

EXHIBIT G

DEPARTMENT OF HUMAN SERVICES, MEDICAL SERVICES

SUBJECT: Arkansas Medicaid State Plan Amendment #2010-003: Developmental Day Treatment Clinic Services (DDTCS) Rate Increase

DESCRIPTION: For dates of service on or after February 1, 2010, the Arkansas Medicaid State Plan has been updated to reflect an increase in Developmental Day Treatment Clinic Services reimbursement rates for transportation services, pre-school services, and adult development services.

PUBLIC COMMENT: No public hearing was held in this matter. The public comment period expired on February 27, 2010. No public comments were submitted to the agency. The proposed effective date is December 27, 2010.

CONTROVERSY: This is not expected to be controversial.

FINANCIAL IMPACT: The total estimated cost to the agency to implement the rule is \$2,711,140 for the current fiscal year (\$529,757 state and \$2,181,383 federal) and \$7,093,877 for the next fiscal year (\$1,708,206 state and \$5,385,671 federal).

LEGAL AUTHORIZATION: Arkansas Code Annotated § 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 Annotated § 20-77-107 specifically authorizes the department to "establish and maintain an indigent medical care program."

Act 433 of 2009 establishes a provider fee for intermediate care facilities for individuals with developmental disabilities. Act 433 authorizes the use of rate increases for developmental day treatment clinics with designated account moneys in the Arkansas Medicaid Program Trust Fund.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised:

February 1, 2010

8. Private Duty Nursing Services (Continued)

Refer to Attachment 4.19-B, Item 4.b.(5) for reimbursement information for private duty nursing services for high technology non-ventilator recipients in the Child Health Services (EPSDT) Program.

9. Clinic Services

(1) Developmental Day Treatment Clinic Services (DDTCS)

PROPOSED

Reimbursement is based on the lesser of the amount billed or the maximum Title XIX (Medicaid) charge allowed. The Title XIX maximum was established based on a 1980 survey conducted by Developmental Disabilities Services (DDS) of 85 Arkansas DDTCS providers of their operational costs excluding their therapy services. An average operational cost was derived for each service. Then an average number of units was derived for each service. The average operational cost for each service was divided by the average units for that particular service to arrive at a maximum rate.

For dates of service occurring on or after **February 1, 2010**, the maximum per unit rate for Pre-School Services is increased to **\$16.46** and the maximum per unit rate for Adult Development Services is increased to **\$10.60**. These new rates were calculated based on analysis of the current 2005 cost to provide quality services in compliance with governing regulations. The rates have been demonstrated to be consistent with the Clinic Upper Payment Limit at 42 CFR 447.321.

For Pre-School Services, 1 unit of service equals 1 hour of service with a maximum of 5 units per day. For Adult Development Services, 1 unit of service equals 1 hour of service with a maximum of 5 units per day.

Services for beneficiaries under age 21 can be extended with prior authorization due to medical necessity. State developed fee schedule rates are the same for both public and private providers of DDTCS services.

Occupational, physical and speech therapy services under the DDTCS Program are reimbursed as is described in Item 4.b.(19).

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

~~2005~~ February 1, 2010

Revised:

~~September 27,~~

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2. Clinic Services

(1) Developmental Day Treatment Clinic Services (DDTCS)

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For dates of service occurring on or after ~~September 27, 2005~~ February 1, 2010, the maximum per unit rate for Pre-School Services is increased to ~~\$15.57~~ 16.46 and the maximum per unit rate for Adult Development Services is increased to ~~\$9.99~~ 10.60. These new rates were calculated based on analysis of the current 2005 cost to provide quality services in compliance with governing regulations. The rates have been demonstrated to be consistent with the Clinic Upper Payment Limit at 42 CFR 447.321.

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