

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1975

5 By: Representative Boyd
6 By: Senator Flippo
7

For An Act To Be Entitled

9 AN ACT TO ESTABLISH THE MEDICAID REIMBURSEMENT RATE
10 REVIEW ACT OF 2019; TO PROVIDE FOR ANNUAL MEDICAID
11 REIMBURSEMENT RATE REVIEWS OF MEDICAID REIMBURSEMENT
12 RATES AND METHODOLOGIES; TO DECLARE AN EMERGENCY; AND
13 FOR OTHER PURPOSES.
14
15

Subtitle

16 TO ESTABLISH THE MEDICAID REIMBURSEMENT
17 RATE REVIEW ACT OF 2019; TO PROVIDE FOR
18 ANNUAL MEDICAID REIMBURSEMENT RATE
19 REVIEWS OF MEDICAID REIMBURSEMENT RATES
20 AND METHODOLOGIES; AND TO DECLARE AN
21 EMERGENCY.
22
23
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 SECTION 1. Arkansas Code Title 20, Chapter 77, is amended to add an
28 additional subchapter to read as follows:

29 Subchapter 29 – Medicaid Reimbursement Rate Review Act of 2019

30
31 20-77-2901. Title.

32 This subchapter shall be known and may be cited as the “Medicaid
33 Reimbursement Rate Review Act of 2019.”
34

35 20-77-2902. Reimbursement rate review.

36 (a) The Department of Human Services shall submit all necessary



1 Medicaid state plan amendments, waiver amendments, and Medicaid manual
 2 revisions necessary to implement annual reimbursement rate review for all
 3 Medicaid provider types and services, including without limitation:

4 (1) Early intervention day treatment services;

5 (2) Adult development day treatment services;

6 (3) Personal care services paid by the unit and those paid by a
 7 multihour daily rate;

8 (4) Attendant care and respite care services under the ARChoices
 9 waiver or its successor; and

10 (5) Substance abuse treatment services.

11 (b) The department shall:

12 (1) Ensure the completion of the reimbursement rate reviews in
 13 subsection (a) of this section on and before July 1, 2021;

14 (2) Utilize the services of an independent consulting firm with
 15 experience in evaluating and designing healthcare reimbursement methodologies
 16 to assist in the reimbursement rate review;

17 (3) Compare the Medicaid reimbursement rates by billing code
 18 designation to comparable services paid by:

19 (A) Other state Medicaid programs;

20 (B) Medicare;

21 (C) Individual health insurance plans and commercial
 22 health insurance plans doing business in Arkansas and in surrounding states;
 23 and

24 (D) State-funded health insurance plans

25 (c) The department shall determine the methodology of the annual
 26 Medicaid reimbursement rate review in consultation with the Office of
 27 Medicaid Inspector General.

28
 29 20-77-2903. Designation of schedule of review of rates and
 30 reimbursement methodologies.

31 (a) The Department of Human Services shall establish a schedule, by
 32 rule, that will result in the review of the Medicaid reimbursement rates and
 33 reimbursement methodology for each healthcare provider type and service at
 34 least once every three (3) years.

35 (b) In establishing the schedule of provider types and services for
 36 review, the department shall, to the greatest extent possible, provide for

1 the review of provider types and services constituting approximately one-
 2 third (1/3) of the Medicaid budget each year.

3
 4 20-77-2904. Report.

5 (a) No later than October 31 of each year, the Department of Human
 6 Services shall issue a report containing its recommendations and
 7 implementation plan for changes to the Medicaid rates or reimbursement
 8 methodologies based upon the Medicaid reimbursement rate review to the
 9 Legislative Council, which shall assign the report to the Administrative
 10 Rules Subcommittee of the Legislative Council for review.

11 (b) The report described in this section shall include without
 12 limitation justification and explanation regarding the changes to the
 13 Medicaid reimbursement rates based on the Medicaid reimbursement rate review.

14
 15 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 16 General Assembly of the State of Arkansas that increases in the minimum wage
 17 have put Medicaid providers at risk of being unable to continue to provide
 18 healthcare services with current Medicaid reimbursement rates; that a
 19 reimbursement rate review in response to the increases in the minimum wage
 20 should be implemented as soon as possible in order to allow Medicaid
 21 providers to continue to provide services to Medicaid beneficiaries; that
 22 this act requires the Department of Human Services to implement a
 23 reimbursement rate review methodology and procedure; that this act may
 24 require that the Department of Human Services submit a state plan amendment
 25 or waiver, or both, to the Centers for Medicare and Medicaid Services; that
 26 the state plan amendment or waiver, or both, impacts healthcare providers and
 27 certain individuals enrolled in the Arkansas Medicaid Program; and that this
 28 act is immediately necessary because the Department of Human Services needs
 29 to be able to make the state plan amendment request or waiver request, or
 30 both, at the earliest possible date to ensure certainty in the reimbursement
 31 rates of the Arkansas Medicaid Program. Therefore, an emergency is declared
 32 to exist, and this act being immediately necessary for the preservation of
 33 the public peace, health, and safety shall become effective on:

34 (1) The date of its approval by the Governor;

35 (2) If the bill is neither approved nor vetoed by the Governor,
 36 the expiration of the period of time during which the Governor may veto the

1 bill; or

2 (3) If the bill is vetoed by the Governor and the veto is
3 overridden, the date the last house overrides the veto.

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36