SUBJECT: Official Notice #003-12 & Section I 2-12

DESCRIPTION: Medicaid, along with participating private payors, is launching a statewide multi-payor provider portal on July 1st s part of the overall payment improvement initiative. Providers that are designated as principle accountable providers will be required to report on a limited set of clinical metrics for each patient. These metrics will initially be used for reporting purposes to track and monitor the quality of care for each episode; in the future, some of these metrics may be used to determine payments to providers.

Data must be entered within two months of the date of service for each patient. It is the responsibility of each provider to obtain a username and password for the system.

Due to public comments, DMS has rescinded Official Notice Number #003-12 dated July 1, 2012, regarding the Multi-Payor Web-Based Provider Portal. In response to comments, DMS amended the proposed rule to clarify that use of the Web-Based Provider Portal is voluntary pending the adoption of more comprehensive health care payment improvement rules. DMS will place the amended rule in § 1 of the Medicaid provider manuals.

PUBLIC COMMENT: A public hearing was held on April 5, 2012, and the public comment period expired on April 14, 2012. Public comments were as follows:

COMMENT: "The "Official Notice" states that providers must report a limited set of clinical metrics 'to receive full payment' for these episodes." This statement is inconsistent with the design of the payment initiative. **RESPONSE**: We agree and have rescinded the Official Notice.

COMMENT: "PAPs ***must*** obtain a username and password for the system, and enter data within 2 months of the date of service for each patient. There is no explanation for what happens if a PAP does not comply with this provision. There is no explanation as to 'who" is a PAP, what to do if a provider does not wish to be a PAP, etc." **RESPONSE**: We have rescinded the Official Notice and revised the rule to provide that use of the portal is voluntary pending promulgation of the rules implementing payment reform. Those rules will answer the questions raised in comment 2.

COMMENT: Why the change in § 142 regarding Official Notices? **RESPONSE**: The Official Notice was rescinded and the amendment to § 142 was removed from the proposed rule.

COMMENT: How will PAPs be identified? **RESPONSE**: The rule implementing payment improvement will explain the processes used to identify providers who have the greatest potential to influence the episode of care.

COMMENT: The changes to § 142 regarding official notices may be an attempt to circumvent the Administrative Procedure Act. What is intended by the wording changes? **RESPONSE**: See response to comment 3.

COMMENT: "What will the $125,000 implementation cost be used for? **RESPONSE**: This funding will provide support for the Arkansas Office of Health Information Technology (OHIT) to onboard eligible Principle Accountable Providers (PAPs) to the Provider Portal.

COMMENT: The Official Notice is premature. **RESPONSE**: The agency made changes to the rule that use of the portal is voluntary pending other rule changes to be made in the future.

COMMENT: Workgroups have not been consulted on specific quality metrics. **RESPONSE**: The selected metrics for each episode had yet to be confirmed as of the last round of workgroup meetings. This information will be available prior to July 1, 2012.

Due to public comments, the agency made the following change:

Section I of each Medicaid Provider Manual is amended to add a new Section 142.900:

For these five episodes, Attention Deficit and Hyperactivity Disorder (ADHD), Ambulatory Upper Respiratory Infection (URI), Congestive Heart Failure (CHF), Hip/Knee Replacement, and Pregnancy, the following provider types are eligible to be Principle Accountable Providers (PAPs):

- **ADHD: physicians, licensed clinical psychologists, and RSPMI provider organizations (depending on pathway of care)**
- **Ambulatory URI: providers seeing patients for in-person URI consultations (e.g., physicians, nurse practitioners)**
- **CHF: hospitals**
- **Hip/Knee Replacement: hospitals and orthopedic surgeons**
- **Pregnancy: providers offering prenatal care services or performing delivery**

Beginning July 1, 2012, eligible PAPs may submit a limited set of data (currently unavailable through claims) for ADHD, Hip/Knee, and Pregnancy, and receive reports on costs and quality metrics for their episodes through the Provider Portal.

The proposed effective date is July 1, 2012.

