State of Arkansas *As Engrossed: S3/15/17*
91st General Assembly **A Bill**
Regular Session, 2017 SENATE BILL 756

By: Senator J. Cooper

For An Act To Be Entitled

AN ACT TO IMPLEMENT COST SAVINGS AND MANAGE GROWTH IN OUTPATIENT BEHAVIORAL HEALTH PROGRAMS DURING THE PERIOD OF TRANSITION TO PROVIDER-LED ORGANIZED CARE; AND FOR OTHER PURPOSES.

Subtitle

TO IMPLEMENT COST SAVINGS AND MANAGE GROWTH IN OUTPATIENT BEHAVIORAL HEALTH PROGRAMS DURING THE PERIOD OF TRANSITION TO PROVIDER-LED ORGANIZED CARE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. TEMPORARY LANGUAGE. Legislative findings and intent.

(a) The General Assembly finds that:

(1) The Governor has sought, and outpatient behavioral healthcare providers have offered, cost-containment measures to reduce costs of care while maintaining the quality of care;

(2) The Department of Human Services has adopted rules incorporating some, but not all of, the changes; and

(3) It is advisable to:

(A) Adopt cost-containment measures in order to achieve immediate savings in the operation of outpatient behavioral healthcare programs; and

(B) Maintain the rehabilitation services for persons with mental illness program in its present form during the period of transition to

a provider-led risk-based reimbursement model in order to minimize disruptions in services.

(b) It is the intent of the General Assembly to achieve immediate savings to manage the pace of change during the period of transition to the adoption of alternative systems of service delivery and service reimbursement.

SECTION 2. DO NOT CODIFY. TEMPORARY LANGUAGE. Program reforms and managed growth.

(a) As used in this section:

(1) "Community support programs" means programs that provide residential care for longer than thirty (30) days to individuals whose primary goals are the treatment of behavioral health needs, rather than medical needs, and who are not in need of acute level care;

(2) "Provider-led organized care" means a system of delivering, reimbursing, or coordinating care that is achieved through the use of a risk-bearing entity that is at least fifty-one percent (51%) owned by healthcare providers; and

(3) "Rehabilitation services for persons with mental illness" means an array of clinical services for treatment of individuals with mental illness intended to treat and prevent mental disorders.

(b) In addition to the changes made to a program providing rehabilitation services for persons with mental illness, the Department of Human Services shall adopt rules to change the program providing rehabilitation services for persons with mental illness as soon as practicable, which includes:

(1) Revise the definition of "serious emotional disturbance" with sufficient specificity to ensure that children are not unnecessarily included in more costly services;

(2)(A) Adopt and mandate the use of a standardized universal assessment tool devised by clinical program experts in collaboration with the Division of Behavioral Health Services to assess the intensity of services needed by individuals seeking rehabilitation services for persons with mental illness.

(B) The use of the standardized universal assessment tool shall be peer-reviewed generally and independently reviewed for medical

necessity in specific cases during utilization review processes;

(3) Adopt a minimum frequency of treatment planning review of one hundred eighty (180) days, unless a greater frequency is medically necessary, and process requests for prior authorization in time increments that correspond with the completion of the treatment planning review; and

(4) Eliminate:

(A) The requirement for a continuing care psychiatric diagnostic assessment for all patients, unless medically necessary;

(B) The billing of rehabilitation services for persons with mental illness in community support programs by establishing a per diem rate for twenty-four-hour clinical support to persons with serious mental illness; and

(C) The practice of providing additional funds to certain providers of rehabilitation services for persons with mental illness through annual cost settlements.

(c) The program providing rehabilitation services for persons with mental illness shall continue to function as the program did on January 1, 2017, until operations can be transferred to a provider-led organized care risk-based reimbursement model.

(d) The department shall process applications for certification of new sites for rehabilitation services for persons with mental illness in compliance with policies existing on January 1, 2017.

(e) The department shall only process an application for certification of a site for rehabilitation services for persons with mental illness that is:

(1) A recertification of an existing site;

(2) A replacement site opened by an existing provider of rehabilitation services for persons with mental illness when the provider is terminating services at a currently certified and operating site; or

(3) A new site located in an area in which Medicaid beneficiaries are suffering an undue hardship where the lack of a certified site in the area results in the unavailability of medically necessary services as determined by the Director of the Division of Behavioral Health Services of the Department of Human Services.

(f) This section does not prevent an existing provider of rehabilitation services for persons with mental illness from delivering

rehabilitation services for persons with mental illness in a public school.

(g) The provisions for managed growth of rehabilitation services for persons with mental illness in this section shall remain effective until July 1, 2018, or until operations can be transferred to a provider-led organized care risk-based reimbursement model.

/s/J. Cooper