

# EXHIBIT G

## DEPARTMENT OF HUMAN SERVICES, MEDICAL SERVICES

**SUBJECT:** Section I-2-18

**DESCRIPTION:** New Medicaid billing software is designed to make capitation payments prospectively with an annual reconciliation feature. This is different than how providers were paid retrospectively. Payments will remain the same, but the scheduled payment dates have changed.

**PUBLIC COMMENT:** The Department did not hold a public hearing. The public comment period ended on June 12, 2018. The Department received no public comments.

The proposed effective date is August 1, 2018.

**FINANCIAL IMPACT:** There is no financial impact.

**LEGAL AUTHORIZATION:** The Department of Human Services (DHS) is authorized to “make rules and regulations and take actions as are necessary or desirable to carry out the provisions of this chapter [Public Assistance] and that are not inconsistent therewith.” Arkansas Code Annotated § 20-76-201 (12). DHS is also authorized to promulgate rules as necessary to conform to federal rules that affect its programs as necessary to receive any federal funds. *See* Ark. Code Ann. § 25-10-129(b).

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS  
WITH THE ARKANSAS LEGISLATIVE COUNCIL**

DEPARTMENT/AGENCY Department of Human Services  
DIVISION Division of Medical Services  
DIVISION DIRECTOR Rose M. Naff  
CONTACT PERSON Dave Mills  
ADDRESS PO Box 1437, Slot S295, Little Rock, AR 72203-1437  
PHONE NO. 501-320-6111 FAX NO. 501-404-4619 E-MAIL dave.mills@dhs.arkansas.gov  
NAME OF PRESENTER AT COMMITTEE MEETING Tami Harlan  
PRESENTER E-MAIL Tami.harlan@dhs.arkansas.gov

**INSTRUCTIONS**

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

**Donna K. Davis  
Administrative Rules Review Section  
Arkansas Legislative Council  
Bureau of Legislative Research  
One Capitol Mall, 5<sup>th</sup> Floor  
Little Rock, AR 72201**

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1. What is the short title of this rule? Section I-2-18
- New Medicaid billing software is designed to make capitation payments prospectively with an annual reconciliation feature. This is different than how providers were paid in the old Medicaid billing system which paid retrospectively. Payments will remain the same but the scheduled payment dates have changed.
2. What is the subject of the proposed rule? \_\_\_\_\_
3. Is this rule required to comply with a federal statute, rule, or regulation? Yes  No   
If yes, please provide the federal rule, regulation, and/or statute citation. \_\_\_\_\_
4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes  No   
If yes, what is the effective date of the emergency rule? \_\_\_\_\_

When does the emergency rule expire? \_\_\_\_\_

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act?

Yes

No

5. Is this a new rule? Yes  No

If yes, please provide a brief summary explaining the regulation. \_\_\_\_\_

Does this repeal an existing rule? Yes  No

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. \_\_\_\_\_

Is this an amendment to an existing rule?

Yes  No

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. Arkansas Statute 20-76-201

7. What is the purpose of this proposed rule? Why is it necessary? The purpose of the proposed rule is to update Section I of the provider manual in order to notify providers of the billing protocol within the new MMIS system.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).

<https://medicaid.mmis.arkansas.gov/general/comment/comment.aspx>

9. Will a public hearing be held on this proposed rule? Yes  No

If yes, please complete the following:

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Place: \_\_\_\_\_

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

June 12, 2018

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

August 1, 2018

12. Please provide a copy of the notice required under Ark. Code Ann. § 25-15-204(a), and proof of the

publication of said notice. See attached.

13. Please provide proof of filing the rule with the Secretary of State and the Arkansas State Library as required pursuant to Ark. Code Ann. § 25-15-204(e). See attached.

14. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known. \_\_\_\_\_

**FINANCIAL IMPACT STATEMENT**

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT** Department of Human Services

**DIVISION** Division of Medical Services

**PERSON COMPLETING THIS STATEMENT** Anne Santifer

**TELEPHONE** 501-320-6177 **FAX** \_\_\_\_\_ **EMAIL:** Anne.santifer@dhs.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE** Section I-2-18

1. Does this proposed, amended, or repealed rule have a financial impact?      Yes       No
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?      Yes       No
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered?      Yes       No

If an agency is proposing a more costly rule, please state the following:

(a) How the additional benefits of the more costly rule justify its additional cost;

\_\_\_\_\_

(b) The reason for adoption of the more costly rule;

\_\_\_\_\_

(c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

\_\_\_\_\_

(d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

\_\_\_\_\_

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

(a) What is the cost to implement the federal rule or regulation?

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total \_\_\_\_\_

(b) What is the additional cost of the state rule?

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total \_\_\_\_\_

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

**Current Fiscal Year**

\$ \_\_\_\_\_

**Next Fiscal Year**

\$ \_\_\_\_\_

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

**Current Fiscal Year**

\$ 0 \_\_\_\_\_

**Next Fiscal Year**

\$ 0 \_\_\_\_\_

There is no cost, the new system is designed to pay prospectively with reconciliation whereas the old system made payments retrospectively.