CONTROVERSY: This is not expected to be controversial.

FINANCIAL IMPACT:

Economic Impact Statement:

1. The type or types of small businesses that will be directly affected by the proposed rule, bear the cost of the rule, or directly benefit from the proposed rule.

Providers identified by DHS as PAPs for the initial grouping of episode-based payment scheduled for a July 1, 2012 launch date.

2. A description of how small businesses will be adversely affected.

Medicaid and other participating private payors are launching a statewide multi-payor web-based provider portal on July 1, 2012 as part of the overall payment improvement initiative. Providers that are designated as eligible PAPs will be required to report a limited set of clinical metrics for each patient.

PAPs must: obtain a username and password for the system; and enter data within two months of the date of service for each patient. To support this, Medicaid will contact eligible PAPs by May 1st with details on how to access and use the system, and will schedule in-person "on-boarding" training appointments with providers across the state.

3. A reasonable determination of the dollar amounts the proposed rule will cost small businesses in terms of fees, administrative penalties, reporting, recordkeeping, equipment, construction labor, professional services, revenue loss, or other costs associated with compliance.

Although the dollar amount of this additional requirement cannot be easily determined, there should be a nominal commitment of PAP office staff time involved in the on-boarding process.

4. A reasonable determination of the dollar amounts of the costs to the agency of implementing the proposed rule, as well as the financial benefit to the agency of implementing the rule.

The cost to the agency for providing these on-boarding services through June 30, 2012 is $125,000. No financial benefit will be incurred by the agency as of June 30, 2012.

5. Whether and to what extent alternative means exist for accomplishing the objectives of the proposed rule that might be less burdensome to small businesses and why such alternatives are not being proposed.

Not applicable.

6. A comparison of the proposed rule with federal and state counterparts.

Not applicable.

LEGAL AUTHORIZATION: Arkansas Code § 20-76-201 authorizes the Department of Human Services to administer programs for the indigent and to "make rules and regulations" pertaining to the administration of those programs. Arkansas Code § 20-77-107 specifically authorizes the department to "establish and maintain an indigent medical care program."

JCS 4-26-12

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Department of Human Services
DIVISION Division of Medical Services
DIVISION DIRECTOR Andrew Allison, PhD
CONTACT PERSON Andrew Allison or Marilyn Strickland
ADDRESS P.O Box 1437, Slot S295, Little Rock, AR 72203
PHONE NO. 682-8292 FAX NO. 682-2480 E-MAIL andy.allison@arkansas.gov or marilyn.strickland@arkansas.gov
NAME OF PRESENTER AT COMMITTEE MEETING Marilyn Strickland
PRESENTER E-MAIL marilyn.strickland@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
Room 315, State Capitol
Little Rock, AR 72201

****

1. What is the short title of this rule?

   Section 142.900 of the Medicaid Provider Manual

2. What is the subject of the proposed rule?

   Medicaid and other participating private payors are launching a statewide multi-payor web-based Provider Portal on July 1st as part of the overall Payment Improvement Initiative. Providers that are designated as eligible principle accountable providers (PAPs) must report a limited set of clinical metrics for each patient. Medicaid will use these metrics to track and monitor the quality of care for each episode.

3. Is this rule required to comply with a federal statute, rule, or regulation? Yes ___ No __X__.

   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__X__.

   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 _X_ No ___ If yes, please provide a brief summary explaining the regulation.

   Does this repeal an existing rule? Yes____ No__X__ 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 __X__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 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 that Medicaid is launching a statewide mutli-payor Provider Portal on July 1, 2012 which will be implemented in order for providers to report on a limited set of clinical metrics for specific patients. The proposed rule is necessary for providers to report on a limited set of clinical metrics for each patient so that the metrics can be used for tracking and monitoring each episode of care for that provider.

