

1 State of Arkansas
2 89th General Assembly
3 Fiscal Session, 2014
4

A Bill

HOUSE BILL 1151

5 By: Representatives Ballinger, Farrer, Harris, Cozart, Alexander, Hobbs, C. Douglas, Payton
6 By: Senators J. Hendren, Bledsoe, G. Stubblefield, Hester, Irvin, A. Clark, B. King, J. Cooper
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For An Act To Be Entitled

9 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES
10 AND OPERATING EXPENSES FOR THE DEPARTMENT OF HUMAN
11 SERVICES - DIVISION OF MEDICAL SERVICES FOR THE
12 FISCAL YEAR ENDING JUNE 30, 2015; AND FOR OTHER
13 PURPOSES.
14
15

Subtitle

16 AN ACT FOR THE DEPARTMENT OF HUMAN
17 SERVICES - DIVISION OF MEDICAL SERVICES
18 APPROPRIATION FOR THE 2014-2015 FISCAL
19 YEAR.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established
26 for the Department of Human Services - Division of Medical Services for the
27 2014-2015 fiscal year, the following maximum number of regular employees.
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Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate
				Fiscal Year 2014-2015
33	(1) L008N	PHYSICIAN SPECIALIST	2	GRADE N917
34	(2) N181N	DIRECTOR OF MEDICAL SERVICES	1	GRADE N915
35	(3) L016N	REGISTERED PHARMACIST	6	GRADE N911
36	(4) N080N	DHS/DMS ASSISTANT DIRECTOR - FISCAL	2	GRADE N907



1	(5)	N099N	DHS/DMS ADD - LONG TERM CARE	1	GRADE N906
2	(6)	N100N	DHS/DMS ADD - MEDICAL SERVICES	2	GRADE N906
3	(7)	N110N	DHS ASST DIR CONTRACT MONITORING UNIT	1	GRADE N905
4	(8)	N111N	DHS ASST DEP DIR FOR MGR ACCOUNTING	1	GRADE N905
5	(9)	A010C	AGENCY CONTROLLER II	1	GRADE C128
6	(10)	D007C	INFORMATION SYSTEMS MANAGER	2	GRADE C128
7	(11)	A016C	DHS DMS BUSINESS OPERATIONS MANAGER	8	GRADE C127
8	(12)	L003C	PSYCHOLOGIST	5	GRADE C127
9	(13)	L010C	DHS DMS MEDICAL ASSISTANCE MANAGER	8	GRADE C125
10	(14)	L009C	NURSE MANAGER	4	GRADE C125
11	(15)	A031C	ASSISTANT CONTROLLER	1	GRADE C124
12	(16)	L015C	CLINICAL SPEECH PATHOLOGIST	2	GRADE C124
13	(17)	B023C	ENGINEER, P.E.	1	GRADE C124
14	(18)	D030C	INFORMATION SYSTEMS COORDINATOR	1	GRADE C124
15	(19)	L021C	NURSING HOME ASSISTANT ADMINISTRATOR	1	GRADE C123
16	(20)	L020C	NURSING SERVICES UNIT MANAGER	2	GRADE C123
17	(21)	L019C	REGISTERED NURSE COORDINATOR	5	GRADE C123
18	(22)	A044C	AUDIT COORDINATOR	3	GRADE C122
19	(23)	G099C	DHS PROGRAM ADMINISTRATOR	14	GRADE C122
20	(24)	L027C	REGISTERED NURSE SUPERVISOR	11	GRADE C122
21	(25)	A052C	ACCOUNTING COORDINATOR	1	GRADE C121
22	(26)	M011C	FAMILY SERVICE WORKER COUNTY SUP	1	GRADE C121
23	(27)	A047C	FINANCIAL ANALYST II	1	GRADE C121
24	(28)	A056C	DHS FINANCIAL SECTION MANAGER	2	GRADE C120
25	(29)	L040C	DIETARY SERVICES DIRECTOR	1	GRADE C120
26	(30)	L038C	REGISTERED NURSE	68	GRADE C120
27	(31)	E023C	TRAINING PROJECT MANAGER	1	GRADE C120
28	(32)	D063C	COMPUTER SUPPORT SPECIALIST	2	GRADE C119
29	(33)	D062C	DATABASE ANALYST	1	GRADE C119
30	(34)	G152C	DHS PROGRAM MANAGER	14	GRADE C119
31	(35)	G147C	GRANTS COORDINATOR	2	GRADE C119
32	(36)	X067C	HEALTH FACILITIES SURVEYOR	21	GRADE C119
33	(37)	D061C	INFORMATION SYSTEMS COORD SPECIALIST	1	GRADE C119
34	(38)	X062C	QUALITY ASSURANCE COORDINATOR	2	GRADE C119
35	(39)	A060C	SENIOR AUDITOR	10	GRADE C119
36	(40)	A075C	FINANCIAL ANALYST I	1	GRADE C118

