

1 INTERIM STUDY PROPOSAL 2021-116

2
3 REQUESTING THE ARKANSAS LEGISLATIVE COUNCIL STUDY THE NEED FOR
4 ADDITIONAL RESEARCH INTO THE DIAGNOSIS-RELATED GROUP METHODOLOGY
5 CONVERSION FOR HOSPITAL REIMBURSEMENT SYSTEMS UNDER THE ARKANSAS
6 MEDICAID PROGRAM.

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8 WHEREAS, under § 20-77-132, the Department of Human Services was
9 required to convert the hospital reimbursement systems under the Arkansas
10 Medicaid Program to a diagnosis-related group methodology to enable more
11 accurate patient classification and create more patient-centered and
12 equitable reimbursement models for inpatient hospital stays and outpatient
13 hospital visits; and

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15 WHEREAS, a plan for the conversion of the hospital reimbursement
16 systems under the Arkansas Medicaid Program was required to be submitted to
17 the Legislative Council for review on or before January 1, 2018; and

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19 WHEREAS, the plan was submitted to the Legislative Council on December
20 29, 2017, but did not contain dates for implementation and should be updated
21 to reflect any changes in the conversion; and

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23 WHEREAS, the department should be engaging with a consultant with
24 subject matter expertise to update the diagnosis-related group methodology
25 and to develop simulations and options for the conversion; and

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27 WHEREAS, the department should form a task force to develop study
28 parameters to identify the types of hospitals that may be excluded from the
29 study and to incorporate other policy adjustors to minimize adverse financial
30 impacts to hospitals based upon the conversion; and

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32 WHEREAS, in order to protect the health and safety of the citizens of
33 this state, the General Assembly should be knowledgeable about the
34 implementation and conversion of diagnosis-related group methodology for
35 hospital reimbursement systems under the Arkansas Medicaid Program,

1 NOW THEREFORE,
2 BE IT PROPOSED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE NINETY-THIRD
3 GENERAL ASSEMBLY:

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5 THAT the Arkansas Legislative Council study the need for additional
6 research into the diagnosis-related group methodology conversion for hospital
7 reimbursement systems under the Arkansas Medicaid Program.

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11 Respectfully submitted,

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15 Senator Keith Ingram

16 District 24

17 Prepared by: JMB/JMB

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