

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services

DIVISION Division of Medical Services

PERSON COMPLETING THIS STATEMENT David McMahon

TELEPHONE 501-396-6421 **FAX** _____ **EMAIL:** David.McMahon@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 Provider-Led Arkansas Shared Savings Entity (PASSE) 1-18 Program

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 Does this proposed, amended, or repealed rule have a financial impact?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>(\$6,915,805)</u>
Federal Funds	<u>(\$16,535,552)</u>
Cash Funds	<u>0</u>
Special Revenue	<u>0</u>
Other (Identify)	<u>0</u>

Total (\$23,451,357)

Next Fiscal Year

General Revenue	<u>(\$14,177,435)</u>
Federal Funds	<u>(\$33,897,964)</u>
Cash Funds	<u>0</u>
Special Revenue	<u>0</u>
Other (Identify)	<u>0</u>

Total (\$48,075,399)

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

Current Fiscal Year

Additional revenue generated due to premium taxes from PASSE entities - \$11,820,950 (\$5,910,475 for use to offset General Revenue of PASSE payments and \$5,910,475 for use to reduce DDS wait list).

Next Fiscal Year

Additional revenue generated due to premium taxes from PASSE entities - \$24,232,946 (\$12,116,473 for use to offset General Revenue of PASSE payments and \$12,116,473 for use to reduce DDS wait list).

The amounts reported for questions #4 and #5 are tentative pending final approval of rates for calendar year 2019 and 2020.

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.

PASSE entities will negotiate with providers to set service rates under this model. Therefore, the rule itself does not impose any specific cost on the provider.

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

\$ (35,272,307)

Next Fiscal Year

\$ (72,308,345)

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.

Supplemental Information

PASSE Fiscal Impact Narrative

Introduction

The costs and savings presented here are based on reasonable assumptions about the current cost of the program and a reasonable level of savings to be achieved in the first year of risk-based capitation rates. The actual cost and savings presented may change from the estimates presented here.

DHS has not negotiated the final rates to be paid to the PASSE which must be approved by the Centers for Medicare and Medicaid Services (CMS). Each PASSE will receive a capitated per member per month (PMPM) payment to reflect all benefits for all covered services and administrative costs. Even after final rates are agreed to by the PASSEs and CMS, actual costs and savings may change. For example, each individual enrolled among the PASSEs has been designated a tier level of care as a result of their Independent Assessment (IA). Currently, there are active appeals for 317 individuals (less than 1% of assessments conducted for these populations).

The rates will be set only for Calendar Year (CY) 2019. DHS will use the experience of CY 2019 to set rates for CY 2020.

Costs

Estimated Medicaid expenditures for CY 2019 and CY 2020 have been projected using actual expenditures from State Fiscal Year (SFY) 2016 and SFY 2017 for the following population groups:

- Behavioral Health (BH) Adult Tier 2
- BH Adult Tier 3
- BH Child Tier 2
- BH Child Tier 3
- Intellectually/Developmentally Disabled (ID/DD) Adult Tier 2
- ID/DD Adult Tier 3
- ID/DD Child Tier 2
- ID/DD Child Tier 3
- Dual Diagnosis Adult Tier 2
- Dual Diagnosis Adult Tier 3
- Dual Diagnosis Child Tier 2
- Dual Diagnosis Child Tier 3

Service category (inpatient hospital, physician, professionals, waiver services, etc.) costs for each of these population groups in SFY 2016 and SFY 2017 have been indexed at variable growth rates based on recent trends.

In addition, DHS has imputed costs for children and adults for services to be provided through the 1915(i) state plan amendment. PASSEs are required to provide all state plan amendment services, which will include the 1915(i) services as well as all waiver services for the ID/DD populations.

Savings

The savings estimates are based on reasonable assumptions about the change in utilization patterns generally experienced in the adoption of managed care models. We expect, in general, an increase in utilization of community-based providers, especially physicians and professionals. Greater access to community services will reduce use of institution-based care. Improvements in organized care will have the greatest impact on the highest cost individuals. For example, individuals with high pharmaceutical costs will benefit from intensive medication management.

DHS estimates savings of approximately \$47 million (State and Federal) in CY 2019 net of administrative costs included in the Global Payment. For comparison, in December 2016, the Health Care Task Force (HCTF) estimated that the first year of savings would not occur until SFY 2021. The net savings for SFY 2021 was estimated at \$40 million.

Administrative expenses include human capital costs (salaries, wages, benefits, payroll taxes, etc.); operating expenses (equipment, occupancy, etc.); and taxes and fees (premium tax). The administrative component of the PMPM will be comparable with what other states pay for Medicaid managed care. DHS has not assumed net savings to the program in shifting from direct reimbursement to providers (claims processing, member enrollment, provider credentialing, grievances and appeals, etc.) to risk-based payments as each PASSE must perform the same administrative functions.

Revenues—Premium Tax

Each PASSE will pay a 2.5% premium tax. As specified in Act 775, at least 50% of these revenues must be used to reduce the waitlist for individuals with ID/DD. DHS will also use a percentage of revenues to fund a Quality Incentive Pool for the PASSEs. DHS may also use revenues as the nonfederal share to finance the program.

DHS estimates the premium tax will generate approximately \$23.1 million in CY 2019. For comparison, the HCTF estimated a premium tax would generate \$56 million in revenue in SFY 2021. As the premium tax is based on payments to the PASSEs, the lower revenue amount reflects lower expenditures compared to the HCTF estimates. Spending on the BH and ID/DD populations has decelerated from the HCTF timeframe, due, in part, to the Medicaid transformation initiatives that have been implemented per the HCTF recommendations.

Revenues—Provider Assessments

There is a relationship between supplemental payments to hospital providers and the amount of the assessments they pay. All supplemental payments to hospital providers have been included in the cost of services used to calculate the PMPMs.

There is no fiscal impact on the amount of supplemental payments the hospitals will receive in in SFY 2019, as payments to providers are based on the prior two years. DHS intends to consult with providers on the impact of the PASSE program on provider assessments. DHS estimates that a loss in provider assessment revenues to the General Fund will be offset by the new premium tax.



Division of Medical Services
Office of Policy Coordination & Promulgation

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• TDD/TTY: 501-682-6789



TO: Arkansas Medicaid Health Care Providers – Provider-Led Arkansas Shared Savings Entity (PASSE) Program

EFFECTIVE DATE: January 1, 2019

SUBJECT: Provider Manual Update Transmittal PASSE-1-18

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Explanation of Updates

The Provider-Led Arkansas Shared Savings Entity (PASSE) provider manual has been completely restructured. Please review the updated manual in its entirety.