1	(41)	A081C	AUDITOR	2	GRADE C117
2	(42)	R027C	BUDGET SPECIALIST	2	GRADE C117
3	(43)	G183C	DHS PROGRAM COORDINATOR	10	GRADE C117
4	(44)	L055C	DIETICIAN	1	GRADE C117
5	(45)	D068C	INFORMATION SYSTEMS ANALYST	2	GRADE C117
6	(46)	D067C	INFORMATION SYSTEMS SECURITY ANALYST	2	GRADE C117
7	(47)	G179C	LEGAL SERVICES SPECIALIST	1	GRADE C117
8	(48)	M039C	MEDICAID SERVICES SUPERVISOR	2	GRADE C117
9	(49)	G178C	POLICY DEVELOPMENT COORDINATOR	3	GRADE C117
10	(50)	B076C	RESEARCH PROJECT ANALYST	2	GRADE C117
11	(51)	E044C	CERTIFIED BACHELORS TEACHER	1	GRADE C117
12	(52)	A089C	ACCOUNTANT I	1	GRADE C116
13	(53)	A088C	ASSETS COORDINATOR	1	GRADE C116
14	(54)	X124C	HEALTH FACILITY REVIEWER	1	GRADE C116
15	(55)	C037C	ADMINISTRATIVE ANALYST	7	GRADE C115
16	(56)	A091C	FISCAL SUPPORT ANALYST	3	GRADE C115
17	(57)	C050C	ADMINISTRATIVE SUPPORT SUPERVISOR	1	GRADE C113
18	(58)	L070C	HEALTH CARE ANALYST	18	GRADE C113
19	(59)	C056C	ADMINISTRATIVE SPECIALIST III	28	GRADE C112
20	(60)	A098C	FISCAL SUPPORT SPECIALIST	2	GRADE C112
21	(61)	A101C	ACCOUNTING TECHNICIAN	1	GRADE C109
22	(62)	C073C	ADMINISTRATIVE SPECIALIST II	12	GRADE C109
23	(63)	C087C	ADMINISTRATIVE SPECIALIST I	<u>10</u>	GRADE C106
24			MAX. NO. OF EMPLOYEES	327	

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26 SECTION 2. EXTRA HELP - OPERATIONS. There is hereby authorized, for
 27 the Department of Human Services - Division of Medical Services for the 2014-
 28 2015 fiscal year, the following maximum number of part-time or temporary
 29 employees, to be known as "Extra Help", payable from funds appropriated
 30 herein for such purposes: seven (7) temporary or part-time employees, when
 31 needed, at rates of pay not to exceed those provided in the Uniform
 32 Classification and Compensation Act, or its successor, or this act for the
 33 appropriate classification.

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35 SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated,
 36 to the Department of Human Services - Division of Medical Services, to be

1 payable from the paying account as determined by the Chief Fiscal Officer of
 2 the State, for personal services and operating expenses of the Department of
 3 Human Services - Division of Medical Services - Operations for the fiscal
 4 year ending June 30, 2015, the following:

ITEM	FISCAL YEAR
NO.	<u>2014-2015</u>
(01) REGULAR SALARIES	\$16,445,333
(02) EXTRA HELP	201,892
(03) PERSONAL SERVICES MATCHING	5,528,850
(04) OVERTIME	5,000
(05) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	3,541,565
(B) CONF. & TRAVEL	233,728
(C) PROF. FEES	555,132
(D) CAP. OUTLAY	144,388
(E) DATA PROC.	0
(06) DATA PROCESSING SERVICES	<u>299,600</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$26,955,488</u></u>

