

# ARKANSAS REGISTER

## Transmittal Sheet

Use only for **FINAL** and **EMERGENCY RULES**



Secretary of State

**Mark Martin**

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[www.sos.arkansas.gov](http://www.sos.arkansas.gov)



For Office

Use Only:

Effective Date \_\_\_\_\_ Code Number \_\_\_\_\_

Name of Agency Department of Human Services

Department Division of Medical Services

Contact Cathy Coffman E-mail cathy.coffman@dhs.arkansas.gov Phone 501-537-1670

Statutory Authority for Promulgating Rules Arkansas Code Annotated 20-76-201

Rule Title: Ambulatory Surgical Center (ASC) 1-17

Intended Effective Date

(Check One)

☐ Emergency (ACA 25-15-204)

☒ 10 Days After Filing (ACA 25-15-204)

☐ Other \_\_\_\_\_  
(Must be more than 10 days after filing date.)

Legal Notice Published .....

Final Date for Public Comment .....

Reviewed by Legislative Council .....

Adopted by State Agency .....

Date

08/14/2017

09/12/2017

11/01/2017

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Becky Murphy becky.murphy@dhs.arkansas.gov

Contact Person

E-mail Address

Date

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)

Signature

(501) 371-2165

rose.naff@dhs.arkansas.gov

Phone Number

E-mail Address

Director

Title

10/18/17

Date

## 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** Ambulatory Surgical ASC 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 Does this proposed, amended, or repealed rule have a financial impact?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	<u>0</u>
Federal Funds	<u>0</u>
Cash Funds	<u></u>
Special Revenue	<u></u>
Other (Identify)	<u></u>
Total	<u>0</u>

**Next Fiscal Year**

General Revenue	<u>0</u>
Federal Funds	<u>0</u>
Cash Funds	<u></u>
Special Revenue	<u></u>
Other (Identify)	<u></u>
Total	<u>0</u>

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

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total \_\_\_\_\_

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**

\$ 0

**Next Fiscal Year**

\$ 0

The budget impact was previously included in State Plan Amendment # 2015-003; therefore there is no additional budget impact. Prior Authorization will result in establishing utilization control.

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;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
  - (a) justifies the agency's need for the proposed rule; and
  - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

- (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;
- (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;
- (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
- (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.



**Division of Medical Services**  
**Program Development & Quality Assurance**

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**TO:** Arkansas Medicaid Health Care Providers – Ambulatory Surgical Center

**EFFECTIVE DATE:** November 1, 2017

**SUBJECT:** Provider Manual Update Transmittal ASC-1-17

**REMOVE**

Section	Effective Date
216.400	7-1-14
216.910	7-1-14
221.100	7-1-14
222.000	7-1-14
223.000	7-1-14
—	—

**INSERT**

Section	Effective Date
216.400	11-1-17
—	—
221.100	11-1-17
222.000	11-1-17
223.000	11-1-17
242.411	11-1-17

**Explanation of Updates**

Section 216.400 has been updated with family planning procedure codes.

Section 216.910 has been removed.

Section 221.100 has been updated with information about obtaining a prior authorization from AFMC.

Section 222.000 has been updated with the most recent information pertaining to outpatient surgeries that require prior authorization.

Section 242.411 has been added with information regarding other covered injections and immunizations with special instruction.

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 Provider Assistance Center at 1-800-457-4454 (Toll-Free) within Arkansas or locally and Out-of-State at (501) 376-2211.

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](http://www.medicaid.state.ar.us).

Thank you for your participation in the Arkansas Medicaid Program.

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Rose M. Naff  
Director

**TOC required****216.400****Family Planning****11-1-17**

The following procedure codes are being added to the Ambulatory Surgical Center program for females with a primary diagnosis of family planning when billed with modifier SG:

Sterilization procedures require paper billing with DMS-615 attached. [View of print form DMS-615](#). [View or print form DMS-615 Spanish](#).

11976	11981	55250	55450	57150	58300	58301	58600
58615	58661	58670	58671	72190	J1050	J7301	

CPT code 58661 represents a procedure to treat medical conditions as well as for elective sterilizations.

[View or print contact information for the Arkansas DHS, Division of Medical Services, Medical Director for Clinical Affairs.](#)

**221.100****Prior Authorization Request and Notification Procedures****11-1-17**

The procedures in this section apply to all requests for PA of outpatient surgeries.

- A. The attending physician or the physician's office nurse (or a licensed physician assistant) must furnish the following information by telephone to AFMC.
  1. The beneficiary's name and address
  2. The beneficiary's Medicaid identification number
  3. The physician's name and state license number
  4. The physician's provider identification number
  5. The facility's name
  6. The date of the procedure
- B. AFMC approves or denies the request by telephone and follows up with written confirmation of the determination.
  1. In approved cases, AFMC assigns a prior authorization control number to the case.
  2. When AFMC denies a PA request, the provider and the beneficiary have administrative and legal rights to reconsideration and appeal (explained in Sections 160.000 through 169.000 of this manual).
- C. AFMC forwards individual written confirmation to the surgeon.
- D. It is important to note that the surgeon is ultimately responsible for ensuring that the facility (as well as any other affected provider, such as the anesthetist) has a copy of the authorization to file and to use for billing purposes.

