

## DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL SERVICES

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**SUBJECT:** Long Acting Reversible Contraceptive Rate Increase

**DESCRIPTION:**

Statement of Necessity

The Division of Medical Services revises the Medicaid State Plan to update the rate methodology for long acting reversible contraceptives for family planning.

Rule Summary

The updated methodology for long acting reversible contraceptives will be based on the Wholesale Acquisition Cost plus 6%.

**PUBLIC COMMENT:** A public hearing was held on this rule on October 19, 2022. The public comment period expired on November 5, 2022. The agency provided the following summary of the public comments it received and its responses to those comments:

Commenter's Name: Katy Mullins, Conway Women's Health Center, PA

**COMMENT:** Please acknowledge this as a public comment on Arkansas Medicaid's proposed change to its Medicaid State Plan regarding updating LARC reimbursement to WAC + 6%. This will be HUGE to our practice if approved. Not only will it improve the financial health of our office, it will allow us the ability to provide uniform care to ALL of our patients. It would also be beneficial if CPT code 59400 would be considered for an allowable increase has this code pricing has not been changed in many, many years. Its current reimbursement is \$1210. CPT code 59510 has not been updated either.

**RESPONSE:** Thank you for your comment. The intent of the proposed change is to provide additional support to Medicaid providers and optimize uniformity of care for Medicaid members. While changes to procedure coding and specific fees are beyond the scope of this rule change, your comment is noted.

Commenter's Name: Robin Fagala, RHIA, CMPE, Practice Manager, Conway OB-GYN Clinic, Elevation Med Spa

**COMMENT:** I want to express my support for the efforts to make changes to the reimbursement for the long acting reversible contraceptive (LARC) devices. Although we were excited to have the cost covered with the raise in 2021, we are back in same situation as before now. I believe a re-wording of the policy would be the easiest way to keep up with this variance I the future. Reimbursement of wholesale cost plus 6% is a fair rate to pay for any LARC device. As providers we should not be expected to "fund" a

portion of these devices with part of our insertion fee. I would be happy to speak with you further about this matter if you wish.

**RESPONSE:** Thank you for your comment. The proposed change was designed to provide added compensation to providers and maximize the use of limited resources to support Medicaid members. Your comment is noted.

The proposed effective date is January 1, 2023.

**FINANCIAL IMPACT:** The agency indicated that this rule has a financial impact.

Per the agency, the estimated cost to implement this rule is \$129,476 for the current fiscal year (\$12,948 in general revenue and \$116,529 in federal funds) and \$258,953 for the next fiscal year (\$25,895 in general revenue and \$233,058 in federal funds). The total estimated cost by fiscal year to state, county, and municipal government as a result of this rule is \$12,948 for the current fiscal year and \$25,895 for the next fiscal year.

**LEGAL AUTHORIZATION:** The Department of Human Services has the responsibility to administer assigned forms of public assistance and is specifically authorized to maintain an indigent medical care program (Arkansas Medicaid). *See* Ark. Code Ann. §§ 20-76-201(1), 20-77-107(a)(1). The Department has the authority to make rules that are necessary or desirable to carry out its public assistance duties. Ark. Code Ann. § 20-76-201(12). The Department and its divisions also have the authority to promulgate rules as necessary to conform their programs to federal law and receive federal funding. Ark. Code Ann. § 25-10-129(b).

## **DHS Responses to Public Comments Regarding Long Acting Reversible Contraceptive Rate Increase**

**Katy Mullins**

**Conway Women's Health Center, PA**

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**Robin Fagala, RHIA, CMPE, Practice Manager**

**Conway OB-GYN Clinic, Elevation Med Spa**

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