21 SECTION 4. APPROPRIATION - GRANTS. There is hereby appropriated, to
 22 the Department of Human Services - Division of Medical Services, to be
 23 payable from the paying account as determined by the Chief Fiscal Officer of
 24 the State, for grant payments of the Department of Human Services - Division
 25 of Medical Services - Grants for the fiscal year ending June 30, 2015, the
 26 following:

ITEM	FISCAL YEAR
NO.	<u>2014-2015</u>
(01) PRIVATE NURSING HOME CARE	\$716,865,047
(02) INFANT INFIRMARY	27,555,873
(03) PUBLIC NURSING HOME CARE	223,528,121
(04) PRESCRIPTION DRUGS	385,783,553
(05) HOSPITAL AND MEDICAL SERVICES	5,066,397,953
(06) CHILD AND FAMILY LIFE INSTITUTE	2,100,000
(07) ARKIDS B PROGRAM	<u>148,436,682</u>

1 TOTAL AMOUNT APPROPRIATED \$6,570,667,229

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3 SECTION 5. APPROPRIATION - NURSING HOME CLOSURE COSTS. There is hereby
 4 appropriated, to the Department of Human Services - Division of Medical
 5 Services, to be payable from the Long-Term Care Trust Fund, for the payment
 6 of relocation costs of residents in long-term care facilities, maintenance
 7 and operation of a facility pending correction of deficiencies or closure,
 8 and reimbursement of residents for personal funds lost for the fiscal year
 9 ending June 30, 2015, the following:

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11 ITEM	FISCAL YEAR
12 <u>NO.</u>	<u>2014-2015</u>
13 (01) EXPENSES	<u>\$50,000</u>

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15 SECTION 6. APPROPRIATION - LONG-TERM CARE FACILITY RECEIVERSHIP. There
 16 is hereby appropriated, to the Department of Human Services - Division of
 17 Medical Services, to be payable from the Long Term Care Facility Receivership
 18 Fund Account, for the payment of expenses of long-term care facility
 19 receivers as authorized by law of the Department of Human Services - Division
 20 of Medical Services - Long-Term Care Facility Receivership for the fiscal
 21 year ending June 30, 2015, the following:

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23 ITEM	FISCAL YEAR
24 <u>NO.</u>	<u>2014-2015</u>
25 (01) EXPENSES	<u>\$100,000</u>

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27 SECTION 7. APPROPRIATION - NURSING HOME QUALITY GRANTS. There is
 28 hereby appropriated, to the Department of Human Services - Division of
 29 Medical Services, to be payable from the Long-Term Care Trust Fund, for
 30 Nursing Home Quality Grants of the Department of Human Services - Division of
 31 Medical Services - Nursing Home Quality Grants for the fiscal year ending
 32 June 30, 2015, the following:

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34 ITEM	FISCAL YEAR
35 <u>NO.</u>	<u>2014-2015</u>
36 (01) NURSING HOME QUALITY GRANTS AND AID	<u>\$1,500,000</u>

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SECTION 8. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

DEPARTMENT OF HUMAN SERVICES GRANTS FUND ACCOUNT. The Department of Human Services Grants Fund Account shall be used for the following grant programs to consist of general revenues and any other nonfederal funds, as may be appropriated by the General Assembly:

- (i) Children's Medical Services;
- (ii) Food Stamp Employment and Training Program;
- (iii) Aid to the Aged, Blind, and Disabled;
- (iv) Transitional Employment Assistance Program;
- (v) Private nursing home care;
- (vi) Infant Infirmary - nursing home care;
- (vii) Public Nursing Home Care;
- (viii) Prescription Drugs;
- (ix) Hospital and Medical Services;
- (x) Child and Family Life Institute;
- (xi) Community Services Block Grant;
- (xii) ARKIDSFIRST;
- (xiii) Child Health Management Services; and
- (xiv) Child Care Grant