- E. When obtaining a Prior Authorization (PA) from the Arkansas Foundation for Medical Care (AFMC), please send your requests to the following:

In-state and out-of-state toll free for inpatient reviews, Prior Authorizations for surgical procedures and assistant surgeons only	1-800-426-2234
General telephone contact, local or long distance – Fort Smith	(479) 649-8501 1-877-650-2362
Fax for CHMS only	(479) 649-0776
Fax for Molecular Pathology only	(479) 649-9413
Fax	(479) 649-0799
Web portal	<a href="https://afmc.org/reviewpoint/https://afmc.org/reviewpoint/">https://afmc.org/reviewpoint/https://afmc.org/reviewpoint/</a>
Mailing address	Arkansas Foundation for Medical Care, Inc. P.O. Box 180001 Fort Smith, AR 72918-0001
Physical site location	5111 Rogers Avenue, Suite 476 Fort Smith, AR 72903
Office hours	8:00 a.m. until 4:30 p.m. (Central Time), Monday through Friday, except holidays

## 222.000 Outpatient Surgeries That Require Prior Authorization

11-1-17

- A. For dates of service on or after November 1, 2017 the following procedure codes require prior authorization.

11920	11921	11950	11951	11952	11954	15775	15776
15780	15781	15782	15783	15789	15819	15820	15821
15822	15823	15824	15825	15826	15828	15829	15876
15877	15878	15879	17360	17380	21073	26341	27279
28531	36468	43886	43887	43888	54401	54405	54406
54408	54410	54900	54901	55870	56805	58321	58322
58323	58970	58974	58976	59200	64566	C9724	

- B. For dates of service on or after November 1, 2017 the following procedure codes require prior authorization.

Outpatient Surgery Abortion Codes That Require Prior Authorization							
59840	59841	59866					

1. Refer to Section 216.110, "Abortion When Life of Mother Would Be Endangered If the Fetus Were Carried to Term," for the prior authorization process.
2. Refer to Section 216.120, "Abortion When the Pregnancy Is a Result of Rape or Incest," for the prior authorization process.
3. Abortion claims must be billed on a paper CMS-1450 (UB-04) claim form with the DMS-2698 form (Certification Statement for Abortion), history and physical, and operative report attached. [View a sample CMS-1450 \(UB-04\) claim form. View or print form DMS-2698.](#)

223.000

Reserved

11-1-17

242.411

## Other Covered Injections and Immunizations with Special Instructions

11-1-17

For dates of service on or after November 1, 2017, the following procedure codes require prior authorization or a diagnosis restriction.

The following is a list of injections with special instructions for coverage and billing. The table of payable procedure codes is designed with eight columns of information.

- A. The **first** column of the list contains the CPT or HCPCS procedure codes.
- B. The **second** column indicates specific ICD primary diagnosis restrictions.
- C. The **third** column contains information about the "diagnosis list" for which a procedure code may be used.
- D. The **fourth** column indicates whether a procedure is subject to medical review before payment.
- E. The **fifth** column indicates a procedure code requires a prior authorization before the service is provided.

Procedure Code	Diagnosis	Diagnosis List	Review	PA
A9520	No	No	No	No
A9586	No	No	No	No
C9025	No	List 103	No	No
C9026	No	No	No	Yes
C9027	No	No	No	Yes
C9132	No	No	Yes	No

NOTE: **Kcentra** is indicated for the urgent reversal of acquired coagulation factor deficiency induced by Vitamin K antagonist (VKZ, e.g. warfarin) therapy in adult patients with major bleeding. **Kcentra** is not indicated for urgent reversal of VKA anticoagulation in patients without acute major bleeding. Documentation of the major bleed should be included in a complete history and physical exam. All treatments needed for the major bleed prior to **Kcentra** should be documented. A hemoglobin and hematocrit should be documented in the record as well as the dose of warfarin.

C9257	No	No	No	Yes
C9442	No	No	No	Yes
C9445	No	No	No	No



Procedure Code	Diagnosis	Diagnosis List	Review	PA
C9449	No	No	No	Yes
C9450	No	No	No	Yes
C9451	J10.1	No	No	No
C9453	No	No	No	Yes
C9454	No	No	No	Yes
C9455	No	No	No	Yes
J0401	No	List 157	No	Yes
J0717	No	No	No	Yes
J1322	No	No	No	Yes
J1556	No	No	Yes	No
J1602	No	No	Yes	No
J3060	No	No	Yes	Yes
J3101	No	No	Yes	No
J7316	No	No	Yes	Yes
J7321	No	No	No	Yes
J7323	No	No	No	Yes
J7324	No	No	No	Yes
J7325	No	No	No	Yes

**NOTE:** Prior authorization is required for coverage of the **Hyaluronon** injection in the physician's office for procedure codes J7321, J7323, J7324 and J7325. Providers must specify the brand name of **Hyaluronon** (sodium hyaluronate) or derivative when requesting prior authorization for this procedure code. A written request must be submitted to the Division of Medical Services Utilization Review Section. Refer to Section 220.000 for prior authorization information. The request must include the patient's name, Medicaid ID number, physician's name, physician's Arkansas Medicaid provider identification number, patient's date of birth and medical records that document the severity of osteoarthritis, previous treatments and site of injection. **Hyaluronon** is limited to one injection or series of injections per knee, per beneficiary, per lifetime.

A maximum of three injections per knee are allowed of **Hylan** polymers that are covered by Arkansas Medicaid. If additional injections are administered as part of the initial series, the cost of the additional injections is considered a component of the other approved unit(s) of these injection procedures. Refer to Section 220.000 for prior authorization.

J7327	No	No	No	Yes
J7336	No	No	No	Yes
J9047	No	No	No	Yes
J9262	No	No	No	Yes
J9301	No	No	No	Yes
J9306	No	No	No	Yes
J9354	No	No	No	Yes
J9371	No	No	No	Yes
J9400	No	No	Yes	Yes

Procedure Code	Diagnosis	Diagnosis List	Review	PA
Q3027	No	List 166	No	Yes
Q9975	No	No	No	Yes
Q9978	No	No	No	Yes