



Division of Medical Services
Program Development & Quality Assurance

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TO: Arkansas Medicaid Health Care Providers – Patient-Centered Medical Home

EFFECTIVE DATE: July 1, 2017

SUBJECT: Provider Manual Update Transmittal PCMH-1-17

REMOVE

Section **Effective Date**
221.000 1-1-16

INSERT

Section **Effective Date**
221.000 7-1-17

Explanation of Updates

Section 221.000 is updated to change the practice support end date.

The paper version of this update transmittal includes revised pages that may be filed in your provider manual. See Section I for instructions on updating the paper version of the manual. For electronic versions, these changes have already been incorporated.

If you have questions regarding this transmittal, please contact the Arkansas Payment Improvement Initiative Center at 1-866-322-4696 (Toll-Free) within Arkansas or locally and Out-of-State at (501) 301-8311.

If you need this material in an alternative format, such as large print, please contact the Program Development and Quality Assurance Unit at (501) 320-6429.

Arkansas Medicaid provider manuals (including update transmittals), official notices, notices of rule making and remittance advice (RA) messages are available for downloading from the Arkansas Medicaid website: www.medicaid.state.ar.us.

Thank you for your participation in the Arkansas Medicaid Program.

Dawn Stehle
Director

TOC not required

220.000 PRACTICE SUPPORT

221.000 Practice Support Scope

7-1-17

Practice support includes both care coordination payments made to a PCMH and practice transformation support provided by a Division of Medical Services (DMS) contracted vendor and is subject to funding limitations on the part of DMS.

Receipt and use of the care coordination payments is not conditioned on the PCMH engaging a care coordination vendor, as payment can be used to support participating practices' investments (e.g., time and energy) in enacting changes to achieve PCMH goals. Care coordination payments are risk-adjusted to account for the varying levels of care coordination services needed for beneficiaries with different risk profiles.

DMS will contract with a practice transformation vendor on behalf of PCMHs that require additional support to catalyze practice transformation and retain and use such vendor. PCMHs must maintain documentation of the months they have contracted with a practice transformation vendor. Practice transformation vendors must report to DMS the level and type of service delivered to each PCMH. Payments to a practice transformation vendor on behalf of a participating practice may continue for up to 24 months.

However, no practice support may extend beyond June 30, 2018, regardless of the number of months practice support was received by a practice.

DMS may pay, recover or offset overpayment or underpayment of care coordination payments.

DMS will also support PCMHs through improved access to information through the reports described in Section 244.000.

TOC not required

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17

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However, no practice support may extend beyond June 30, ~~2017~~2018, regardless of the number of months practice support was received by a practice. ~~PCMHs may contract with only one vendor at a given time. PCMHs are able to change vendors at any time with notification in writing to the outgoing vendor and DMS. Failure to provide written notification will result in the PCMH being liable for any duplicate payments.~~

DMS may pay, recover or offset overpayment or underpayment of care coordination payments.

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FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services

DIVISION Medical Services

PERSON COMPLETING THIS STATEMENT Brian Jones

Brian Jones

TELEPHONE 501-537-2064 **FAX** 501-404-4619 **EMAIL:** @dhs.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE PCMH -1-17

- 1. Does this proposed, amended, or repealed rule have a financial impact? Yes No
- 2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes No
- 3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost;

- (b) The reason for adoption of the more costly rule;

- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

- (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

- (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

Next Fiscal Year

General Revenue	\$310,000
Federal Funds	\$310,000
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	\$620,000

N/A

\$

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

Next Fiscal Year

\$ _____

\$ _____

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

Next Fiscal Year

\$ 310,000

N/A

The impact of this change is matched at the 50/50 administrative match rate.

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

(1) a statement of the rule's basis and purpose;

The purpose of the rule change is to allow newly enrolled PCMHs to receive practice transformation coaching. This coaching has been deemed essential to the success of practices participating in PCMH. This service is a temporary and practice may utilize it for 24 months to assist in the transition into a patient centered medical home.

- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;

The agency is seeking additional funds to aid newly enrolled providers with transitioning into a patient centered medical home. PCMHs have historically proven that they are more efficient and yield cost avoidance of Medicaid funds.

- (3) a description of the factual evidence that:
(a) justifies the agency's need for the proposed rule; and

This service is required for newly enrolled practices to succeed in the patient centered medical home program.

- (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

Practices enrolled in PCMH have historically spent less Medicaid funds and their beneficiaries tend to use the ER less often than those practices not enrolled in the program.

- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

Similar vendors that provide similar support charge anywhere from \$5 - \$9 per member per month.

- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

Research has shown that alternative vendors are charging higher rates.

- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and

Existing rules have not contributed or created problems.

- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:

- (a) the rule is achieving the statutory objectives;
(b) the benefits of the rule continue to justify its costs; and
(c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

This contract will end within a few years. Practice transformation services are provided by DMS for the first 24 months of enrollment in the PCMH program. Currently nearly 90% of eligible providers are enrolled in PCMH. Within a few years, there would be no new practices enrolling thus no need for practice transformation.