

DHS-DIVISION OF MEDICAL SERVICES (755) - FY2013

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Division is responsible for administering the Medicaid program, which includes the Child Health Insurance Program (S-CHIP) and the Office of Long Term Care in Arkansas. The Medicaid program also includes Hospital & Medical services, Public and Private Nursing Home care, Prescription Drugs, and ARKids First.

TOTAL AUTHORIZED

The total appropriation for FY2013 \$5,384,036,748.

FUNDING SOURCES

The Medicaid program is funded by General Revenue (19%); Federal funds from reimbursement (71%); fees for services, Quality Assurance Fees, Medicaid Trust Fund, Soft Drink Tax, Tobacco Settlement funds, and drug rebates (10%).

II) SIGNIFICANT CHANGES

- The **Nursing Home Quality** appropriation, funded by money and interest from civil penalties deposited into a Trust Fund, provides Base Level appropriation of \$1,500,000 with no Change Levels.
- The **Medicaid Expansion Program-Administration** appropriation, funded by Tobacco Settlement and Federal Revenues, provides Base Level appropriation of \$120,253 with no Change Levels.
- The **Medicaid Expansion Program-Prescription Drugs** appropriation, funded by Tobacco Settlement and Federal Revenues, provides a total appropriation of \$5,367,414, which includes:
 1. Increased appropriation of \$136,778 for growth.
 2. Increased appropriation of \$1,000,000 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- The **Medicaid Expansion Program - Hospital and Medical Services** appropriation, funded by Tobacco Settlement and Federal Revenues, provides a total appropriation of \$93,463,577, which includes:
 1. Increased appropriation of \$15,692,716 for growth.
 2. Increased appropriation of \$3,000,000 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- The **Nursing Home Closure Costs** appropriation, funded by money and interest from civil penalties deposited into a Trust Fund, provides Base Level appropriation of \$50,000 with no Change Levels.
- The **Long Term Care Facility Receivership** appropriation, funded by reimbursements for services, provides Base Level

appropriation of \$100,000 with no Change Levels.

- The **Operations** appropriation, funded by General, Federal and Other Revenues, provides a total appropriation of \$26,734,182 with no Change Levels.
- The **Private Nursing Home Care** appropriation, funded by General, Federal and Other Revenues, provides a total appropriation of \$670,810,091, which includes:
 1. Increased appropriation of \$29,815,780 for growth.
 2. Increased appropriation of \$1,200,000 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- The **Prescription Drugs** appropriation, funded by General, Federal and Other Revenues, provides a total appropriation of \$385,275,742, which includes:
 1. Increased appropriation of \$4,937,596 for growth.
 2. Increased appropriation of \$1,600,000 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- The **Hospital & Medical Services** appropriation, funded by General, Federal and Other Revenues, provides a total appropriation of \$3,818,425,306, which includes:
 1. Increased appropriation of \$191,200,411 for growth.
 2. Increased appropriation of \$10,841,674 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
 3. Increased appropriation of \$15,693,051 per Community Services Oversight and Planning Council Recommendations.
 4. Decreased appropriation of (\$10,000,000) from FY12 appropriation levels for the Medicaid Management Information System (MMIS).
- The **ARKids B Program** appropriation, funded by General, Federal and Other Revenues, provides a total appropriation of \$118,873,417 with a Change Level of \$3,230,992, which includes adjustments for the FMAP reduction and suspension of 11 million in optional ARKids expansions that were included in base level.
- The **Child & Family Life Institute** appropriation, funded by General Revenues, provides Base Level appropriation of \$2,100,000 with no Change Levels.
- The **Infant Infirmary** appropriation, funded by General, Federal and Other Revenues, provides a total appropriation of \$26,100,584, which includes:
 1. Increased appropriation of \$654,911 for growth.
 2. Increased appropriation of \$56,000 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
- The **Public Nursing Home Care** appropriation, funded by General, Federal and Other Revenues, provides a total appropriation of \$235,116,182, which includes:
 1. Increased appropriation of \$9,576,275 for growth.

2. Increased appropriation of \$800,000 in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.
3. Increased appropriation of \$257,533 per Community Services Oversight and Planning Council Recommendations.

III) ADDITIONAL POSITIONS

Total Positions for FY2013: 335

Total Positions for FY2012: 335

Increase(Decrease): 0

IV) SPECIAL LANGUAGE

- DEPARTMENT OF HUMAN SERVICES GRANTS FUND ACCOUNT: Shows what grant programs are funded from the Grants Fund Account.
- CHILD HEALTH AND FAMILY LIFE INSTITUTE (CHFLI): Funds appropriated for the Child Health and Family Life Institute (CHFLI) must be administered by the Arkansas Children's Hospital through a cooperative agreement or contract with the University of Arkansas for Medical Sciences.
- PHARMACEUTICAL DISPENSING FEE SURVEY: Language which provides for a pharmaceutical dispensing fee survey, so that the Division is required to conduct a survey at least every two years.
- MEDICAID RATE METHODOLOGY: Provides that CMS methodologies shall be used to establish rates. Rates may be increased or decreased for good cause. This section also provides that cost of living adjustments are to be based on the CMS Market Basket Index.
- FUND USAGE AUTHORIZED: The Division of Medical Services to retain an amount not to exceed \$2,100,000 in the DHS Grants Fund to match federal funds for supplemental Medicaid payments to the Arkansas Children's Hospital.
- STATE PLAN: Updated the State Medicaid Plan concerning EPSDT services.
- STATE MEDICAID PROGRAM/PERSONAL CARE PROGRAM: Allows reimbursable personal care services seven days a week. Private care agencies licensed by the Department of Labor, certified as ElderChoices Providers, who also furnish in-home staffing services for respite, chore services, and homemaker services and carry \$1 million of liability insurance to offer Medicaid reimbursable personal care services seven days a week. These private care agencies will be supervised by the Arkansas Department of Health (ADH) and shall acquire a separate license established by ADH for the provision of this weekend care.
- REVIEW OF RULES IMPACTING STATE MEDICAID COSTS: Authorizes

the review of proposed changes to existing Medicaid rules and the Arkansas Medicaid Plan by various Public Health, Welfare and Labor Committees and the Joint Budget Committee.

MEDICAID EXPANSION PROGRAM

- **MEDICAID EXPANSION PROGRAM-PAYING ACCOUNTS:** Separate Paying Accounts will be established by the Department for each component of the Medicaid Expansion Program to draw federal funds.
- **ACCOUNTS:** Appropriation and Fund Accounts will be established on the books of the Treasurer and Auditor of the State.
- **POSITIONS:** General revenue funds will not be used to replace Tobacco Settlement funds when funds expire. No positions paid from the Tobacco Settlement will be construed as a commitment.
- **TRANSFER RESTRICTIONS:** No funds in the Medicaid Expansion Program Appropriation act shall be transferred, but only as provided by this act.
- **TRANSFERS OF APPROPRIATIONS:** Provides the process in which transfers can be made within appropriations. The Director can request the transfer of appropriation only in the Hospital and Medical Services and Prescription Drug line items.
- **COMPLIANCE WITH OTHER LAWS:** Disbursement of funds authorized shall be limited to the appropriation for such agency and funds made available by law and shall be strictly complied.
- **LEGISLATIVE INTENT:** Any funds disbursed in this act shall be in compliance with Initiated Act 1 of 2000.