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://www.medicaid.state.ar.us/InternetSolution/general/comment/comment.aspx

9. Will a public hearing be held on this proposed rule? Yes __X__ No _____.
   If yes, please complete the following:
   Date: April 5, 2012
   Time: 9:30 – 11:30 a.m.
   Place: Blue Flame Room, 400 East Capitol, Little Rock, AR

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

    April 14, 2012

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

    July 1, 2012

12. Do you expect this rule to be controversial? Yes_____ No __X__ If yes, please explain.

13. 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.

    Medical associations, interested providers, and advocacy organizations. Their positions for or against is not known at this time.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services
DIVISION Division of Medical Services
PERSON COMPLETING THIS STATEMENT Tommy Carlisle & Tom Show
TELEPHONE NO. 682-0422 FAX NO. 682-2480 EMAIL: thomas.carlisle@arkanas.gov
TELEPHONE NO. 682-2483 FAX NO. 682-2480 EMAIL: tom.show@arkanas.gov

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE – Section 142.900 of the Medicaid Provider Manual

1. Does this proposed, amended, or repealed rule have a financial impact?
   Yes X No _____.

2. Does this proposed, amended, or repealed rule affect small businesses?
   Yes X No _____.

   If yes, please attach a copy of the economic impact statement required to be filed with the Arkansas Economic Development Commission under Arkansas Code § 25-15-301 et seq.

3. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please give the incremental cost for implementing the rule. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year		Next Fiscal Year	
General Revenue		General Revenue	
Federal Funds		Federal Funds	
Cash Funds		Cash Funds	
Special Revenue		Special Revenue	
Other (Identify)		Other (Identify)	
Total		Total	

5. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule? Identify the party 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 the agency to implement this rule? Is this the cost of the program or grant? Please explain.

Current Fiscal Year (SFY 2012)		Next Fiscal Year
$125,000	State	
-0-	Federal	
$125,000	Total	

ECONOMIC IMPACT STATEMENT
(As Required under Arkansas Code § 25-15-301)

Department: Arkansas Department of Human Services (DHS)
Division: Medical Services
Person Completing this Statement: Tom Show
Telephone Number: 501-682-2483 **Fax Number:** 501-682-3889
EMAIL: Tom.Show@Arkansas.gov

Short Title of this Rule: Medicaid Principle Accountable Providers (PAP) "On-boarding" Enrollment, Training and Data Entry

(1) The type or types of small businesses that will be directly affected by the proposed rule, bear the cost of the proposed rule, or directly benefit from the proposed rule.

Providers identified by DHS as PAPs for the initial grouping of episode-based payment scheduled for a July 1, 2012 launch date

(2) A description of how small businesses will be adversely affected.

Medicaid and other participating private payors are launching a statewide multi-payor web-based Provider Portal on July 1, 2012 as part of the overall Payment Improvement Initiative. Providers that are designated as eligible PAPs will be required to report a limited set of clinical metrics for each patient.

PAPs must: obtain a username and password for the system; and, enter data within 2 months of the date of service for each patient. To support this, Medicaid will contact eligible PAPs by May 1st with details on how to access and use the system, and will schedule in-person "on-boarding" training appointments with providers across the state.

(3) A reasonable determination of the dollar amounts the proposed rule will cost small businesses in terms of fees, administrative penalties, reporting, recordkeeping, equipment, construction labor, professional services, revenue loss, or other costs associated with compliance.

Although the dollar amount of this additional requirement cannot be easily determined, there should be a nominal commitment of PAP office staff time involved in the on-boarding process.

(4) A reasonable determination of the dollar amounts of the costs to the agency of implementing the proposed rule, as well as the financial benefit to the agency of implementing the rule.

The cost to the agency for providing these on-boarding services through June 30, 2012 is $125,000. No financial benefit will be incurred by the agency as of June 30, 2012.

(5) Whether and to what extent alternative means exist for accomplishing the objectives of the proposed rule that might be less burdensome to small businesses and why such alternatives are not being proposed.

Not Applicable

(6) A comparison of the proposed rule with federal and state counterparts.