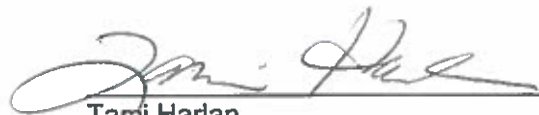
This update transmittal memorandum indicates which sections of your provider manual have been revised. Electronic versions of provider manuals available from the Arkansas Medicaid website have changes incorporated. See Section I for instructions on updating a paper copy of the manual.

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 Office of Policy Coordination and Promulgation 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: <https://medicaid.mmis.arkansas.gov/Provider/Docs/Docs.aspx>.

Thank you for your participation in the Arkansas Medicaid Program.

A handwritten signature in black ink, appearing to read "Tamli Harlan", is positioned above a solid horizontal line.

Tamli Harlan
Interim Director

200.000 DEFINITIONS**Adjusted Premium Revenue**

Premium revenue as defined in 42 CFR § 438.8 minus the PASSE's Federal, State and local taxes, licensing and regulatory fees as defined in 42 CFR §438.8.

Administrative Cost Ratio

Administrative Cost Percentage [42 CFR § 438.116 (a) and (b)] is the total administrative expenses, divided by total payments received from State of Arkansas less premium tax.

Adverse Decision/Adverse Action

Any decision or action by the PASSE or DHS that adversely affects a Medicaid provider or beneficiary in regard to receipt of and payment for claims and services including but not limited to decisions or findings related to:

- A. Appropriate level of care or coding,
- B. Medical necessity,
- C. Prior authorization,
- D. Concurrent reviews,
- E. Retrospective reviews,
- F. Least restrictive setting,
- G. Desk audits,
- H. Field audits and onsite audits
- I. Inspections, and
- J. Payment amounts due to or from a particular provider resulting from gain sharing, risk sharing, incentive payments or another reimbursement mechanism or methodology.

Arkansas Department of Human Services (DHS)

The Arkansas Department of Human Services (DHS) is the designated single state agency with responsibilities to administer the Medicaid program.

Arkansas Insurance Department (AID)

The Arkansas Insurance Department (AID) has the responsibility to license PASSEs. Among its responsibilities, AID establishes bonding and reserve requirements for solvency.

Assignment

The process by which DHS assigns a newly eligible member among the active PASSEs. The individual will have 90 days from the date coverage begins to switch to a different PASSE. If the individual does not choose to switch to a different PASSE within this time, he/she will remain a member of that PASSE until the end of the coverage year.

Benefit Expenditure Report (BER)

The Benefit Expenditure Report documents how much was paid during the performance year by the PASSE, in the aggregate, to direct service providers for services provided to its members. A PASSE may choose to spend up to five percent (5%) of benefit expenditures on community

investments. Community investments will be counted as benefit expenditures rather than administrative expenditures in calculating and reporting the medical loss ratio.

Care Coordination

Activities involving a collaborative patient-centered engagement of the individual and their caregiver in service referral, follow up, and service navigation. The care coordination process includes assessing, collaborating on care planning, medication management, treatment plan follow-through, service coordination, monitoring the patient adherence, and reevaluating the patient for medically necessary care and service. These activities focus on ensuring the individual's healthcare and support service needs are met; through effective provider and patient communication, information sharing, follow up, care transitions, and assurance of timely access to care that promotes quality, cost-effective outcomes.

Case Management

Services furnished to assist individuals in gaining access to needed medical, social, educational, and others services in accordance with 42 CFR § 440.169.

Centers for Medicare & Medicaid Services (CMS)

The Centers for Medicare & Medicaid Services (CMS) is the federal agency delegated by the Secretary of the US Department of Health and Human Services to administer the Medicaid program under Title XIX of the Social Security Act and thereby has federal oversight responsibilities for the state and the PASSEs.

The state and the PASSEs must meet the requirements of a Medicaid managed care organization as defined in 42 CFR § Part 438.

Claims Payment

A claims payment is a payment made in full or in part to a service provider for the provision of medically necessary treatment and services to an eligible beneficiary that is a PASSE member. Claims types include hospital inpatient, outpatient, professional payments, clinic, ancillary, pharmacy, support service, and other institutional payments.

Claims Payment Process

A claims payment process involves all the business and operational processes, claims management information systems, and banking processes that are necessary to receive, validate, adjudicate, audit, and reimburse providers for services provided to eligible beneficiary. These business and operational activities, processes, and systems are performed and managed by the PASSE organization to meet the claims payment standards of the State.

Direct Service Provider

An organization or individual that delivers healthcare services to beneficiaries attributed to a PASSE. PASSE Equity Owners can be direct service providers.

Disenrollment

A determination by DHS that a member is no longer eligible to receive PASSE services.

Federal, State, and local taxes and licensing and regulatory fees

Federal, State, and local taxes and licensing and regulatory fees are as defined in 42 CFR §438.8.

Flexible Services

Alternative services that are not included in the state plan or waiver of the Arkansas Medicaid Program and that are appropriate and cost-effective services that improve the health or social

determinants of a member of an enrollable Medicaid beneficiary population that affect the health of a member of an enrollable Medicaid beneficiary population.

Fraud Prevention Activities

Fraud Prevention Activities are as defined in 42 CFR § 438.8

Incurred Claims

Incurred claims are as defined in 42 CFR § 438.8

Independent Assessment

An Independent Assessment (IA) is required prior to becoming a member of a PASSE. Not all Medicaid enrollees can be enrolled in a PASSE. Individuals must be in need of behavioral health or developmental disabilities services. An IA is conducted by qualified individual using an assessment instrument approved by DHS. Individuals who are assessed as meeting a Tier 2 or Tier III level of care condition will be assigned into an active PASSE and are required to obtain all non-excluded Medicaid services through the PASSE.

An individual who is assessed as meeting a Tier I level of care condition may voluntarily enroll in a PASSE as of July 1, 2019 or later as specified by DHS.

The Tier is also used by DHS in the determination of the actuarially sound rates to be paid to a PASSE for that individual.

Medical/Quality Management Committee

A committee developed by the PASSE to oversee Quality Assurance and Quality Improvement activities of PASSE services.

Medical Loss Ratio

Each PASSE must report its Medical Loss Ratio (MLR) to AID and DHS. Calculation of the MLR is defined at 42 CFR § 438.8.

Network Provider

The provider who, under a contract with a PASSE or with its contractor/subcontractor, has agreed to provide Health Care Services to persons with an expectation of receiving payments directly or indirectly from the PASSE.

Open Enrollment Period

DHS will, on an annual basis, offer an open enrollment period for all current enrollees to choose a different PASSE for coverage beginning January 1 of the following year. If an individual does not make an active choice to switch PASSEs during the open enrollment period, that individual will remain a member of the same PASSE for the twelve (12) months of the new coverage year provided the individual is otherwise eligible.

Out-of-Network Provider

A provider who is enrolled in the Arkansas Medicaid program but who did not join the network of a particular PASSE. Payment to an out-of-network provider may differ from an in-network provider, but must comply with any applicable Arkansas Medicaid consent decree.