23 SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
24 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAL
25 SERVICES - CHILD AND FAMILY LIFE INSTITUTE. The Child Health and Family Life
26 Institute shall be administered under the direction of Arkansas Children's
27 Hospital. Arkansas Children's Hospital shall enter into a cooperative
28 agreement and/or contract with the University of Arkansas for Medical
29 Sciences - Department of Pediatrics for services required in delivering the
30 programs of the Child Health and Family Life Institute. Utilizing a
31 multidisciplinary collaboration of professionals, the Child Health and Family
32 Life Institute shall provide a statewide effort to explore, develop and
33 evaluate new and better ways to address medically, socially and economically
34 interrelated health and developmental needs of children with special health
35 care needs and their families. The Child Health and Family Life Institute's
36 priorities shall include, but are not limited to, wellness and prevention,

1 screen and diagnosis, treatment and intervention, training and education and
2 research and evaluation.

3 Arkansas Children's Hospital and the University of Arkansas for Medical
4 Sciences - Department of Pediatrics shall make annual reports to the Arkansas
5 Legislative Council on all matters of funding, existing programs and services
6 offered through the Child Health and Family Life Institute.

7 The provisions of this section shall be in effect only from July 1, ~~2013~~
8 2014 through June 30, ~~2014~~ 2015.

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10 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
11 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAL
12 SERVICES - PHARMACEUTICAL DISPENSING FEE SURVEY. No more than two years prior
13 to making any changes to the current pharmaceutical dispensing fee, the State
14 shall conduct an independent survey utilizing generally accepted accounting
15 principles, to determine the cost of dispensing a prescription by pharmacists
16 in Arkansas. Only factors relative to the cost of dispensing shall be
17 surveyed. These factors shall not include actual acquisition costs or average
18 profit or any combination of actual acquisition costs or average profit. The
19 survey results shall be the basis for establishing the dispensing fee paid to
20 participating pharmacies in the Medicaid prescription drug program in
21 accordance with Federal requirements. The dispensing fee shall be no lower
22 than the cost of dispensing as determined by the survey. Nothing in this
23 section shall be construed to prohibit the State from increasing the
24 dispensing fee at any time.

25 The provisions of this section shall be in effect only from July 1, ~~2013~~
26 2014 through June 30, ~~2014~~ 2015.

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28 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
29 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAL
30 SERVICES - GENERAL MEDICAID RATE METHODOLOGY PROVISIONS.

31 (a) Rates established by the Division of Medical Services for the services
32 or programs covered by this Act shall be calculated by the methodologies
33 approved by the Centers for Medicare and Medicaid Services (CMS). The
34 Division of Medical Services shall have the authority to reduce or increase
35 rates based on the approved methodology. Further, the Division of Medical
36 Services shall have the authority to increase or decrease rates for good

1 cause including, but not limited to: (1) Identification of provider(s) who
2 can render needed services of equal quality at rates less than traditionally
3 charged and who meet the applicable federal and state laws, rules and
4 regulations pertaining to the provision of a particular service;
5 (2) Identification that a provider or group of providers has consistently
6 charged rates to the Arkansas Medicaid Program greater than to other
7 purchasers of medical services of similar size;
8 (3) The Division determines that there has been significant changes in the
9 technology or process by which services are provided by a provider or group
10 of providers which has affected the costs of providing services, or;
11 (4) A severe economic downturn in the Arkansas economy which has affected the
12 overall state budget of the Division of Medical Services.

13 The Division of Medical Services shall make available to requesting
14 providers, the CMS's inflationary forecasts (CMS Market Basket Index). Rates
15 established with cost of living increases based on the CMS Market Basket
16 Index or other indices will be adjusted annually except when the state budget
17 does not provide sufficient appropriation and funding to affect the change or
18 portion thereof.

19 (b) Any rate methodology changes proposed by the Division of Medical
20 Services both of a general and specific nature, shall be subject to prior
21 approval by the Legislative Council or Joint Budget Committee.

