

Exhibit F

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

DEPARTMENT/AGENCY Arkansas Department of Human Services
DIVISION Division of County Operations
DIVISION DIRECTOR Joni Jones
CONTACT PERSON Linda Greer
ADDRESS P.O. Box 1437, Slot S333 Little Rock, AR 72203
PHONE NO. 501-682-8257 FAX NO. 501-682-1597 E-MAIL Linda.Greer@arkansas.gov
NAME OF PRESENTER AT COMMITTEE MEETING Joni Jones
PRESENTER E-MAIL Joni.Jones@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

Medical Services Policy Manual Sections B 100-270, D 300-320, D-400, E 100-270, F 160-164, and F 180; Medical Services Policy Manual

1. What is the short title of this rule? Form DCO-151 Application for Health Coverage (Single Adults)
Form DCO-152 Application for Health Coverage (Family)

To revise the Medical Services Policy Manual to incorporate new application forms, policy and procedures for determining Medicaid eligibility for certain existing categories of Medicaid and a new group of eligibles and mandatory groups using the Medicaid Modified Adjusted Gross Income (MAGI) methodology effective January 1, 2014. These changes are in accordance with the Affordable Care Act (ACA) and Arkansas' Health Care Independence Act 2013. The Medicaid Policy Manual has also been reformatted with no eligibility changes made to sections not related to ACA.

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. The Patient Protection and

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? October 1, 2013

When does the emergency rule expire? January 24, 2014

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 20-76-401

7. What is the purpose of this proposed rule? Why is it necessary? To revise the Medical Services Policy Manual to incorporate new application forms, policy and procedures for determining Medicaid eligibility for certain existing categories of Medicaid and a new group of eligibles and mandatory groups using the Medicaid Modified Adjusted Gross Income (MAGI) methodology effective January 1, 2014. These changes are in accordance with the Affordable Care Act (ACA) and Arkansas' Health Care Independence Act 2013. The Medicaid Policy Manual has also been reformatted with no eligibility changes made to sections not related to ACA.

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/Pages/LegalNotices.aspx>

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

If yes, please complete the following:
Date: October 28, 2013 - With Division of Medical Services Public Hearing
Time: 5:30 - 7:00

Main Library, 100 Rock Street,
Place: Darragh Center Auditorium

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

November 12, 2013

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

January 1, 2014

12. Do you expect this rule to be controversial? Yes No

If yes, please
explain.

These rules are being implemented as required by the Patient Protection and
Affordable Care Act which has been the subject of much debate.

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.

Questionnaire For Filing Proposed Rules and Regulations With The Arkansas Legislative Council and Joint Interim Committee

Summary of Changes

The Medical Services Policy Manual has been revised to incorporate Sections B 100-270, D 300-320, D 400, E 100-270, F 160-164 and F 180 and application forms DCO-151 and DCO-152 have been developed for determining eligibility for certain existing categories and a new group of eligibles using the Medicaid Modified Adjusted Gross Income (MAGI) methodology effective January 1, 2014. Also establishes the new mandatory groups in accordance with the Affordable Care Act and the optional adult group in accordance with Arkansas' Healthcare Independence Act 2013.

The Medical Services Policy Manual has been reformatted with no eligibility changes made not related to ACA.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services
DIVISION Division of Medical Services
PERSON COMPLETING THIS STATEMENT Thomas Carlisle
TELEPHONE NO. 682-0422 **FAX NO.** (501)682-2480 **EMAIL:** thomas.carlisle@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 B 100-270, D 300-320, D 400, E 100-270, F 160-164 and F 180. Forms DCO-151, Application for Health Coverage (single adults) and DCO-152, Application for Health Coverage (Family)

- 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 _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____

Other (Identify) _____

Other (Identify) _____

Total _____

Total _____

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

Current Fiscal Year

Next Fiscal Year

General Revenue \$ (10,735,000)
 Federal Funds \$ 225,801,000
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total \$ 215,066,000

General Revenue \$ (21,719,000)
 Federal Funds \$ 1,593,060,000
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total \$ 1,571,343,000

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

\$ 0

\$ 0

Implementation of Health Care Independence Act of 2013 (Act 1498) will have a positive impact on healthcare providers by reducing previously uncompensated care provided to uninsured patients.

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

\$ (10,735,000)

\$ (21,719,000)

The implementation of Act 1498 will have a positive impact on the State through enhanced FMAP (Federal Medical Assistance Percentage) rates for Private Option coverage. FMAP rates for SFY 2014 and 2015 are 100%. State savings accrue through transition populations (Family Planning, Tuberculosis, Breast and Cervical Cancer and Medically Needy) that will now be covered through Private Option at higher FMAP rates than before.

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.