If an out-of-network provider renders a service to a PASSE member, it must do so in conformance with the rights of a Medicaid enrollee. These rights include that the provider accept the PASSE payment for services as payment in full and not bill the individual.

PASSE Equity Partners

An organization or individual that is a member of or has an ownership interest in a PASSE and delivers healthcare services to beneficiaries attributed to a PASSE.

Person-Centered Service Plan (PCSP)

The total plan of care made in accordance with person centered service planning as described in 42 CFR 441.301(c)(1) that indicates the following:

- A. Services necessary for the member;
- B. Any specific needs the member has;
- C. The member's strength and needs; and,
- D. A crisis plan for the member.

Performing Provider

Individual who is the rendering provider of a particular service.

Premium Revenue

Premium revenue is as defined in 42 CFR §438.8.

Provider-Led Arkansas Shared Savings Entity (PASSE)

A Risk Based Provider Organization (RBPO) in Arkansas that has enrolled in Medicaid and meets the following requirements:

- A. Is 51% owned by PASSE Equity Partners; and
- B. Has the following Members or Owners:
 - 1. An Arkansas licensed or certified direct service provider of Developmental Disabilities (DD) services;
 - 2. An Arkansas licensed or certified direct service provider of Behavioral Health (BH) services;
 - 3. An Arkansas licensed hospital or hospital services organizations;
 - 4. An Arkansas licensed physician's practice; and
 - 5. A Pharmacist who is licensed by the Arkansas State Board of Pharmacy.

Among other things, each PASSE must be licensed by AID, enrolled as a Medicaid provider, and enter into an annual PASSE agreement with DHS.

Provider Network

The group of direct service providers that are contracted to provide services to members of a PASSE.

Quality Improvement

Activities that improve healthcare quality as defined in 42 CFR § 438.8. These activities must be designed to:

- A. Improve health quality;
- B. Meet specified quality performance measures;
- C. Increase the likelihood of desired health outcomes in ways that are capable of being objectively measured and or producing verifiable results and achievements;

- D. Be directed toward individual members incurred for the benefit of specified segments of members or provide health improvements to the population beyond those enrolled in coverage as long as no additional costs are incurred due to the non-members; and
- E. Be grounded in evidence-based medicine, widely accepted best clinical practice, or criteria issued by recognized professional medical associations, accreditation bodies, government agencies or other nationally recognized health care quality organizations.

Risk-Based Comprehensive Global Payment

Risk-based comprehensive global payment is a capitated payment that is made in monthly prorated payment to the PASSE for each assigned PASSE member. Only a licensed Risk-Based Provider Organization/ Provider-Led Arkansas Shared Savings Entity (PASSE) in good standing in the State of Arkansas is eligible to receive a global payment under the program.

Comprehensive means that the PASSE is at financial risk and obligated to pay for medically necessary inpatient hospital, outpatient, institutional, professional services, pharmacy, ancillary, long term care services and supports, and any other covered service, not exclusive or carved out, for members as specified in the scope of services identified in the State plan section 1905(a).

Risk-based Provider Organization (RBPO)

An entity that is licensed by the Insurance Commissioner under Act 775 of 2017 and the risk-based provider organization rules.

Service Encounter

A standardized record of a health care-related service, procedure, treatment, or therapy rendered by a licensed provider or providers to a PASSE member. There are two types of service encounters, paid claim encounter and non-paid encounters that were performed but are not reimbursable.

Telemedicine

The use of electronic information and communication technology to deliver healthcare services, including without limitation the assessment, diagnosis, consultation, treatment, education, care management, and self-management of a patient. It included store-and-forward technology and remote patient monitoring.

Telemedicine does not include the use of:

- A. Audio-only communication, including without-limitation, interactive audio;
- B. A facsimile machine;
- C. Text messaging; or
- D. Electronic mail systems.

The Act

Title XIX of the Social Security Act.

Transition

The movement of a member from one PASSE to another, either by choice or for cause as defined in section 213.000 of this manual.

Value-based Payments

Payments made by a PASSE to its providers to promote efficiency and effectiveness of services, improve quality of care, improve patient experience and access to care, and promote most

appropriate utilization in the most appropriate setting. Such payments may be made as part of a PASSE's Quality Assessment and Performance Improvement (QAPI) strategy.

Virtual and Home Visit Provider Services

Virtual services are telemedicine, telehealth, e-consulting, and provider home visits that are part of a patient care treatment plan and are provided at the individual's home or in a community setting. These services are provided using mobile secure telecommunication devices, electronic monitoring equipment, and includes clinical provider care, behavioral health therapies, and treatment provided to an individual at their residence. Virtual provider services may use various evidence-based and innovative independence at-home strategies. They may include the provision of on-going care management, remote telehealth monitoring and consultation, face to face or through the use secure web-based communication and mobile telemonitoring technologies to remotely monitor and evaluate the patient's functional and health status. Virtual and telehealth services are provided in lieu of providing the same services at a practice site or provided at the individual's place of residence. Therefore, these services must have patient consent, be documented in the patient integrated medical records, and submitted as a claims or encounter from a contracted provider as medically necessary service. The provision of virtual care can include an interdisciplinary care team or be provided by individual clinical service provider.

210.000 GENERAL PROVISIONS

211.000 Purpose and Scope

1-1-19

The purpose of the Arkansas PASSE program, pursuant to Title XIX of the Social Security Act (The Act) and Arkansas Act 775, is to organize and manage the delivery of services for certain Medicaid beneficiaries who have complex behavioral health and intellectual and developmental disabilities service needs. The federal statutory and regulatory requirements that govern the PASSE Program are described in 42 CFR § 438. Under these authorities, DHS shall enter into a comprehensive PASSE Provider Agreement with eligible entities on an annual basis.

The scope of the PASSE program covered in this manual defines the services, standards and requirements of the PASSE organization. The PASSE organization is responsible for the provision of comprehensive medically necessary services to eligible beneficiaries who are enrolled (assigned) to the PASSE. In addition to medically necessary care and treatment services, the PASSE is responsible for:

- A. All Care Coordination activities pursuant to Ark. Code Ann. § 20-77-2703(3), including but not limited to:
 - 1. Assessment of an eligible individual.
 - 2. Development of a specific care plan.
 - 3. Referral to services.
 - 4. Monitoring activities.
- B. Providing services that are responsiveness to the beneficiary's needs and choices regarding service delivery and personal goals and preferences that engages beneficiaries and caregivers or family/representative in shared decision making.
- C. Integrated care services that supports the beneficiary in the least restrictive setting and assists member's full access to the benefits of supportive services and community living to prioritize the member's choice of living in their own home or choosing an Alternative HCBS Setting rather than residing in an institution.

