

EXHIBIT K

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 Dawn Stehle
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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, 5th Floor
Little Rock, AR 72201

1. What is the short title of this rule? SPA# 2015-008; MedX-1-15; Hospital 7-15 and Section V 3-15
2. What is the subject of the proposed rule? Arkansas Medicaid Title XIX State Plan has been amended to change Medicaid Reimbursement for Inpatient Hospital Services Covered by Medicare Part A Programs (Medicare Crossover Claim).
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If yes, a copy of the repealed rule is to be included with your completed questionnaire.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:**

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 change reimbursement for Medicare Part A pertaining to dually eligible Medicare and Medicaid beneficiaries. Specifically to a Medicare crossover claim that is sent Medicaid for payment. Effective January 1, 2016 on all claims and claims adjustments, Arkansas Division of Medical Services (DMS) will implement Medicaid reimbursement for Medicare Part A coinsurance and deductibles related to inpatient payment the lesser of the Medicaid allowed amounts minus the Medicare payment. If the Medicaid allowed amount minus the Medicare paid amount is zero or a negative number, Medicaid's reimbursement will also be zero. If the Medicaid payment amount is less than the Medicare payment rate the state is required to pay the Medicare Part A deductible/coinsurance on a crossover claim, the amount of payment is limited to the lesser of the deductible /coinsurance or the amount remaining after the Medicare payment. The proposed rule is to reduce unnecessary Medicaid expenditures. This methodology is a national best practice in cost savings to the Medicaid program.

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/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.)

September 29, 2015

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

January 1, 2016

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

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 are not known at this time.

Total _____

Total _____

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

Current Fiscal Year

Next Fiscal Year

General Revenue (\$ 3,512,236)
 Federal Funds (\$ 8,968,818)
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total (\$12,481,054)

General Revenue (\$ 7,145,909)
 Federal Funds (\$17,816,199)
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total (\$24,962,108)

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

\$ (3,512,236)

\$ (7,145,909)

The savings are shown net of the state and federal portion of the 7.5% contingency fee that is to be paid on total savings. The contingency fee can be claimed at the 50% administrative rate.

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
SPA #2015-008; MedX-1-15; Hospital 7-15 & Section V 3-15**

Effective for dates of service on and after January 1, 2016 on all claims and adjustments Arkansas Medicaid will change reimbursement for Medicare Part A pertaining to dually eligible Medicare and Medicaid beneficiaries. The Medicaid reimbursement for Medicare Part A coinsurance and deductibles related to inpatient payment will be the lesser of the Medicaid allowed amounts minus the Medicare payment. If the Medicaid allowed amount minus the Medicare paid amount is zero or a negative number, Medicaid's reimbursement will also be zero. If the Medicaid payment amount is less than the Medicare payment rate the state is required to pay the Medicare Part A deductible/coinsurance on a crossover claim, the amount of payment is limited to the lesser of the deductible/coinsurance or the amount remaining after the Medicare payment. The estimated annualized savings is \$24,962,108.