

## INTERIM STUDY PROPOSAL 2021-116

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3 REQUESTING THE ARKANSAS LEGISLATIVE COUNCIL STUDY THE NEED FOR  
4 ADDITIONAL RESEARCH INTO THE DIAGNOSIS-RELATED GROUP METHODOLOGY  
5 CONVERSION FOR HOSPITAL REIMBURSEMENT SYSTEMS UNDER THE ARKANSAS  
6 MEDICAID PROGRAM.

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8 WHEREAS, under § 20-77-132, the Department of Human Services was  
9 required to convert the hospital reimbursement systems under the Arkansas  
10 Medicaid Program to a diagnosis-related group methodology to enable more  
11 accurate patient classification and create more patient-centered and  
12 equitable reimbursement models for inpatient hospital stays and outpatient  
13 hospital visits; and

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15 WHEREAS, a plan for the conversion of the hospital reimbursement  
16 systems under the Arkansas Medicaid Program was required to be submitted to  
17 the Legislative Council for review on or before January 1, 2018; and

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19 WHEREAS, the plan was submitted to the Legislative Council on December  
20 29, 2017, but did not contain dates for implementation and should be updated  
21 to reflect any changes in the conversion; and

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23 WHEREAS, the department should be engaging with a consultant with  
24 subject matter expertise to update the diagnosis-related group methodology  
25 and to develop simulations and options for the conversion; and

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27 WHEREAS, the department should form a task force to develop study  
28 parameters to identify the types of hospitals that may be excluded from the  
29 study and to incorporate other policy adjustors to minimize adverse financial  
30 impacts to hospitals based upon the conversion; and

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32 WHEREAS, in order to protect the health and safety of the citizens of  
33 this state, the General Assembly should be knowledgeable about the  
34 implementation and conversion of diagnosis-related group methodology for  
35 hospital reimbursement systems under the Arkansas Medicaid Program,

1 NOW THEREFORE,  
2 BE IT PROPOSED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE NINETY-THIRD  
3 GENERAL ASSEMBLY:

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5 THAT the Arkansas Legislative Council study the need for additional  
6 research into the diagnosis-related group methodology conversion for hospital  
7 reimbursement systems under the Arkansas Medicaid Program.

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11 Respectfully submitted,

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15 Senator Keith Ingram

16 District 24

17 Prepared by: JMB/JMB

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