INCORPORATION BY REFERENCE

The program descriptions, definitions, requirements, policies, procedures and standards presented in this PASSE manual are hereby incorporated by reference into the PASSE Provider Agreement.

211.200 Standard Contract Requirements**1-1-19**

The Centers for Medicare & Medicaid Services (CMS) must review and approve the PASSE Provider agreement. The proposed final PASSE Provider Agreement must be submitted in the form and manner established by CMS. The proposed final PASSE Provider Agreement must be submitted to CMS for review no later than 90 days prior to the effective date of the contract.

The PASSE Provider Agreement must comply with 42 CFR § 438.3. The PASSE Provider Agreement includes:

- A. Specific terms and conditions,
- B. Capitation rate sheet;
- C. Termination provision;
- D. Notices and reporting provisions;
- E. Performance period;
- F. Dispute resolution;
- G. Indemnity provisions; and,
- H. And any other relevant information regarding the agreement between DHS and the PASSE.

212.000 Actuarial Soundness**1-1-19**

Actuarially sound capitation rates are projected to provide for all reasonable, appropriate, and attainable costs that are required under the terms of the contract and for the operation of the PASSE for the time period and the population covered under the terms of the contract, and such capitation rates are developed in accordance with the requirements in paragraph (b) of § 438.4.

Capitation rates for PASSEs must be reviewed and approved by CMS as actuarially sound. To be approved by CMS, capitation rates must:

- A. Have been developed in accordance with standards specified in §438.5 and generally accepted actuarial principles and practices. Any proposed differences among capitation rates according to covered populations must be based on valid rate development standards and not based on the rate of Federal financial participation associated with the covered populations.
- B. Be appropriate for the populations to be covered and the services to be furnished under the contract.
- C. Be adequate to meet the requirements on PASSEs in §§438.206, 438.207, and 438.208.
- D. Be specific to payments for each rate cell under the contract.
- E. Payments from any rate cell must not cross-subsidize or be cross-subsidized by payments for any other rate cell.
- F. Be certified by an actuary as meeting the applicable requirements of this part, including that the rates have been developed in accordance with the requirements specified in §438.3(c)(1)(ii) and (e).

- G. Meet any applicable special contract provisions as specified in §438.6.
- H. Be provided to CMS in a format and within a timeframe that meets requirements in §438.7.

212.100 Rate Development Standards**1-1-19**

DHS must adhere to the Rate Development Standards as specified in 42 CFR §438.5.

213.000 Special Contract Provisions Related To Payment**1-1-19**

Special contract provisions that are related to payment, if applicable, must comply with 42 CFR §438.6.

213.100 Rate Certification Submission**1-1-19**

States must submit to CMS for review and approval, all PASSE rate certifications concurrent with the review and approval process for contracts as specified in §438.3(a). Requirements for rate certification are contained in 42 CFR §438.7.

214.000 Medical Loss Ratio (MLR) Standards**1-1-19**

Medical Loss Ratio (MLR) refers to the proportion of total per member per month capitation payments that is spent on clinical services and for quality improvement. Pursuant to 42 CFR 438.8, each PASSE must report MLR to DHS and must attest to the accuracy of the calculation of MLR.

Each PASSE must calculate their MLR based upon premium revenue, incurred claims, expenditures for activities that improve health care quality, fraud prevention activities, and Federal, State, and local taxes and licensing and regulatory fees on a quarterly and annual financial report to DHS.

Any retroactive changes to capitation rates after the contract year end will need to be incorporated in the MLR calculation. If the retroactive capitation rate adjustment occurs after the MLR report has been submitted to DHS, a new report incorporating the change will be required to be submitted within 30 days of the capitation rate adjustment payment.

MLR reporting requirements are specified in the PASSE Provider Agreement.

215.000 Information Requirements**1-1-19**

- A. The PASSE must provide information to members in a manner and format (at least 12-point font) that is easily understood to a person who reads at the sixth (6th) grade level and is readily accessible. All documents that are submitted to DHS that will be sent to members must have documentation of the reading level of that document.
- B. The PASSE must provide written materials that are critical to obtaining services, including, at a minimum, provider directories, member handbooks, appeal and grievance notices, and marketing material.
- C. All materials provided by the PASSE must be available in English and Spanish.
- D. The PASSE must make available all materials (or information) in alternative formats upon request, of the member or potential member at no cost.
- E. The PASSE must make available auxiliary aids and services upon request of the potential member or member at no cost.
- F. The PASSE must notify beneficiaries of their right to obtain information in alternative formats.

- G. The PASSE must provide each member a member identification card.

216.000 Provider Discrimination Prohibited

1-1-19

The PASSE may not discriminate in the participation, reimbursement, or indemnification of any provider who is acting within the scope of his or her license or certification under applicable State law, solely on the basis of that license or certification. If a PASSE declines to include individual or groups of providers in its provider network, it must give the affected providers written notice of the reason for its decision. In all contracts with network providers, the PASSE must comply with the requirements specified in 42 CFR §438.214.

The above paragraph may not be construed to:

- A. Require the PASSE to contract with providers beyond the number necessary to meet the needs of its enrollees;
- B. Preclude the PASSE from using different reimbursement amounts for different specialties or for different practitioners in the same specialty; or
- C. Preclude the PASSE from establishing measures that are designed to maintain quality of services and control costs and are consistent with its responsibilities to members.

220.000 STATE RESPONSIBILITIES**221.000 1915(b) Waiver**

1-1-19

The PASSE program operates under a waiver granted under section 1915(b) of the Act.

221.100 Requirements for PASSE Program Participation

1-1-19

To be eligible to participate as a Provider-Led Arkansas Shared Savings Entity (PASSE) with Arkansas Medicaid, the entity must:

- A. Be licensed by the Arkansas Insurance Department (AID) as a risk-based provider organization under Act 775 and the risk-based provider organization regulations issued by the Insurance Commissioner;
- B. Demonstrate a network adequate to ensure coverage of services as outlined in Section 226.000 of this manual;
- C. Have the ability to provide care coordination to attributed beneficiaries;
- D. Sign the Provider-Led Arkansas Shared Savings Entity (PASSE) Agreement to operate as a PASSE provider type and agree to adhere to all requirements of this Manual, the PASSE agreement, and any applicable federal and state regulations; and
- E. Successfully complete the Readiness Review outlined in Section 241.000 of this manual.
- F. Meet financial and equity reserve requirements as specified by the Arkansas Insurance Department.

221.200 Covered Services

1-1-19

The PASSE is required to ensure that a member has access to all services covered under the Medicaid state plan, as well as under Section 1915(i) and CES waiver services, including therapy services and services through the Early Periodic Screening Diagnosis and Treatment (EPSDT) program for children.

