

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>
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For An Act To Be Entitled

9 AN ACT TO PROVIDE FOR AN INDEPENDENT ANNUAL MEDICAID
10 PROVIDER RATE REVIEW; AND FOR OTHER PURPOSES.
11

Subtitle

14 TO PROVIDE FOR AN INDEPENDENT ANNUAL
15 MEDICAID PROVIDER RATE REVIEW.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code Title 20, Chapter 77, Subchapter 1, is
21 amended to add an additional section to read as follows:

22 20-77-132. Independent Medicaid provider rate review.

23 (a)(1) An annual Medicaid provider rate review shall be conducted by
24 an independent actuarial with demonstrable experience in Medicaid rate-
25 setting methods and the Healthcare Common Procedure Coding System and the
26 Current Procedure Terminology codes set out by the Centers for Medicare and
27 Medicaid Services.

28 (2)(A) The annual Medicaid provider rate review shall consist of
29 a review of one-third (1/3) of the total billing codes for providers.

30 (B) All billing codes shall be reviewed one (1) time every
31 three (3) years.

32 (b)(1) The Department of Human Services shall issue a request for
33 proposals for the annual Medicaid provider rate review described in
34 subsection (a) of this section.

35 (2) The vendor chosen shall compare Medicaid services payment
36 rates by billing code designation to comparable services paid by:

- 1 (A) Other state Medicaid programs;
- 2 (B) Medicare; and
- 3 (C) Individual health insurance plans and commercial
- 4 health insurance plans doing business in Arkansas and in surrounding states.

5 (3) The methodology of the annual Medicaid provider rate review
 6 and the selection of other state Medicaid programs used for comparison shall
 7 be determined by the department in consultation with the Office of Medicaid
 8 Inspector General.

9 (c)(1)(A) On or before September 1, 2016, the department, with
 10 approval from the Governor, shall submit an implementation plan for this
 11 section to the Arkansas Health Reform Legislative Task Force.

12 (B) The implementation plan shall include without
 13 limitation:

- 14 (i) A draft of the scope of work;
- 15 (ii) The requirements listed in subsection (a) of
 16 this section and subdivision (b)(2) of this section;
- 17 (iii) The actual Medicaid provider rates that will
 18 be compared as described in subdivision (b)(2) of this section;
- 19 (iv) An estimation or range of costs associated with
 20 this section; and
- 21 (v) A plan to include Medicaid provider input in the
 22 design of the annual Medicaid provider rate review.

23 (2) Annually, the department, with approval from the Governor,
 24 shall report the results of the Medicaid provider rate review to the
 25 Legislative Council.

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