

1 State of Arkansas
2 90th General Assembly
3 Second Extraordinary Session, 2016
4

A Bill

DRAFT JMB/JMB
SENATE BILL

5 By: Senator <NA>
6 By: Representative <NA>
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE MEDICAID MANAGEMENT REFORM ACT;
10 TO ENACT MEASURES TO SUPPORT THE MODEL FOR COVERAGE
11 OF THE TRADITIONAL ARKANSAS MEDICAID PROGRAM; AND FOR
12 OTHER PURPOSES.
13

Subtitle

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15 TO CREATE THE MEDICAID MANAGEMENT REFORM
16 ACT; AND TO ENACT MEASURES TO SUPPORT THE
17 MODEL FOR COVERAGE OF THE TRADITIONAL
18 ARKANSAS MEDICAID PROGRAM.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code Title 20, Chapter 77, is amended to add an
25 additional subchapter to read as follows:

26 Subchapter 27 – Medicaid Management Reform Act
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28 20-77-2701. Title.

29 This subchapter shall be known and may be cited as the "Medicaid
30 Management Reform Act".
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32 20-77-2702. Purpose.

33 The purpose of this subchapter is to support the reform model of the
34 traditional Arkansas Medicaid Program with key requirements for the
35 efficiency of the program, the establishment of program targets, and the
36 review of program activities.

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2 20-77-2703. Definition.

3 As used in this subchapter,

4 (1) "Health home" means the healthcare model of coordinated care
5 for individuals with chronic conditions, including mental health and
6 substance use disorders, as defined by 42 U.S.C. § 1396w-4, as it existed on
7 January 1, 2016; and

8 (2)(A) "Value-based purchasing strategy" means a broad set of
9 payment strategies that link financial incentives to the healthcare delivery
10 performance of a healthcare provider on a set of defined performance measures
11 that are designed to improve quality or reduce costs, or both.

12 (B) "Value-based purchasing strategy" includes contractual
13 arrangements where healthcare providers receive:

14 (i) A bonus payment for measureable performance in
15 quality, patient satisfaction, resource use, and cost; and

16 (ii) Lower payments for events and procedures that:

17 (a) Were avoidable;

18 (b) Do not promote quality; and

19 (c) Increase costs.

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21 20-77-2704. Value-based purchasing strategy.

22 (a) The Department of Human Services shall develop and implement a
23 comprehensive value-based purchasing strategy to ensure that the state
24 receives the highest possible value when purchasing healthcare services
25 through the Arkansas Medicaid Program in addition to the purchasing laws of
26 Arkansas, including without limitation § 19-11-101 et seq. and the Arkansas
27 Procurement Law, § 19-11-201 et seq.

28 (b) The value-based purchasing strategy may be implemented through the
29 program, including without limitation:

30 (1) Existing programs and strategies, including without
31 limitation the Patient-Centered Medical Home Program and the various episodes
32 of care; and

33 (2) New programs and strategies, including without limitation:

34 (A) Quality reporting for Medicaid providers;

35 (B) Health homes for Medicaid beneficiaries who are:

36 (i) Over sixty-five (65) years of age;

1 (ii) Diagnosed with a physical disability or a
2 developmental disability; or

3 (iii) Diagnosed with severe and persistent mental
4 illness;

5 (C) Reimbursement withholding pending satisfactory
6 achievement on healthcare provider performance measures; and

7 (D) Shared savings and shared risks for Medicaid
8 providers.

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10 20-77-2705. Project management.

11 (a) Within ninety (90) days of the effective date of this section, the
12 Department of Human Services shall submit an implementation plan for the
13 reform model of the traditional Arkansas Medicaid Program to the Governor and
14 Legislative Council.

15 (b) After the implementation plan is submitted, the department shall
16 submit quarterly an implementation progress report to the Governor and
17 Legislative Council.

18 (c) Both the implementation plan and the implementation progress
19 report shall describe:

20 (1) The current status of the implementation;

21 (2) The anticipated timeline for the implementation;

22 (3) Any major milestones achieved;

23 (4) All implementation risks; and

24 (5) Any changes to the timeline described in subdivision (c)(2)
25 of this section.