The PASSE must comply with Sections 1902(a)(43) and 1905(a)(4)(B) and 1905(r) of the Social Security Act and Federal regulations at 42 CFR § Part 441 Subpart B that require EPSDT services to include outreach and informing, screening, tracking, and, diagnostic and treatment services.

The PASSE cannot provide an incentive, monetary or otherwise, to Provider for withholding medically necessary services. With the exception of flexible services, all services provided to PASSE members must be medically necessary for each member. The PASSE must ensure that services are sufficient in amount, duration, or scope to reasonably achieve the purpose for which the services are furnished.

The PASSE may not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of the diagnosis, type of illness, or condition of the enrollee. The PASSE may place appropriate limits on a service for utilization control, provided the services furnished can reasonably achieve their purpose.

The PASSE is responsible for the provision of services (except as excluded below) as described in each specific programmatic Medicaid Manual located at <https://medicaid.mmis.arkansas.gov/Provider/Docs/Docs.aspx>. All services described in Section II of the manuals must be made accessible to PASSE members if medically necessary.

A. Excluded Services

1. Nonemergency Medical Transportation (NET);
2. Dental benefits in a capitated program;
3. School-based services provided by school employees;
4. Skilled nursing facility services;
5. Assisted living facility services;
6. Human development center services; or
7. Waiver services provided to the elderly and adults with physical disabilities through the ARChoices in Homecare program or the Arkansas Independent Choices program

In lieu of services are services that are provided in lieu of a covered benefit. These services are not part of the PASSE covered benefit, but because of special circumstances, it is deemed more cost effective to provide a non-covered service in lieu of more expensive institutional care which is covered under the PASSE program. The PASSE must determine that an "In Lieu of Service" will reduce cost and avoid institution placement or enhance the PASSE member's ability to transition from institutional or residential care. These services may be provided upon approval of the State. The cost of the service is not claimable as a medical expense but can be claimed as an administrative cost. The benefit to the PASSE is that provision of an "In Lieu of Service" should reduce medical expenditures for institutional care. For example, if providing a mobile phone or paying for a WIFI connection allows the PASSE avoid skill nursing days by monitoring a member's health and vitals remotely, the cost of the mobile phone service or WIFI service would be an in lieu of service expense.

221.210 Pharmacy Requirements

1-1-19

The PASSE must use the most current version of the Arkansas Preferred Drug List (<https://arkansas.magellanrx.com/provider/documents/>), which is subject to periodic changes. The PASSE must use the Medicaid PDL developed by DHS or its Agent and may not develop and use its own PDL.

Any prior authorization program for covered outpatient drugs must comply with the requirements defined under Section 1927 of the Social Security Act.

The PASSE Provider Agreement requires that:

- A. The PASSE provides coverage of covered outpatient drugs as defined in section 1927 of the Social Security Act, that meets the standards for such coverage imposed by section 1927 of the Social Security Act as if such standards applied directly to the PASSE.
- B. The PASSE reports drug utilization data that is necessary for States to bill manufacturers for rebates in accordance with section 1927 of the Social Security Act, of which can be no later than 45 calendar days after the end of each quarterly rebate period. Such utilization information must include, at a minimum, information on the total number of units of each dosage form, strength, and package size by National Drug Code of each covered outpatient drug dispensed or covered by the MCO, PIHP, or PAHP. Specific timeframes and guidelines on submission of drug utilization data is contained within the PASSE Provider Agreement.
- C. The PASSE establishes procedures to exclude utilization data for covered outpatient drugs that are subject to discounts under the 340B drug pricing program from the reports required in Section 1927 of the Social Security Act when states do not require submission of managed care drug claims data from covered entities directly.
- D. The PASSE must operate a drug utilization review program that complies with the requirements described in Section 1927 of the Social Security Act and 42 CFR part 456, subpart K, as if such requirement applied to the PASSE instead of the State.

The PASSE must provide a detailed description of its drug utilization review program activities to the State on an annual basis as described in the PASSE Provider Agreement.

221.220 Therapeutic Classes of Drugs 1-1-19

If the PASSEs do not include a covered outpatient drug that is otherwise covered by the state plan, access to the off-formulary covered outpatient drug must be aligned with the prior authorization requirements as defined under Section 1927 of the Social Security Act.

221.230 Prohibition of More Restrictive Coverage Than Arkansas Medicaid Fee For Service 1-1-19

PASSEs must demonstrate prescription drug coverage for outpatient and physician-administered drugs that is not less than the amount, duration, and scope as described by Medicaid Fee-For-Service (FFS). All PASSEs will be required to guarantee access to Medicaid Fee-for-Service Covered Outpatient Drugs.

221.300 Payment 1-1-19

The global capitation payment made to a PASSE covers the costs of services, administration, and care coordination of members assigned to the PASSE in accordance with 42 CFR § 438.2. The global payment will be actuarially sound and made to each PASSE on a Per Member Per Month (PMPM) basis. The global capitation payment amount is determined on an annual basis and includes a variety of factors including the results of the Independent Assessment and cost trends.

221.310 Prorated Payments 1-1-19

The PASSE will receive a prorated PMPM for members beginning coverage the same month as assignment to a PASSE. Payments will be prorated for the number of days in the month in which the member is effective with the PASSE.

221.320 PASSE Member Disenrollment 1-1-19

PASSE Disenrollment will be based upon a determination by DHS that a member is no longer eligible to receive PASSE services. A member will be assigned to the same PASSE if re-

enrollment occurs within one-hundred and eighty (180) days of previous disenrollment. Disenrollment will occur because of the following:

- A. Member loses Medicaid eligibility.
- B. Member is placed in a setting or receives services excluded from the PASSE, e.g. full admission to a Human Development Center, a skilled nursing or assisted living facility, or approval for waiver services provided through the ARChoices in Homecare or Independent Choices programs or successor waiver for the frail, elderly, or physically disabled.

221.400 Choice of PASSE

1-1-19

DHS complies with 42 CFR § 438.52 in offering a Medicaid beneficiary the choice of PASSE provider.

221.500 Member Enrollment

1-1-19

Any newly identified member that is mandatorily assigned to a PASSE will be assigned based upon the following rules:

- A. A member will be assigned to a PASSE based upon proportional assignment. That is, the first member will be assigned to PASSE A, the next to PASSE B, the next to PASSE C, etc. This methodology will be utilized, unless the following condition(s) exist:
 - 1. A PASSE has fifty-three percent (53%) or more market share of existing mandatorily assigned members;
 - 2. A PASSE fails to meet specified quality metrics as defined in the PASSE Provider Agreement; or
 - 3. A PASSE is subject to a sanction that includes a moratorium on having members assigned to it.
- B. A member may voluntarily transition from their assigned PASSE and choose another PASSE within ninety (90) days of initial assignment. A member will not be permitted to change their PASSE more than once within a twelve (12) month period, unless:
 - 1. The change occurs during the open enrollment period; or
 - 2. There is cause for transition, as described in 42 CFR 438.56, is met.

