

DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL SERVICES

SUBJECT: Hospital Cost Settlement Reopening Process

DESCRIPTION:

Statement of Necessity

The Division of Medical Services seeks to ensure federal claiming can be completed within the Federal Medicaid Timeframe for reporting and claiming federal funding for hospital cost settlements. The proposed rule amendment will reduce the need to pay federal funding amounts from State General Revenue (SGR) prior to finalizing a reopened Hospital Cost Settlement Report. It also will increase efficiency by reducing the need to pay SGR for Cost Settlements that change in amount when reopened but are not completed within the timeframe.

Rule Summary

DMS adds an eighteen (18) month timeframe and a minimum of \$10,000 difference in costs for Hospitals to request their cost settlement be reopened from the date the Notice of Program Reimbursement (NPR) was issued.

PUBLIC COMMENT: A public hearing was held on this rule on October 11, 2022. The public comment period expired on October 24, 2022. The agency indicated that it received no public comments.

Lacey Johnson, an attorney with the Bureau of Legislative Research, asked the following question and received the following response:

Q. Is the 18-month timeframe based on federal law? If so, could you provide the citation to the relevant statute/regulation? **A.** That provision is not based in federal law, but is within agency discretion. The impetus of the time frame is to ensure processing within 2 years so that the state can claim match on the appropriate reporting cycle.

The proposed effective date is January 1, 2023.

FINANCIAL IMPACT: The agency indicated that this rule has no financial impact.

LEGAL AUTHORIZATION: The Department of Human Services has the responsibility to administer assigned forms of public assistance and is specifically authorized to maintain an indigent medical care program (Arkansas Medicaid). *See* Ark. Code Ann. §§ 20-76-201(1), 20-77-107(a)(1). The Department has the authority to make rules that are necessary or desirable to carry out its public assistance duties. Ark. Code Ann. § 20-76-201(12). The Department and its divisions also have the authority to promulgate rules as necessary to conform their programs to federal law and receive federal funding. Ark. Code Ann. § 25-10-129(b).



Division of Medical Services

P.O. Box 1437, Slot S295, Little Rock, AR 72203-1437

P: 501.682.8292 F: 501.682.1197

MEMORANDUM

TO: Interested Persons and Providers

FROM: Elizabeth Pitman, Director, Division of Medical Services

DATE: September 23, 2022

SUBJ: Hospital Cost Settlement Reopening Process

As a part of the Arkansas Administrative Procedure Act process, attached for your review and comment are proposed rule revisions.

Public comments must be submitted in writing at the above address or at the following email address: ORP@dhs.arkansas.gov Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

If you have any comments, please submit those comments in writing, no later than .

All DHS proposed rules, public notices, and recently finalized rules may also be viewed at: [Proposed Rules & Public Notices](#).

NOTICE OF RULE MAKING

The Director of the Division of Medical Services of the Department of Human Services announces for a public comment period of thirty (30) calendar days a notice of rulemaking for the following proposed rule under one or more of the following chapters, subchapters, or sections of the Arkansas Code: §§20-76-201, 20-77-107, and 25-10-129.

Effective January 1, 2023:

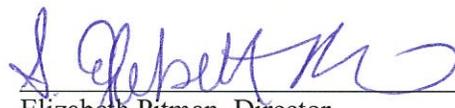
The Director of the Division of Medical Services amends Section 257 of the Hospital Provider Manual. The amendment adds an eighteen (18) month timeframe and a minimum of \$10,000 difference in costs for Hospitals to request to have their cost settlement reopened from the date the Notice of Program Reimbursement (NPR) was issued. There is no projected fiscal impact.

The proposed rule is available for review at the Department of Human Services (DHS) Office of Rules Promulgation, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. You may also access and download the proposed rule at <https://humanservices.arkansas.gov/do-business-with-dhs/proposed-rules/>. Public comments must be submitted in writing at the above address or at the following email address: ORP@dhs.arkansas.gov. All public comments must be received by DHS no later than October 24, 2022. Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

A public hearing by remote access only through a Zoom webinar will be held on October 11, 2022, at 11:00 a.m. and public comments may be submitted at the hearing. Individuals can access this public hearing at <https://us02web.zoom.us/j/85937558585>. The webinar ID is 859 3755 8585. If you would like the electronic link, "one-tap" mobile information, listening only dial-in phone numbers, or international phone numbers, please contact ORP at ORP@dhs.arkansas.gov.

If you need this material in a different format, such as large print, contact the Office of Rules Promulgation at 501-534-4138.

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color or national origin. 4502100209



Elizabeth Pitman, Director
Division of Medical Services

TOC required

257.100 Cost Settlement Reopening Process

1-1-23

A medical facility administrator may request a hospital cost report reopening by writing to the Reimbursement Unit of the Division of Medical Services. This request must be received within eighteen (18) months from the date the Notice of Program Reimbursement (NPR) was issued. The reimbursement impact must be at least ten thousand dollars (\$10,000) for a hospital cost report to be reopened.

MARKYUP