

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

A Bill

HOUSE BILL 2177

5 By: Representative McCollum
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For An Act To Be Entitled

8 AN ACT TO CLARIFY THE PROPER ADMINISTRATION BY THE
9 DEPARTMENT OF HUMAN SERVICES OF THE FEDERAL
10 REGULATIONS PERTAINING TO POST-ELIGIBILITY TREATMENT
11 OF INCOME OF INSTITUTIONALIZED INDIVIDUALS OF LONG-
12 TERM CARE MEDICAID; AND FOR OTHER PURPOSES.
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Subtitle

15 TO CLARIFY THE PROPER ADMINISTRATION BY
16 THE DEPARTMENT OF HUMAN SERVICES OF THE
17 FEDERAL REGULATIONS PERTAINING TO POST-
18 ELIGIBILITY TREATMENT OF INCOME OF
19 INSTITUTIONALIZED INDIVIDUALS OF LONG-
20 TERM CARE MEDICAID.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 20-77-127, concerning eligibility for long-
27 term care, is amended to add an additional subsection to read as follows:

28 (c)(1)(A) Under 42 C.F.R. § 435.725, certain amounts of income may be
29 deducted from income to:

30 (i) Calculate the amount certain institutionalized
31 recipients of long-term care Medicaid must contribute to the cost of their
32 care; and

33 (ii) Determine the amount by which the Medicaid
34 payment to the institution is to be reduced.

35 (B) The federal regulations also provide for deduction
36 amounts for incurred expenses for "necessary medical or remedial care



1 recognized under State law but not covered under the State's Medicaid plan,
2 subject to reasonable limits the agency may establish on amounts of these
3 expenses", which are commonly referred to as "Medicaid income offsets".

4 (2) The Department of Human Services shall clarify the proper
5 administration of 42 C.F.R. § 435.725, as it existed on January 1, 2017, by
6 creating and promulgating rules that:

7 (A) Identify and define the types of expenses that are
8 not covered by the Medicaid State Plan that are potentially eligible for
9 Medicaid income offset;

10 (B) Identify the types of expenses that are not eligible
11 for Medicaid income offset;

12 (C) Define a process for determining whether the medical
13 or remedial service is medically appropriate and necessary and not covered
14 under the Medicaid State Plan; and

15 (D) Set reasonable limits on the amounts allowed for
16 eligible Medicaid income offsets.

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19 **APPROVED: 04/04/2017**
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