The effective date of PASSE assignment will be 7 calendar days after the date of auto-assignment or voluntary enrollment. The PASSE will receive a prorated global payment for individuals beginning coverage the same month as auto-assignment or voluntary enrollment.

Voluntary enrollment into a PASSE is not allowed prior to July 1, 2019.

DHS reserves the right to cap assignment of additional members to the PASSE for any of the following reasons, as determined by DHS in its sole discretion:

- C. Consistently poor-quality performance;
- D. Inadequate provider network capacity;
- E. High number of member complaints about PASSE services or about access to care; and
- F. Financial solvency concerns.

221.510 Eligibility Requirements for PASSE

1-1-19

An Independent Assessment (IA) is required prior to becoming a member of a PASSE. Not all Medicaid enrollees can be enrolled in a PASSE. Individuals must be in need of behavioral health

or developmental disabilities services. An IA is conducted by qualified individual using an assessment instrument approved by DHS.

Beneficiaries who meet the following criteria will be put into Placement Suspension from the PASSE:

- A. Residents of a Human Development Center (HDC)
- B. Residents of a Skilled Nursing Facility (SNF)
- C. Residents of an Assisted Living Facility (ALF)
- D. Participants of waiver services provided to adults with physical disabilities through the ARChoices in Homecare program or the Arkansas Independent Choices program or any successor waiver for frail, elderly or physically disabled adults.
- E. Beneficiaries receiving Arkansas Medicaid healthcare benefits on a medical Spenddown basis.

221.520 Eligible Medicaid Beneficiaries and Mandatory Enrollment

1-1-19

The following beneficiaries are eligible for mandatory assignment to a PASSE:

- A. Beneficiaries identified to meet Tier II or Tier III Level of Care as determined by an independent assessment under criteria established DHS.
 - 1. For beneficiaries with BH service needs:
 - a. Tier II – At this level of need, services are provided in a counseling services setting but the level of need requires a broader array of services.
 - b. Tier III – Eligibility for this level of need will be identified by additional criteria, which could lead to inpatient admission or residential placement.
 - 2. For beneficiaries with Developmental Disabilities (DD) service needs:
 - a. Tier II – The individual meets the institutional level of care criteria and is eligible to receive paid services and supports.
 - b. Tier III – The individual meets the institutional level of care criteria and is eligible for the most intensive level of services, including 24 hours-a-day/7 days a week paid services and supports.
 - 3. For beneficiaries who are dually-diagnosed (Behavioral Health and Developmental Disabilities services needs):
 - a. The member meets the institutional level of care criteria by the Division of Developmental Disabilities (DDS) and has received an Independent Assessment and been determined to meet Tier II or Tier III Level of Care.
 - i. Individuals who have a primary diagnosis that is a behavioral health or intellectual/developmental disability and a secondary diagnosis that is a behavioral health or intellectual/developmental disability (both diagnoses cannot be behavioral health or developmental disability); and
 - ii. Have met the institutional level of care for ICF/IID; and
 - iii. Have received an IA and are eligible for Tier II or Tier III behavioral health services.
 - iv. The DHS Dual Diagnosis Evaluation Committee must review and approve all members that will be placed into the dually-diagnosed category.

221.530 Voluntary Enrollment

1-1-19

Voluntary enrollment into a PASSE may begin on or after July 1, 2019. In order to voluntarily enroll into a PASSE, a beneficiary must have BH or DD services needs and be identified as meeting a Tier I level of care through the Independent Assessment.

221.540 Enrollment Discrimination Prohibited

1-1-19

The PASSE will not, on the basis of health status or disability or need for health care services, discriminate against individuals eligible to enroll. The PASSE shall comply with 42 CFR § 438.3(d).

The PASSE cannot transition any assigned member and is responsible for all eligible services provided to that member during the time the member is eligible and a member of that PASSE.

221.600 Member Disenrollment: Requirements and Limitation

1-1-19

The PASSE may not request disenrollment of a member because of an adverse change in the member's health status, or because of the member's utilization of medical services, diminished mental capacity, or uncooperative or disruptive behavior resulting from his or her special needs (except when, as determined by DHS, his or her continued enrollment in the PASSE seriously impairs the PASSE's ability to furnish services to either this particular member or other members).

The PASSE cannot transition any assigned member and is responsible for all eligible services provided to that member during the time the member is eligible and a member of that PASSE.

221.700 Transitioning To a Different PASSE

1-1-19

A member may voluntarily transition from their assigned PASSE and choose another PASSE within ninety (90) days of initial assignment. A member will not be permitted to change their PASSE more than once within a twelve (12) month period, unless cause for transition, as described in 42 CFR § 438.56, is met.

There will be a yearly open enrollment period when a mandatorily enrolled member may voluntarily transition to a different PASSE. The annual open enrollment period when a member can transition their PASSE will be established by DHS and will be for no shorter than 30 days on a yearly basis. If no action is taken by the member, they will remain in their current PASSE and will not be permitted to change their PASSE, unless cause for transition, as described in 42 CFR § 438.56, is met for the following year.

Cause for transition, as described in 42 CFR § 438.56, is as follows:

- A. The member moves out of the state;
- B. The PASSE for which the member is assigned is sanctioned pursuant to Sections I and II of this manual, the PASSE Provider Agreement, or any state or federal regulations and laws;
- C. The PASSE does not, because of moral or religious objections, cover the service the member seeks; or
- D. Other reasons, including poor quality of care, lack of access to services covered under the PASSE agreement, or lack of access to providers experienced in dealing with the member's care needs.

Transition from a PASSE will be processed by DHS after request of change by the member. The effective date of an approved transition must be no later than the first day of the second month following the month in which the member request for transition was received.

To request a transition, a member should contact:

Arkansas Department of Human Services, Beneficiary Support Center

DHS reserves the right to transition beneficiaries in compliance with 42 CFR 438.56.

222.000 Conflict of Interest Safeguards 1-1-19

As a condition for contracting with the PASSE, DHS has safeguards against conflict of interest on the part of State and local officers and employees and agents of the State who have responsibilities relating to the PASSE contracts or the enrollment processes specified in 42 CFR §438.54(b).

223.000 Prohibition of Additional Payments For Services Covered By The PASSE 1-1-19

No payment will be made by DHS to a provider other than the capitated payment to a PASSE for services covered under the PASSE Provider Agreement.

224.000 Continuity of Care and Services to Members 1-1-19

DHS must arrange for Medicaid services to be provided without delay to any member of a PASSE of which the PASSE Provider Agreement is terminated and for any member who is disenrolled from a PASSE for any other reason than ineligibility for Medicaid.