Not Applicable

Summary for
Section 142.900 in the Medicaid Manual

Medicaid, along with participating private payors, is launching a statewide multi-payor Provider Portal on July 1st as part of the overall Payment Improvement Initiative. Providers that are designated as principle accountable providers will be required to report on a limited set of clinical metrics for each patient. These metrics will initially be used for reporting purposes to track and monitor the quality of care for each episode; in the future, some of these metrics may be used to determine payments to providers.

Data must be entered within 2 months of the date of service for each patient. It is the responsibility of each provider to obtain a username and password for the system.

NOTICE OF RULE MAKING

The Director of the Division of Medical Services hereby issues the following proposed medical assistance rule(s) under one or more of the following chapters or sections of the Arkansas Code: 20-10-211(a), 20-10-203(b), 20-76-433, 25-10-129, and Title 20, Chapter 77.

Section I of each Medicaid Provider Manual is amended to add a new Section 142.900:

For these five episodes, Attention Deficit and Hyperactivity Disorder (ADHD), Ambulatory Upper Respiratory Infection (URI), Congestive Heart Failure (CHF), Hip/Knee Replacement, and Pregnancy, the following provider types are eligible to be Principle Accountable Providers (PAPs):

- **ADHD: physicians, licensed clinical psychologists, and RSPMI provider organizations (depending on pathway of care)**
- **Ambulatory URI: providers seeing patients for in-person URI consultations (e.g., physicians, nurse practitioners)**
- **CHF: hospitals**
- **Hip/Knee Replacement: hospitals and orthopedic surgeons**
- **Pregnancy: providers offering prenatal care services or performing delivery**

Beginning July 1, 2012, eligible PAPs may submit a limited set of data (currently unavailable through claims) for ADHD, Hip/Knee, and Pregnancy, and receive reports on costs and quality metrics for their episodes through the Provider Portal.

If you need this material in a different format, such as large print, contact our Americans with Disabilities Act Coordinator at 501-682-8323 (Local); 1-800-482-5850, extension 2-8323 (Toll-Free); or to obtain access to these numbers through voice relay: 1-800-877-8973 (TTY Hearing Impaired).

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color or national origin.

Andrew Allison, PhD
Director
Division of Medical Services

Comments and Responses

Official Notice #003-12 and rule amending § 1 of the Medicaid Provider Manuals

1. **Comment:** "The "Official Notice" states that providers must report a limited set of clinical metrics 'to receive full payment' for these episodes." This statement is inconsistent with the design of the payment initiative.

Response: We agree, and have altered the Official Notice.

2. **Comment:** "PAPs *must* obtain a username and password for the system, and enter data within 2 months of the date of service for each patient. There is no explanation for what happens if a PAP does not comply with this provision. There is no explanation as to 'who" is a PAP, what to do if a provider does not wish to be a PAP, etc."

Response: We have revised the rule and Official Notice to provide that use of the portal is voluntary pending promulgation of the rules implementing payment reform. Those rules will answer the questions raised in comment 2.

3. **Comment:** Why the change in § 142 regarding Official Notices?

Response: The Official Notice was revised to remove this provision.

4. **Comment:** How will PAPs be identified?

Response: The rule implementing payment improvement will explain the processes used to identify providers who have the greatest potential to influence the episode of care.

5. **Comment:** The changes to § 142 regarding official notices may be an attempt to circumvent the Administrative Procedure Act. What is intended by the wording changes?

Response: See response to comment 3.

6. **Comment:** "What the $125,000 implementation cost will be used for?

Response: This funding will provide support for the Arkansas Office of Health Information Technology (OHIT) to onboard eligible Principle Accountable Providers (PAPs) to the Provider Portal.

7. **Comment:** The Official Notice is premature.

Response: Changes to the rule and notice establish that use of the portal is voluntary pending other rule changes to be made in the future.

8. **Comment:** Workgroups have not been consulted on specific quality metrics.

Response: The selected metrics for each episode had yet to be confirmed as of the last round of workgroup meetings. This information will be available prior to July 1, 2012.