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes  No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
  - (a) justifies the agency's need for the proposed rule; and
  - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
  - (a) the rule is achieving the statutory objectives;
  - (b) the benefits of the rule continue to justify its costs; and
  - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

## **SUMMARY FOR SECTION 1 2-18**

New Medicaid billing software is designed to make capitation payments prospectively with an annual reconciliation feature. This is different than how providers were paid in the old Medicaid billing system which paid retrospectively. Payments will remain the same but the scheduled payment dates have changed.





**Division of Medical Services**  
**Program Development & Quality Assurance**

P.O. Box 1437, Slot S295 · Little Rock, AR 72203-1437  
501-320-6428 · Fax: 501-404-4619  
TDD/TTY: 501-682-6789



**TO:** Arkansas Medicaid Health Care Providers – All Providers  
**EFFECTIVE DATE:** August 1, 2018  
**SUBJECT:** Provider Manual Update Transmittal Secl-2-18

**PROPOSED**

**REMOVE**

**Section**                      **Effective Date**  
171.230                      2-1-10

**INSERT**

**Section**                      **Effective Date**  
171.230                      8-1-18

**Explanation of Updates**

Section 171.230, Primary Care Case Management Fee, is updated to modify the schedule for reconciliation of care management fees.

The paper version of this update transmittal includes revised pages that may be filed in your provider manual. See Section I for instructions on updating the paper version of the manual. For electronic versions, these changes have already been incorporated.

If you have questions regarding this transmittal, please contact the Provider Assistance Center at 1-800-457-4454 (Toll-Free) within Arkansas or locally and Out-of-State at (501) 376-2211.

If you need this material in an alternative format, such as large print, please contact the Program Development and Quality Assurance Unit at (501) 320-6429.

Arkansas Medicaid provider manuals (including update transmittals), official notices, notices of rule making and remittance advice (RA) messages are available for downloading from the Arkansas Medicaid website: [medicaid.mmis.arkansas.gov](http://medicaid.mmis.arkansas.gov).

Thank you for your participation in the Arkansas Medicaid Program.

Rose M. Naff  
Director

**SECTION I – GENERAL POLICY  
CONTENTS**

*TOC not required*

**PROPOSED**

- 171.230      Primary Care Case Management Fee      8-1-18
- A. In addition to reimbursing PCPs on a fee for service basis for physician services, Arkansas Medicaid pays them a monthly case management fee for each enrollee on their caseloads.
  - B. The amount due for each month is determined by multiplying the established case management fee by the number of enrollees on the PCP's caseload.
    1. Medicaid pays case management fees quarterly.
    2. The accompanying Medicaid Remittance and Status Report (RA) itemizes the payments and lists the number of enrollees and each enrollment month.
    3. Enrollees are listed alphabetically by name, with their Medicaid identification numbers and addresses also displayed.
  - C. PCP case management fees are paid according to the PCP's direction. The PCP may choose to have the case management fee paid to his or her individual provider ID number or to the group provider ID number with whom the PCP is affiliated.
  - D. If the PCP's case management fees are paid to a group and the PCP changes his or her affiliation, the PCP must submit a new PCP Agreement Form to Provider Enrollment within thirty (30) calendar days of changing affiliation. The PCP must also notify the beneficiaries on his or her caseload of the change.
  - E. If a PCP fails to submit a new PCP Agreement Form, the case management fees will pay to the provider of record until a new PCP Agreement Form is received by Provider Enrollment.
  - F. If a Group Affiliation Form is received by Provider Enrollment to disassociate a PCP from a group but the PCP Agreement Form is not received, the case management fees will be paid to the individual PCP's provider ID number.
  - G. If a PCP's case management fees were paid to a group in which the PCP is no longer affiliated, it is the responsibility of that group to reimburse Medicaid the fees they were not entitled to receive.
  - H. **No case management fees will be back paid to a PCP who has failed to follow the process described in Paragraph D of this Section.**
  - I. Reconciliation of care management fees will occur annually in June.

**SECTION I – GENERAL POLICY  
CONTENTS**

TOC not required

- |         |                                  |                         |
|---------|----------------------------------|-------------------------|
| 171.230 | Primary Care Case Management Fee | 2-1-108-1-<br><u>18</u> |
|---------|----------------------------------|-------------------------|
- A. In addition to reimbursing PCPs on a fee for service basis for physician services, Arkansas Medicaid pays them a monthly case management fee for each enrollee on their caseloads.
- B. The amount due for each month is determined by multiplying the established case management fee by the number of enrollees on the PCP's caseload ~~on the last day of the month.~~
1. Medicaid pays case management fees quarterly—~~in October, January, April and July.~~
  2. The accompanying Medicaid Remittance and Status Report (RA) itemizes the payments and lists the number of enrollees and each enrollment month.
  3. Enrollees are listed alphabetically by name, with their Medicaid identification numbers and addresses also displayed.
- C. PCP case management fees are paid according to the PCP's direction. The PCP may choose to have the case management fee paid to his or her individual provider ID number or to the group provider ID number with whom the PCP is affiliated.
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- I. Reconciliation of care management fees will occur annually in June.