22 Determining the maximum number of employees and the maximum amount of
23 appropriation and general revenue funding for a state agency each fiscal year
24 is the prerogative of the General Assembly. This is usually accomplished by
25 delineating such maximums in the appropriation act(s) for a state agency and
26 the general revenue allocations authorized for each fund and fund account by
27 amendment to the Revenue Stabilization law. Further, the General Assembly has
28 determined that the Department of Human Services – Division of Medical
29 Services may operate more efficiently if some flexibility is provided to the
30 Department of Human Services – Division of Medical Services authorizing broad
31 powers under this section. Therefore, it is both necessary and appropriate
32 that the General Assembly maintain oversight by requiring prior approval of
33 the Legislative Council or Joint Budget Committee as provided by this
34 section. The requirement of approval by the Legislative Council or Joint
35 Budget Committee is not a severable part of this section. If the requirement
36 of approval by the Legislative Council or Joint Budget Committee is ruled

1 unconstitutional by a court of competent jurisdiction, this entire section is
2 void.

3 The provisions of this section shall be in effect only from July 1, ~~2013~~
4 2014 through June 30, ~~2014~~ 2015.

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6 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
7 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. FUND
8 USAGE AUTHORIZED. The Arkansas Children's Hospital may request the Department
9 of Human Services - Division of Medical Services to retain in the Department
10 of Human Services Grant Fund account an amount not to exceed \$2,100,000 from
11 funds made available by this Act for the Child and Family Life Institute,
12 Section 4, item number 06 to be used to match federal funds used for
13 supplemental Medicaid payments to Arkansas Children's Hospital. These
14 retained funds shall not be recovered to transfer to the General Revenue
15 Allotment Reserve Fund.

16

17 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
18 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. STATE
19 PLAN. The State Plan must include the provision of EPSDT services as those
20 services are defined in §1396d(r). See §§ 1396a(a)(10)(A), 1396d(a)(4)(B);
21 see also 1396a(a)(43). Section 1396d(r) lists in detail the screening
22 services, vision services, dental services, and hearing services that the
23 State Plan must expressly include, but with regard to treatment services, it
24 states that EPSDT means "[s]uch other necessary health care, diagnostic
25 services, treatment, and other measures described in subsection (a) of this
26 section to correct or ameliorate defects and physical and mental illnesses
27 and conditions discovered by the screening services, whether or not such
28 services are covered under the State plan." 42 U.S.C. § 1396d(r)(5) (emphasis
29 added). Reading §1396a, § 1396d(a), and § 1396d(r) together, we believe that
30 the State Plan need not specifically list every treatment service conceivably
31 available under the EPSDT mandate.

32 The State Plan, however, must pay part or all of the cost of treatments to
33 ameliorate conditions discovered by the screening process when those
34 treatments meet the definitions set forth in § 1396a. See §1396d(r)(5); see
35 also §§1396a(a)(10), 1396a (a)(43), and 1396d(a)(4)(B). The Arkansas State
36 Plan states that the "State will provide other health care described in [42

1 U.S.C. 1396d(a)] that is found to be medically necessary to correct or
2 ameliorate defects and physical and mental illnesses and conditions
3 discovered by the screening services, even when such health care is not
4 otherwise covered under the State Plan." See State Plan Under Title XIX of
5 the Social Security Act Medical Assistance Program, State Of Arkansas at
6 §4.b. This provision Meets the EPSDT mandate of the Medicaid Act.

7 We affirm the district court's decision to the extent that it holds that a
8 Medicaid-Eligible individual has a federal right to early intervention day
9 treatment when a physician recommends such treatment. Section 1396d(r)(5)
10 states that EPSDT includes any treatments or measures outlined in §1396d(a).
11 There are twenty-seven sub-parts to §1396d(a), and we find that sub-part
12 (a)(13), in particular, when read with the other sections of the Medicaid Act
13 listed above, mandates that early intervention day treatment be provided when
14 it is prescribed by a physician. See 42 U.S.C. §1396d(a)(13) (defining
15 medical assistance reimbursable by Medicaid as "other diagnostic, screening,
16 preventive, and rehabilitative services, including any medical or remedial
17 services recommended by a physician...for the maximum reduction of physical
18 and mental disability and restoration of an individual to the best possible
19 functional level"). Therefore, after CHMS clinic staff perform a diagnostic
20 evaluation of an eligible child, if the CHMS physician prescribes early
21 intervention day treatment as a service that would lead to the maximum
22 reduction of medical and physical disabilities and restoration of the child
23 to his or her best possible functional level, the Arkansas State Plan must
24 reimburse the treatment. Because CHMS clinics are the only providers of early
25 intervention day treatment, Arkansas must reimburse those clinics.