DHS must have in effect a transition of care policy to ensure continued access to services during a transition from FFS to a PASSE entity or transition from one PASSE to another when a member, in absence of continued services, would suffer serious detriment to their health or be at risk of hospitalization or institutionalization.

The transition of care policy must include the following:

- A. The enrollee has access to services consistent with the access they previously had, and is permitted to retain their current provider for a period of time if that provider is not in the PASSE's network.
- B. The enrollee is referred to appropriate providers of services that are in the network.
- C. The PASSE that was previously serving the member, fully and timely complies with requests for historical utilization data from the new PASSE in compliance with Federal and State law.
- D. Consistent with Federal and State law, the member's new provider(s) are able to obtain copies of the member's medical records, as appropriate.
- E. Any other necessary procedures as specified by CMS to ensure continued access to services to prevent serious detriment to the member's health or reduce the risk of hospitalization or institutionalization.

DHS will require in the PASSE Provider Agreement that PASSEs implement a transition of care policy consistent with the requirements of this section and at least meets the State defined transition of care policy.

At a minimum, all members who have an existing Person Centered Service Plan (PCSP) will carry that care plan with them when they are enrolled into a PASSE. Each member will be assigned a Care Coordinator who must make contact with that member within 15 business days of the effective date of PASSE enrollment. The PASSE Care Coordinator will have 60 days from PASSE enrollment to conduct a health questionnaire and coordinate a PCSP Development meeting with the member. The PCSP must address any needs noted in the Independent Assessment, the health questionnaire, or any other assessment or evaluation used at the time of PCSP development.

DHS will make its transition of care policy publicly available and provide instructions to members and potential members on how to access continued services upon transition. At a minimum, the transition of care policy must be described in the quality strategy, under § 438.340, and explained to individuals in the materials to members and potential members, in accordance with 42 CFR § 438.10.

In the case of transitioning between PASSEs, the relinquishing PASSE is responsible for timely notification to the receiving PASSE regarding pertinent information related to any special needs of transitioning members. The PASSE, when receiving a transitioning member with special needs, is responsible to coordinate care with the relinquishing PASSE in order that services are not interrupted, and for providing the new member with new accountable providers and care coordinator as well as service information, emergency numbers and instructions on how to obtain services. The PASSE shall assure appropriate medical records, care treatment plans, and care management files are transitioning to the receiving PASSE.

The PASSE should give special attention to beneficiaries that experience the following circumstances:

- A. Living in their own home who have significant conditions or treatments such as pain control, hypertension, enteral feedings, oxygen, wound care, and ventilators;
- B. Are receiving ongoing services such as daily in-home care, crisis behavioral health care, dialysis, home health, specialized pharmacy prescriptions, medical supplies, chemotherapy and/or radiation therapy, or who are hospitalized at the time of transition;
- C. Members who have received prior authorization for services such as scheduled surgeries, post-surgical follow up visits, therapies to be provided after transition or out-of-area specialty services;
- D. Have significant medical conditions requiring ongoing monitoring or screening, and
- E. Have submitted service grievance and appeal that is pending resolution.

The PASSE shall have appropriate policies, procedures, and trained staff to manage these transitions and assure continuity of care.

It is the PASSE's responsibility to assure a smooth beneficiary transition and provide continuity of service for at least ninety (90) days or until transition process is complete. [42 CFR 438.1]

225.000

State Monitoring

1-1-19

DHS will monitor the activities of each PASSE and the PASSE program as a whole as defined in CFR 42 §438.66. This includes the conduct of hearings requested by a PASSE or a provider due to alleged anti-competitive practices.

As required by 42 CFR § 447.203, DHS will monitor PASSE organization network providers to ensure members have adequate access to care. DHS has established access standards which the PASSE is required to meet. DHS requires that the PASSE and contract provider networks cooperate with DHS's analysis for access and provide any requested data required to carry out DHS's process for monitoring access to care.

DHS will seek public comment from time to time to identify any areas of concern about access to care or service availability. As required by federal regulation DHS shall perform an analysis of timely access to care at the end of the first year of the PASSE program and at least every three years thereafter for each of the following provider:

- A. Primary care services – including those provided by a physician, federally qualified health center (FQHC), clinic, and community health centers;
- B. Physician specialist services;

- C. Behavioral health services – including mental health and substance use disorder;
- D. Home health services;
- E. Additional types of services where the state or the Centers for Medicare and Medicaid Services (CMS) has received a significantly higher than usual volume of beneficiary, provider, or other stakeholder access complaints, and
- F. For any services that can prevent ambulatory care, preventable emergency room visits, hospitalization, re-admissions or if it is determined that circumstances have change that would result in diminished access to care for enrollees.
- G. Developmental Disability Services

225.100 Audited Financial Reports

1-1-19

The PASSE must submit audited financial reports as outlined in the PASSE Provider Agreement and this manual on an annual basis. The audit must be conducted in accordance with generally accepted accounting principles and generally accepted auditing standards.

225.200 Recordkeeping Requirements

1-1-19

The PASSE must retain, and require subcontractors to retain, as applicable, the following information: member grievance and appeal records in § 438.416, base data in § 438.5(c), MLR reports in § 438.8(k), and the data, information, and documentation specified in §§ 438.604, 438.606, 438.608, and 438.610 for a period of no less than 10 years.

226.000 Network Adequacy Standards

1-1-19

A PASSE must maintain a network that is sufficient in numbers and types of providers to ensure that all needed services to attributed members will be adequately accessible without unreasonable delay and within the time and distance requirements set out in this policy. At a minimum, the PASSE must contract with all provider types specified in the Provider Network Standards Table below. The PASSE must ensure provider ratios and provider-specific geographic access standards for members in urban or rural counties are met and maintained throughout the agreement year. For purposes of assessing adequate number and types of providers, DHS will determine provider ratios based upon one hundred twenty percent (120%) of the PASSE's actual monthly enrollment.

Network adequacy is determined based upon the inclusion of Medicaid enrolled providers that have signed a contract with the PASSE to provide services to members that have been attributed to a PASSE. A provider not enrolled as a Medicaid provider will not be counted towards meeting network adequacy. Any provider that is not accepting new members and not providing services to existing PASSE members cannot be counted towards meeting network adequacy.

Provider types listed in the chart below are the providers that are counted towards meeting network adequacy. A performing provider that is a contracted network provider of a PASSE who works at a facility does not mean that the facility will be counted towards meeting network adequacy. For purposes of network adequacy, "facility" includes a site, clinic, group practice, or other organization or business arrangement in which the performing provider is not an employee. The facility must have a signed contract with the PASSE in order for the facility to be counted towards meeting network adequacy. The PASSE must provide the National Provider Identifier (NPI) of the provider and the facility/group NPI if the entity bills at the facility level (including, if available, the Medicaid ID of the provider) in the required bi-annual network submission on January 30th and July 30th for the previous six (6) months.