26
27 20-77-2706. Dashboard for operation metrics.

28 (a) The Department of Human Services shall develop an online dashboard
29 for the reporting of budget data, program performance data, and population
30 health data regarding the Arkansas Medicaid Program.

31 (b) The online dashboard shall include without limitation:

32 (1) The number of applications received and processed;

33 (2) The total enrollment numbers by eligibility group;

34 (3) The new enrollment numbers by eligibility group since the
35 last reporting;

36 (4) The amount and number of paid claims by eligibility group;

1 (5) The number of payments made for healthcare services
2 associated with labor and delivery;

3 (6) Medicaid provider performance measures;

4 (7) Performance metrics for key contracts with the program;

5 (8) Performance of all major savings initiatives contained in
6 this subchapter and any other program reform measures;

7 (9) Budget trend analysis for all Medicaid healthcare services
8 spending, including all categories of Medicaid providers; and

9 (10) The Medicaid beneficiary population health data, including
10 without limitation information on diabetes, prescription adherence, and
11 obesity.

12 (c)(1) Within one hundred eighty (180) days of the effective date of
13 this section, the online dashboard shall be submitted to the Legislative
14 Council for review.

15 (2) The Legislative Council may request changes to the online
16 dashboard.

17 (3) The online dashboard shall be implemented on or before
18 January 1, 2017.

19 (d) The online dashboard shall be updated no less than monthly.

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21 20-77-2707. Duties of Legislative Council.

22 (a) The Legislative Council shall:

23 (1) Review whether expenditures of the Arkansas Medicaid Program
24 are appropriate to accomplish state objectives for health care;

25 (2) Review and approve proposed rules regarding the Arkansas
26 Medicaid Program;

27 (3)(A) Review proposed contracts of twenty-five thousand dollars
28 (\$25,000) or more before the execution of the contracts.

29 (B) The Department of Human Services shall provide a list
30 of all contracts less than twenty-five thousand dollars (\$25,000) to the
31 Legislative Council on a monthly basis;

32 (4) Oversee the development and implementation of the reform
33 model of the program and this subchapter, including all recommendations
34 approved by the Arkansas Health Reform Legislative Task Force;

35 (5) Review reports filed with the Legislative Council, including
36 without limitation reports filed under §§ 20-77-111, 20-77-1001, 20-77-2206,

1 and 20-77-2509;

2 (6) Review ongoing data collection, research, and evaluation of
3 the program;

4 (7) Review and recommend policies and changes for the program;
5 and

6 (8) Study other Medicaid-related and healthcare matters as the
7 Legislative Council considers necessary to fulfill its mandate.

8 (b)(1) Annually by December 15, the Legislative Council shall provide
9 to the General Assembly:

10 (A) Any analysis or findings resulting from its activities
11 under this section that the Legislative Council deems relevant; and

12 (B) Its recommendations for any changes to the program.

13 (2) The Legislative Council may make interim reports to the
14 General Assembly regarding the expenditures of the program.

15 (c)(1) During a regular, fiscal, or extraordinary session of the
16 General Assembly, the Joint Budget Committee shall perform the functions
17 assigned to the Legislative Council under this subchapter.

18 (2) This subsection does not limit the authority of the
19 Legislative Council to meet during a recess as authorized by § 10-2-223 or §
20 10-3-211.

21 (d) The Legislative Council and the Joint Budget Committee may:

22 (1) Establish or utilize one (1) or more subcommittees to assist
23 in their duties under this subchapter;

24 (2) Assign information filed with the Legislative Council under
25 this subchapter to one (1) or more subcommittees of the Legislative Council,
26 including without limitation a subcommittee created under subdivision (d)(1)
27 of this section; and

28 (3) Delegate their duties under this subchapter to one (1) or
29 more subcommittees of the Legislative Council, subject to the final approval
30 of the Legislative Council or the Joint Budget Committee.

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