26
27 SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
28 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAL
29 SERVICES - STATE MEDICAID PROGRAM/PERSONAL CARE PROGRAM.

30 (a) It is the legislative intent that the Department of Human Services in
31 its administration of the Arkansas Medicaid Program set forth Medicaid
32 provider participation requirements for "personal care providers" that will
33 insure sufficient available providers to meet the required needs of all
34 eligible recipients, to include insuring available in home services twenty-
35 four (24) hours a day and seven (7) days a week for personal care.

36 (b) For the purposes of this section, "private care agencies" are defined

1 as those providers licensed by the Department of Labor, certified as
2 ElderChoices Providers and who furnish in home staffing services for respite,
3 chore services, and homemaker services, and are covered by liability
4 insurance of not less than one million dollars (\$1,000,000) covering their
5 employees and independent contractors while they are engaged in providing
6 services, such as personal care, respite, chore services, and homemaker
7 services.

8 (c) The purpose of this section is to allow the private care agencies
9 defined herein to be eligible to provide Medicaid reimbursed personal care
10 services seven (7) days a week, and does not supercede Department of Human
11 Services rules establishing monthly benefit limits and prior authorization
12 requirements.

13 (d) The availability of providers shall not require the Department of
14 Human Services to reimburse for twenty-four (24) hours per day of personal
15 care services.

16 (e) The Arkansas Department of Human Services, Medical Services Division
17 shall take such action as required by the Centers for Medicare and Medicaid
18 Services to amend the Arkansas Medicaid manual to include, private care
19 agencies, as qualified entities to provide Medicaid reimbursed personal care
20 services.

21 (f) The private care agencies shall comply with rules and regulations
22 promulgated by the Arkansas Department of Health which shall establish a
23 separate licensure category for the private care agencies for the provision
24 of Medicaid reimbursable personal care services seven (7) days a week.

25 (g) The Arkansas Department of Health shall supervise the conduct of the
26 personal care agencies defined herein.

27 (h) The purpose of this section is to insure the care provided by the
28 private care agencies, is consistent with the rules and regulations of the
29 Arkansas Department of Health.

30 The provisions of this section shall be in effect only from July 1, ~~2013~~
31 2014 through June 30, ~~2014~~ 2015.

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33 SECTION 15. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
34 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. REVIEW OF
35 RULES IMPACTING STATE MEDICAID COSTS. (a) In light of the rapidly rising
36 potential costs to the State attributable to the Medicaid program and the

1 importance of Medicaid expenditures to the health and welfare of the citizens
2 of this State, the General Assembly finds it desirable to exercise more
3 thorough review of future proposed changes to rules that might impact those
4 costs or expenditures.

5 (b) As used in this section, "rule impacting state Medicaid costs" means
6 a proposed rule, as defined by § 25-15-202(8), or a proposed amendment to an
7 existing rule, as defined by § 25-15-202(8), that would, if adopted, adjust
8 Medicaid reimbursement rates, Medicaid eligibility criteria, or Medicaid
9 benefits, including without limitation a proposed rule or a proposed
10 amendment to an existing rule seeking to accomplish the following:

11 (1) Reduce the number of individuals covered by Arkansas Medicaid;
12 (2) Limit the types of services covered by Arkansas Medicaid;
13 (3) Reduce the utilization of services covered by Arkansas Medicaid;
14 (4) Reduce provider reimbursement;
15 (5) Increase consumer cost-sharing;
16 (6) Reduce the cost of administering Arkansas Medicaid;
17 (7) Increase Arkansas Medicaid revenues;
18 (8) Reduce fraud and abuse in the Arkansas Medicaid program;
19 (9) Change any of the methodologies used for reimbursement of
20 providers;

21 (10) Seek a new waiver or modification of an existing waiver of any
22 provision under Medicaid, Title XIX, of the Social Security Act, including a
23 waiver that would allow a demonstration project;

24 (11) Participate or seek to participate in Social Security Act Section
25 1115(a)(1) waiver authority that would allow operation of a demonstration
26 project or program;

27 (12) Participate or seek to participate in a Social Security Act
28 Section 1115(a)(2) request for the Secretary of the Department of Health and
29 Human Services to provide federal financial participation for costs
30 associated with a demonstration project or program;

31 (13) Implement managed care provisions under Section 1932 of Medicaid,
32 Title XIX of the Social Security Act; or

33 (14) Participate or seek to participate in the Centers for Medicare and
34 Medicaid Services Innovation projects or programs.

