

EXHIBIT F

DEPARTMENT OF HUMAN SERVICES, COUNTY OPERATIONS

SUBJECT: Medical Services Policy Manual Sections K-111

DESCRIPTION: The proposed rule change revises Medical Services policy to provide clarification that children who are adopted or in a pre-adoptive placement may continue to receive Medicaid whether or not an IV-E subsidy payment is being made.

PUBLIC COMMENT: The Department of Human Services (DHS) did not hold a public hearing. The public comment period ended on October 3, 2018. DHS received no public comments.

Per the agency, this change did not require CMS approval, as it was a change to become compliant with federal regulations.

The proposed effective date is pending legislative review and approval.

FINANCIAL IMPACT: The total estimated financial impact is \$172,085 (\$50,593 in general revenue and \$121,492 in federal funds) for the current fiscal year and \$295,004 (\$86,731 in general revenue and \$208,273 in federal funds) for the next fiscal year.

LEGAL AUTHORIZATION: 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.” Ark. Code Ann. § 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).

Per the agency, this rule change is being promulgated to comply with 42 U.S.C. § 673(b), Section 473A, which addresses adoption and legal-guardianship incentive payments. In order for a State to be eligible for foster-care and adoption assistance payments under 42 U.S.C. §§ 670 et seq., it shall have a plan approved by the Secretary which provides for foster-care maintenance payments in accordance with section 472 of the Social Security Act [42 U.S.C. § 672] and for adoption assistance in accordance with section 473 [42 U.S.C. § 673]. *See* 42 U.S.C. § 671(a)(1).

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

DEPARTMENT/AGENCY Arkansas Department of Human
DIVISION County Operations
DIVISION DIRECTOR Mary Franklin
CONTACT PERSON Kristie Hayes
ADDRESS PO Box 1437, Slot S332, Little Rock AR 72203
PHONE NO. 501-682-8256 **FAX NO.** 501-682-1597 **E-MAIL** Krisite.Hayes@dhs.arkansas.gov
NAME OF PRESENTER AT COMMITTEE MEETING Kristie Hayes
PRESENTER E-MAIL Krisite.Hayes@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, 5th Floor
Little Rock, AR 72201**

1. What is the short title of this rule? Medical Services Policy Manual Sections K-111.

2. What is the subject of the proposed rule? The proposed rule change revises Medical Services policy to provide clarification that children who are adopted or in a pre-adoptive placement may continue to receive Medicaid whether or not an IV-E subsidy payment is being made.

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. 42 U.S.C. 673b Section 473A.

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 Code 20-76-201

7. What is the purpose of this proposed rule? Why is it necessary?

The proposed rule change revises Medical Services policy to comply with federal law that requires children who are adopted or in a pre-adoptive placement may continue to receive Medicaid whether or not an IV-E subsidy payment is being made.

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).

<http://humanservices.arkansas.gov/resources/legal-notice>

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.)

October 3, 2018

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

December 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. _____

13. Please provide proof of filing the rule with the Secretary of State and the Arkansas State Library

Jack Tiner

From: legalads@arkansasonline.com
Sent: Friday, August 31, 2018 2:25 PM
To: Jack Tiner
Subject: Re: Full Run AD

[EXTERNAL]

Will run as requested. Thank you.

Gregg Sterne, Legal Advertising
Arkansas Democrat-Gazette

From: "Jack Tiner" <jack.tiner@dhs.arkansas.gov>
To: legalads@arkansasonline.com
Cc: "Dave Mills" <Dave.Mills@dhs.arkansas.gov>, "Becky Murphy" <Becky.Murphy@dhs.arkansas.gov>
Sent: Friday, August 31, 2018 1:57:35 PM
Subject: Full Run AD

Please find attached a Notice of Rulemaking to be run in the *Arkansas Democrat-Gazette* for 3 days (September 4 through 6, 2018). Invoice to:

AR Dept. of Human Services
Accounts Payable
P. O. Box 8068
Slot W406
Little Rock, AR 72203-8068
501-682-6565

Thank you.

