

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

SENATE BILL 604

5 By: Senator Files
6

For An Act To Be Entitled

8 AN ACT TO CREATE THE MEDICAID REIMBURSEMENT ADEQUACY
9 COMMISSION ACT OF 2017; TO ESTABLISH THE MEDICAID
10 REIMBURSEMENT ADEQUACY COMMISSION; TO PROVIDE FOR
11 REGULAR REVIEWS OF MEDICAID REIMBURSEMENT
12 METHODOLOGIES; TO DECLARE AN EMERGENCY; AND FOR OTHER
13 PURPOSES.
14

Subtitle

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17 TO ESTABLISH THE MEDICAID REIMBURSEMENT
18 ADEQUACY COMMISSION; TO PROVIDE FOR
19 REGULAR REVIEWS OF MEDICAID REIMBURSEMENT
20 METHODOLOGIES; AND TO DECLARE AN
21 EMERGENCY.
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23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code Title 20, Chapter 77, is amended to add an
27 additional subchapter to read as follows:

28 Subchapter 27 – Medicaid Reimbursement Adequacy Commission Act of 2017

29
30 20-77-2701. Title.

31 This subchapter shall be known and may be cited as the "Medicaid
32 Reimbursement Adequacy Commission Act of 2017".
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34 20-77-2702. Medicaid Reimbursement Adequacy Commission.

35 (a) There is established the Medicaid Reimbursement Adequacy
36 Commission.



1 (b) The commission shall consist of the following members:

2 (1) One (1) member appointed by the President Pro Tempore of the
3 Senate;

4 (2) One (1) member appointed by the Speaker of the House of
5 Representatives; and

6 (3)(A) Three (3) members appointed by the Governor.

7 (B) One (1) of the members appointed by the Governor shall
8 be designated as the chair of the commission by the Governor.

9 (c) The initial members of the commission shall be appointed on or
10 before April 30, 2017, with the initial terms to commence on May 1, 2017.

11 (d) The members of the commission shall service five-year terms,
12 except the initial members shall serve terms as follows:

13 (1) The initial member appointed by the President Pro Tempore of
14 the Senate shall serve a one-year term;

15 (2) The initial member appointed by the Speaker of the House of
16 Representatives shall serve a two-year term;

17 (3) One (1) of the initial members appointed by the Governor
18 shall serve a three-year term;

19 (4) One (1) of the initial members appointed by the Governor
20 shall serve a four-year term; and

21 (5) The initial member appointed by the Governor and designated
22 as the chair shall serve a five-year term.

23 (e) Members of the commission shall continue to serve until the
24 appointment of their successors.

25 (f) An individual appointed to the commission shall have knowledge and
26 experience in:

27 (1) Budgeting;

28 (2) Government finance;

29 (3) Healthcare reimbursement; or

30 (4) Other areas relevant to Medicaid reimbursement
31 methodologies.

32 (g) The Department of Human Services shall provide staff and
33 contractual support for the commission.

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35 20-77-2703. Designation of a schedule of review of reimbursement
36 methodologies.

1 (a) The Department of Human Services shall establish, by rule, a
2 schedule that will result in the review of the Medicaid reimbursement
3 methodology for each healthcare provider type once every three (3) years.

4 (b) In establishing the schedule of provider types for reimbursement
5 methodology review, the department shall provide, to the extent possible, for
6 the review of provider types constituting approximately one-third (1/3) of
7 the Medicaid budget each year.

8
9 20-77-2704. Review of reimbursement methodologies.

10 (a) On or before May 1 annually, the Medicaid Reimbursement Adequacy
11 Commission shall commence consideration of the designated reimbursement
12 methodologies for the next fiscal year.

13 (b) The commission shall consider:

14 (1) The existing reimbursement methodologies;

15 (2) The adequacy of existing rates to cover the costs of
16 providing healthcare services;

17 (3) The rates paid by Medicare and other payers; and

18 (4) Other factors in reviewing the Medicaid reimbursement
19 methodologies.

20 (c) The commission shall provide opportunity for input from interested
21 parties regarding the Medicaid reimbursement methodologies under
22 consideration in a given year, including receiving written comments and
23 holding at least one (1) public hearing for comment each year.

24 (d) In considering the adequacy of Medicaid reimbursement
25 methodologies, the commission shall consider the equal access procedure
26 required by the Centers for Medicare and Medicaid Services under 42 U.S.C. §
27 1396a(a)(3)(A), as it existed on January 1, 2017, and 42 C.F.R. Chapter IV,
28 Part 447, as it existed on January 1, 2017.

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30 20-77-2705. Report.

31 (a) On or before October 31 annually, the Medicaid Reimbursement
32 Adequacy Commission shall issue a report containing any recommendations for
33 changes to the Medicaid reimbursement methodologies reviewed that year.

34 (b) The report shall be submitted to the Administrative Rules and
35 Regulations Subcommittee of the Legislative Council for review.

36 (c) Recommendations for changes included in the report shall be deemed

1 approved unless specifically disapproved by the Administrative Rules and
2 Regulations Subcommittee of the Legislative Council on or before December 31
3 of the year that the report is submitted.

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5 20-77-2706. Implementation.

6 For every change to a Medicaid reimbursement methodology included in
7 the report by the Medicaid Reimbursement Adequacy Commission that is
8 disapproved by the Administrative Rules and Regulations Subcommittee of the
9 Legislative Council, the Department of Human Services shall submit a state
10 plan amendment or waiver amendment to the Centers for Medicare and Medicaid
11 Services to implement the change on or before July 1 of the following year.

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13 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
14 General Assembly of the State of Arkansas that the reimbursement rates within
15 the Arkansas Medicaid Program do not receive a review to ensure that the
16 reimbursement rates are adequate; that an urgent need exists to ensure that
17 Medicaid reimbursements are adequate to encourage healthcare professionals to
18 move to this state; that the Medicaid Reimbursement Adequacy Commission will
19 assist the Department of Human Services in this task of reviewing Medicaid
20 reimbursement rates; and that this act is immediately necessary to initiate
21 reimbursement reforms to the Arkansas Medicaid Program and to appoint
22 individuals to the Medicaid Reimbursement Adequacy Commission to begin this
23 reimbursement rate review process as soon as possible. Therefore, an
24 emergency is declared to exist, and this act being immediately necessary for
25 the preservation of the public peace, health, and safety shall become
26 effective on:

27 (1) The date of its approval by the Governor;

28 (2) If the bill is neither approved nor vetoed by the Governor,
29 the expiration of the period of time during which the Governor may veto the
30 bill; or

31 (3) If the bill is vetoed by the Governor and the veto is
32 overridden, the date the last house overrides the veto.