will be published on the Arkansas DHS COVID response webpage found at: <https://humanservices.arkansas.gov/covid-19/dhs-response-to-covid-19/updates-for-providers/> in the Living Choices Assisted Living Providers section.

The only providers impacted are the Assisted Living Facilities under the Living Choices waiver. Licensed Home Health Agency providers are not included in this rate increase. Room and board are not included in this rate increase.

## Contact Person(s)

### A. The Medicaid agency representative with whom CMS should communicate regarding the request:

**First Name:** Elizabeth  
**Last Name** Pitman  
**Title:** Director  
**Agency:** Division of Medical Services  
Department of Human Services  
**Address 1:** P.O. Box 1437  
**Address 2:** Slot S401  
**City** Little Rock  
**State** Arkansas  
**Zip Code** 72203-1437  
**Telephone:** 501-224-3944  
**E-mail** Elizabeth.pitman@dhs.arkansas.gov  
**Fax Number**

### B. If applicable, the State operating agency representative with whom CMS should communicate regarding the waiver is:

**First Name:** John  
**Last Name** Finkbeiner  
**Title:** Assistant Director  
**Agency:** Division of Aging, Adult and Behavioral Health Services  
**Address 1:** P.O. Box 1437  
**Address 2:** Slot W241  
**City** Little Rock  
**State** Arkansas  
**Zip Code** 72203-1437  
**Telephone:** 501-320-6310  
**E-mail** john.finkbeiner@dhs.arkansas.gov  
**Fax Number**

## 8. Authorizing Signature


**Signature:** /S/

**Date:** 04/01/2022

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State Medicaid Director or Designee

**First Name:** Dawn  
**Last Name** Stehle  
**Title:** State Medicaid Director  
**Agency:** Department of Human Services  
**Address 1:** P.O. Box 1437  
**Address 2:** Slot S201  
**City** Little Rock  
**State** Arkansas  
**Zip Code** 72203-1437  
**Telephone:** 501-682-6311  
**E-mail** [Dawn.stehle@dhs.arkansas.gov](mailto:Dawn.stehle@dhs.arkansas.gov)  
**Fax Number**



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<sup>i</sup> Numerous changes that the state may want to make may necessitate authority outside of the scope of section 1915(c) authority. States interested in changes to administrative claiming or changes that require section 1115 or section 1135 authority should engage CMS in a discussion as soon as possible. Some examples may include: (a) changes to administrative activities, such as the establishment of a hotline; or (b) suspension of general Medicaid rules that are not addressed under section 1915(c) such as payment rules or eligibility rules or suspension of provisions of section 1902(a) to which 1915(c) is typically bound.