35 (c)(1) In addition to filing requirements under the Arkansas
36 Administrative Procedure Act, § 25-15-201 et seq., and § 10-3-309, the

1 Department of Human Services shall, at least thirty (30) days before the
2 expiration of the period for public comment, file a proposed rule impacting
3 state Medicaid costs or a proposed amendment to an existing rule impacting
4 state Medicaid costs with the Senate Interim Committee on Public Health,
5 Welfare, and Labor and the House Interim Committee on Public Health, Welfare,
6 and Labor, or, when the General Assembly is in session, with the Senate
7 Committee on Public Health, Welfare, and Labor and the House Committee on
8 Public Health, Welfare and Labor.

9 (2) Any review of the proposed rule or proposed amendment to an
10 existing rule by the Senate and House Interim Committees on Public Health,
11 Welfare and Labor or the Senate and House Committees on Public Health,
12 Welfare, and Labor shall occur within forty-five (45) days of the date the
13 proposed rule or proposed amendment to an existing rule is filed with the
14 committees.

15 (d)(1) If adopting an emergency rule impacting state Medicaid costs,
16 in addition to the filing requirements under the Arkansas Administrative
17 Procedure Act, § 25-15-201 et seq. and § 10-3-309, the Department of Human
18 Services shall notify the Speaker of the House of Representatives, the
19 President Pro Tempore of the Senate, the chair of the Senate Committee on
20 Public Health, Welfare, and Labor, and the chair of the House Committee on
21 Public Health, Welfare and Labor of the emergency rule and provide each of
22 them a copy of the rule within five (5) business days of adopting the rule.

23 (2) Any review of the emergency rule by the Senate and House
24 Interim Committees on Public Health, Welfare and Labor or the Senate and
25 House Committees on Public Health, Welfare, and Labor shall occur within
26 forty-five (45) days of the date the emergency rule is provided to the
27 chairs.

28 (e)(1) The Joint Budget Committee may review a rule impacting state
29 Medicaid costs during a regular, fiscal, or special session of the General
30 Assembly.

31 (2) Actions taken by the Joint Budget Committee when reviewing a
32 rule impacting state Medicaid costs shall have the same effect as actions
33 taken by the Legislative Council under § 10-3-309.

34 (3) If the Joint Budget Committee reviews a rule impacting state
35 Medicaid costs, it shall file a report of its actions with the Legislative
36 Council as soon as practicable.

1 (f) This section expires on June 30, ~~2014~~ 2015.

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3 SECTION 16. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
4 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY LAW. HEALTH
5 CARE INDEPENDENCE PROGRAM.

6 (a) As used in this section, "Health Care Independence Program" means
7 the Health Care Independence Program established under the Health Care
8 Independence Act of 2013, § 20-77-2401 et seq.

9 (b)(1) Determining the maximum number of employees, the maximum amount
10 of appropriation, for what purposes an appropriation is authorized, and
11 general revenue funding for a state agency each fiscal year is the
12 prerogative of the General Assembly.

13 (2) The purposes under subdivision (b)(1) of this section are
14 typically accomplished by:

15 (A) Identifying the purpose in the appropriation act;

16 (B) Delineating such maximums in the appropriation act for
17 a state agency; and

18 (C) Delineating the general revenue allocations authorized
19 for each fund and fund account by amendment to the Revenue Stabilization Law,
20 § 19-5-101 et seq.

21 (3) It is both necessary and appropriate that the General
22 Assembly restrict the use of appropriations authorized in this act.

23 (c)(1)(A) Except as provided in subdivision (c)(2) of this section, on
24 and after July 1, 2014, the Department of Human Services shall not allocate,
25 budget, expend, or utilize appropriations under this act for services,
26 coverage, or premium assistance for persons enrolled in the Health Care
27 Independence Program.

