

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 2227 of the Regular Session

As Engrossed: H3/30/05 H4/1/05 S4/11/05

A Bill

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005

HOUSE BILL 2691

4
5 By: Representative D. Johnson
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For An Act To Be Entitled

8
9 AN ACT TO REQUIRE THE STATE MEDICAID PROGRAM TO
10 PROVIDE NOTICE, HEARINGS, ACCESS TO WITNESSES,
11 AND FINAL REPORTS REGARDING THE DENIAL,
12 TERMINATION, SUSPENSION, OR REDUCTION OF MEDICAID
13 ELIGIBILITY OR COVERED SERVICES; AND FOR OTHER
14 PURPOSES.
15

Subtitle

16
17 AN ACT TO SPECIFY PROCEDURES FOR DUE
18 PROCESS REGARDING ADVERSE ACTION BY THE
19 STATE MEDICAID PROGRAM.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code Title 20, Chapter 77, Subchapter 1 is amended
25 to add an additional section to read as follows:

26 20-77-121. Adverse decisions -- Notice -- Rights.

27 (a) As used in this section:

28 (1) "Adverse action" means the denial, termination, suspension,
29 or reduction of Medicaid eligibility or covered services;

30 (2) "Beneficiary" means:

31 (A) A person who has applied for medical assistance under
32 the state Medicaid program; or

33 (B) A person who is a recipient of medical assistance
34 under the state Medicaid program; and

35 (3) "Department" means the Department of Human Services.



1 (b) If an application or claim for medical assistance is denied in
2 whole or in part, or is not acted upon with reasonable promptness, the
3 department shall provide written notice:

4 (1) Of the beneficiary's right and opportunity for a fair
5 hearing under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.;

6 (2) Of the method by which the beneficiary may obtain a fair
7 hearing; and

8 (3) That the beneficiary may:

9 (A) Represent himself or herself; or

10 (B) Be represented by:

11 (i) Legal counsel;

12 (ii) A friend; or

13 (iii) Any other spokesperson except a corporation.

14 (c) A notice required under subsection (b) of this section shall
15 include, but not be limited to:

16 (1) A statement detailing:

17 (A) The type and amount of medical assistance that the
18 beneficiary has requested; and

19 (B) The adverse action that the department has taken or
20 proposes to take; and

21 (2) A statement of the reasons for the adverse action that shall
22 include, but not be limited to:

23 (A) The specific facts regarding the individual
24 beneficiary that support the action; and

25 (B) The sources from which the facts were derived.

26 (d) If the adverse action that the department has taken or proposes to
27 take is based on a determination of medical necessity or other clinical
28 decision, the notice required under subsection (b) of this section shall:

29 (1)(A) Include all of the following:

30 (i) Specification of the medical records upon which
31 the physician or clinician relied in making the determination; and

32 (ii) Specification of any portion of the criteria
33 for medical necessity or coverage that is not met by the beneficiary.

34 (B) Generic rationales or explanations shall not suffice
35 to meet the requirements of subdivision (d)(1)(A) of this section;

36 (2)(A) Include a statement of:

1 (i) The specific regulations that support the
2 adverse action; or

3 (ii) The change in federal or state law, if any
4 since the application was filed, that requires the adverse action.

5 (B) The information required under subdivision (d)(2)(A)
6 of this section shall include a brief statement of the reasons for the
7 adverse action based on the individual beneficiary's circumstances.

8 (C) The department and others acting on behalf of the
9 department may not cite or rely on policies that are inconsistent with
10 federal or state laws and regulations or that were not properly promulgated;
11 and

12 (3) Include an explanation of:

13 (A) The beneficiary's right to request a fair hearing, if
14 available; or

15 (B) In cases of an adverse action based on a change in
16 law:

17 (i) The circumstances under which a fair hearing
18 will be granted; and

19 (ii) An explanation of the circumstances under which
20 medical assistance is provided or continued if a fair hearing is requested.

21 (e)(1) If a beneficiary appeals an adverse action under the Arkansas
22 Administrative Procedure Act, § 25-15-201 et seq., the reviewing authority
23 shall consider only those adverse actions that were included in the written
24 notice to the beneficiary as required under subsections (c) and (d) of this
25 section.

26 (2) All determinations of the medical necessity of any request
27 for medical assistance shall be based on the individual needs of the
28 beneficiary and his or her medical history.

29 (f) If the department receives an appeal from a beneficiary regarding
30 an adverse action, the department shall provide the beneficiary all records
31 or documents pertaining to the department's, or the department's
32 contractor's, decision to take the adverse action.

33 (g) If the adverse action is based upon a determination that the
34 requested medical assistance is, or was, not medically necessary, the records
35 and documents required to be provided under this section shall include all
36 relevant material produced by the department or a contractor of the

1 department that contains relevant information concerning the medical
2 necessity determination.

3 /s/ D. Johnson

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6 APPROVED: 4/13/2005
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