Jack Tiner
DHS/DMS Medical Assistance Manager
Office of Policy Coordination & Promulgation
Office of Legislative & Intergovernmental Affairs
Arkansas Department of Human Services
P. O. Box 1437, Slot S-295
Little Rock, AR 72203-1437
Phone: 501-320-6112 -- Fax: 501-404-4619
Jack.tiner@dhs.arkansas.gov

sensitive

Jack Tiner

From: Jack Tiner
Sent: Tuesday, September 04, 2018 8:59 AM
To: 'register@sos.arkansas.gov'
Cc: Jack Tiner
Subject: DHS/DCO--Proposed Filing--Medical Services Policy K-111



Foster Care
Medicaid-Postin...

Please find attached the initial filing of amendment to Medical Services Policy K-111. This is running in the Arkansas Democrat-Gazette September 4-6, 2018. The 30-day comment period will end October 3, 2018.

Please let me know if you have any questions. Thank you.

Jack Tiner
DHS/DMS Medical Assistance Manager
Office of Policy Coordination & Promulgation
Office of Legislative & Intergovernmental Affairs
Arkansas Department of Human Services
P. O. Box 1437, Slot S-295
Little Rock, AR 72203-1437
Phone: 501-320-6112 -- Fax: 501-404-4619
Jack.tiner@dhs.arkansas.gov

Sensitive

This e-mail may contain sensitive information

PROTECTED HEALTH INFORMATION NOTICE PRIVACY WARNING "Confidentiality Notice: The information contained in this e-mail message and any attachments is the property of the State of Arkansas and may be protected by state and federal laws governing disclosure of private information. It is intended solely for the use of the entity to whom this e-mail is addressed. If you are not the intended recipient, you are hereby notified that reading, copying or distrusting this transmission is **STRICTLY PROHIBITED**. The sender has not waived any applicable privileges by sending the accompany transmission. If you have received this transmission in error, please notify the sender by return e-mail and delete the message and attachments from your system."

as required pursuant to Ark. Code Ann. § 25-15-204(e). _____

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 Brian Jones

TELEPHONE 501-396-6421 **FAX** 501-682-8367 **EMAIL:** Brian.jones@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 Medical Services Policy Manual Sections K-111

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

Next Fiscal Year

General Revenue _____
Federal Funds _____

General Revenue _____
Federal Funds _____

Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total _____

Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total _____

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

Current Fiscal Year

Next Fiscal Year

General Revenue 50,593
 Federal Funds 121,492
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total 172,085

General Revenue 86,731
 Federal Funds 208,273
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total 295,004

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

Next Fiscal Year

\$ 50,593

\$ 86,731

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

Medical Services Policy K-111

The proposed rule change revises Medical Services policy to provide clarification that children who are adopted or in a pre-adoptive placement may continue to receive Medicaid whether or not an IV-E subsidy payment is being made.

MEDICAL SERVICES POLICY MANUAL, SECTION K

Error! No text of specified style in document.

Mark-up

K-111 Continuing Eligibility of Foster Care Children Placed for Adoption

K-111 Continuing Eligibility of Foster Care Children Placed for Adoption

MS Manual 01/01/14 ~~??/??/??~~

Medicaid coverage for ARKids A (Cat. 61), State FC, U-18 Related (Cat. 91) and State FC Medically Needy (Cat. 96 or Cat. 97) may continue until the adoption is finalized, if eligibility requirements continue to be met. Prospective parents' income and resources will be disregarded.

The Adoption Specialist or Family Service Worker responsible for the case will provide all information relative to eligibility, reevaluations and changes, and will be responsible for notifying the DCFS Eligibility Unit when the adoption is final.

Medicaid coverage for Title IV-E-FC (Cat. 92) children who are adopted or in a pre-adoptive placement may continue provided the child remains eligible for IV-E regardless of whether or not provided the child remains eligible for IV-E subsidy payments are actually being made~~received~~made. A reevaluation is not necessary for these children. The CHRIS system will notify the Adoption Specialist or Family Service Worker if the IV-E subsidy payment ends.

Once initial eligibility has been established for Title IV-E-FC (Cat. 92) children who are adopted or in a pre-adoptive placement, the agency does not have to redetermine eligibility provided the child remains eligible for IV-E subsidy payments. The CHRIS system will notify the Adoption Specialist or Family Service Worker if the IV-E subsidy ends.

MEDICAL SERVICES POLICY MANUAL, SECTION K

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MS Manual ??/??/??

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