28 (B) This subdivision (c)(1) does not prohibit the payment
29 of expenses incurred before July 1, 2014, by persons participating in the
30 Health Care Independence Program who were determined to be more effectively
31 covered through the traditional Arkansas Medicaid Program.

32 (2)(A) The Department of Human Services shall take necessary
33 action, including without limitation submitting and applying for a state plan
34 amendment or waiver, or both, to allow individuals enrolled before July 1,
35 2014, to continue to participate in the Health Care Independence Program
36 until March 1, 2015.

1 (B) If the Department of Human Services is unable to
2 secure a continuation of the Health Care Independence Program under
3 subdivision (c)(2)(A) of this section before July 1, 2014, subdivision (c)(1)
4 of this section shall apply.

5 (C) If the Department of Human Services secures a
6 continuation of the Health Care Independence Program under subdivision
7 (c)(2)(A) of this section, then the department may allocate, budget, expend,
8 or utilize appropriations under this act until March 1, 2015, for services,
9 coverage, or premium assistance for persons enrolled before July 1, 2014, in
10 the Health Care Independence Program.

11 (d) An appropriation authorized by this act is not subject to the
12 provisions allowed through reallocation of resources or transfer of
13 appropriation authority if the reallocation or transfer results in
14 transferring an appropriation to any other appropriation authorized for the
15 Department of Human Services to be allocated, budgeted, expended, or utilized
16 for services, coverage, or premium assistance in the Health Care Independence
17 Program that is prohibited by this section.

18 (e) Except as provided in subdivision (c)(2) of this section, the
19 Department of Human Services shall submit and seek approval for appropriate
20 state plan amendments or federal waivers, or both, to eliminate the
21 eligibility for qualified family members and individuals as described under
22 42 C.F.R. § 435.119, as it existed on January 1, 2014.

23 (f) The Department of Human Services and the State Insurance
24 Department shall study all possible options under state and federal law to
25 provide services or coverage on and after July 1, 2014, or on and after March
26 1, 2015, if the Department of Human Services secures a continuation of the
27 Health Care Independence Program under subdivision (c)(2)(A) of this section,
28 for persons enrolled in the Health Care Independence Program, including
29 without limitation:

- 30 (1) Health savings accounts;
31 (2) Medical care and services cost-sharing methods;
32 (3) Medical sharing programs; and
33 (4) Medical discount savings cards.

34
35 SECTION 17. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
36 authorized by this act shall be limited to the appropriation for such agency

1 and funds made available by law for the support of such appropriations; and
2 the restrictions of the State Procurement Law, the General Accounting and
3 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
4 Procedures and Restrictions Act, or their successors, and other fiscal
5 control laws of this State, where applicable, and regulations promulgated by
6 the Department of Finance and Administration, as authorized by law, shall be
7 strictly complied with in disbursement of said funds.

8
9 SECTION 18. LEGISLATIVE INTENT. It is the intent of the General
10 Assembly that any funds disbursed under the authority of the appropriations
11 contained in this act shall be in compliance with the stated reasons for
12 which this act was adopted, as evidenced by the Agency Requests, Executive
13 Recommendations and Legislative Recommendations contained in the budget
14 manuals prepared by the Department of Finance and Administration, letters, or
15 summarized oral testimony in the official minutes of the Arkansas Legislative
16 Council or Joint Budget Committee which relate to its passage and adoption.

17
18 SECTION 19. EMERGENCY CLAUSE. It is found and determined by the
19 General Assembly, that the Constitution of the State of Arkansas prohibits
20 the appropriation of funds for more than a one (1) year period; that the
21 effectiveness of this Act on July 1, 2014 is essential to the operation of
22 the agency for which the appropriations in this Act are provided, and that in
23 the event of an extension of the legislative session, the delay in the
24 effective date of this Act beyond July 1, 2014 could work irreparable harm
25 upon the proper administration and provision of essential governmental
26 programs. Therefore, an emergency is hereby declared to exist and this Act
27 being necessary for the immediate preservation of the public peace, health
28 and safety shall be in full force and effect from and after July 1, 2014.