The PASSE must prepare, submit to DHS for approval, and follow a documented process for credentialing and recredentialing of providers who have signed contracts/agreements with the

PASSE. The PASSE must utilize a universal application, credentialing, and contracting process for providers as described in 249.300 and approved by DHS.

Urban counties are those with a population greater than 90,000 citizens as estimated by the United State Census Bureau for the current calendar year.

Urban counties include:

- A. Benton
- B. Craighead
- C. Faulkner
- D. Garland
- E. Pulaski
- F. Saline
- G. Sebastian
- H. Washington

Distance from members to Specialty Provider types and Provider to Enrollee ratio for different provider types will be reported in the required bi-annual network submission that is due to DHS on January 30th and July 30th for the previous 6 months. Each PASSE shall attest and submit documentation that demonstrates the PASSE provider network is compliant with the below standards. If the PASSE is utilizing telemedicine, the PASSE must document what services they allow the usage of telemedicine for, the settings allowed to utilize telemedicine at, and the qualifications for individuals to perform services via telemedicine.

Provider Specialty	Provider Type	Urban	Rural	Provider Ratio
	Arkansas Medicaid Provider Type and associated specialty, if applicable	Maximum Distance (miles)	Maximum Distance (miles)	Providers per Member
Primary Care	01, 02, 03, 04, 58, 62	30	60	1:250 members
Pediatrics – Routine/Primary Care	01, 02, 03, 04, 58, 62	30	60	1:250 members
Ambulatory Surgical Center	28	40	90	1:1,000 members
Allergy and Immunology		40	90	1:500 members
Cardiothoracic Surgery		40	90	1:1,000 members
Cardiovascular Disease		40	90	1:500 members

Provider Specialty	Provider Type	Urban	Rural	Provider Ratio
Dermatology		40	90	1:1,000 members
Supportive Living / Respite / Supplemental Support	67	n/a	n/a	Ability to provide service in all Arkansas counties
Environmental Modifications / Adaptive Equipment	72	n/a	n/a	Ability to provide service in all Arkansas counties
Specialized Medical Supplies	73	n/a	n/a	Ability to provide service in all Arkansas counties
Supported Employment	75	n/a	n/a	Ability to provide service in all Arkansas counties
Diagnostic Radiology		40	90	1:1,000 members
Endocrinology		40	90	1:750 members
ENT/Otolaryngology		40	90	1:750 members
Federally Qualified Health Center (FQHC)	49	n/a	n/a	Must have at least 1 FQHC enrolled as a network provider
Gastroenterology		40	90	1:750 members
General Surgery		40	90	1:500 members
Gynecology, OB/GYN		30	60	1:250 members
Hematology		40	90	1:750 members
Home Health	14	n/a	n/a	Ability to provide service in all Arkansas counties
Hyperalimentation	33	n/a	n/a	Ability to provide service in all Arkansas counties
Intermediate Care Facility	12, 13	n/a	n/a	Ability to provide service in all Arkansas counties
Infectious Diseases		40	90	1:1,000 members
Nephrology		40	90	1:1,250 members

Provider Specialty	Provider Type	Urban	Rural	Provider Ratio
Neurology		40	90	1:1,000 members
Neurosurgery		40	90	1:1,000 members
Oncology		40	90	1:1,000 members
Ophthalmology	22	40	90	1:1,000 members
Optometry	22	40	90	1:800 members
Orthopedic Surgery		40	90	1:1,000 members
Orthotics and Prosthetics	16	40	90	1:1,000 members
Outpatient Dialysis	34	40	90	1:1,000 members
Outpatient Infusion/Chemotherapy		40	90	1:3,000 members
Personal Care	32	n/a	n/a	Ability to provide service in all Arkansas counties
Pharmacy	07	20	50	1:1,000 members
Physical medicine and rehabilitation, Psychiatry		40	90	1:1,000 members
Plastic Surgery		40	90	1:1,000 members
Podiatry	17, 48	40	90	1:1,000 members
Pulmonary		40	90	1:1,000 members
Rheumatology		40	90	1:1,500 members
Rural Health Clinic	29	n/a	n/a	Must have at least 1 RHC enrolled as a network provider
Therapist (Occupational)	21, 42	30	60	1:500 members
Therapist (Physical)	21, 42	30	60	1:500 members
Therapist (Speech)	21, 42	30	60	1:500 members
Urology		40	90	1:1,000 members
Vascular Surgery		40	90	1:1,250 members
Ventilator Equipment	37	n/a	n/a	Ability to provide service in all Arkansas counties

<u>Facility/Group/Organization</u>				
<u>Provider Specialty</u>	<u>Provider Type</u>	<u>Urban</u>	<u>Rural</u>	<u>Provider Ratio</u>
Acute Inpatient Hospital	05	30	60	1 bed: 400 members
Adult Developmental Day Treatment (ADDT)	24, AN	n/a	n/a	Ability to provide service in all Arkansas counties
Critical Care Services – Intensive Care Units (ICUs)	05	30	90	1 bed: 800 members
DME	16	n/a	n/a	Ability to provide service in all Arkansas counties
Outpatient Hospital	05	30	60	n/a

<u>Behavioral Health</u>				
<u>Provider Specialty</u>	<u>Provider Type</u>	<u>Urban</u>	<u>Rural</u>	<u>Provider Ratio</u>
Independently Licensed Clinician – Master's/Doctoral	19	40	75	1:750 members
Board Certified Psychiatrist	01, 02, 03, 04	40	75	1:500 members
Inpatient Psychiatric Facility for Individuals Under the Age of 21	25	n/a	n/a	1 bed: 300 members
Substance Abuse Treatment Provider	26, R6	40	120	1:750 members

226.100 Access to Service/Waiting Time Standards

1-1-19

A PASSE must meet the following time frame standards:

<u>Service Type</u>	<u>Time Frame</u>	<u>Time Frame Goal</u>
Emergency Care – Medical, Behavioral Health, Substance Abuse	24 hours a day, 7 days a week	Met 100% of the time
Behavioral Health Service and Developmental Disability Service Mobile Crisis	24 hours a day, 7 days a week	Met 100% of the time

Service Type	Time Frame	Time Frame Goal
Response		
Urgent Care – Medical, Behavioral Health, Substance Abuse	Within 24 hours	Met 100% of the time
Primary Care – Routine, non-urgent symptoms	Within 21 calendar days	Met ≥ 90% of the time
Behavioral Health, Substance Abuse Care – Routine, non-urgent, non-emergency	Within 21 calendar days	Met ≥ 90% of the time
Prenatal Care	Within 14 calendar days	Met ≥ 90% of the time
Primary Care Access to after-hours care	Office number answered 24 hours / 7 days a week by answering service or instructions on how to reach a physician	Met ≥ 90% of the time
Preventive visit/well visits	Within 30 calendar days	Met ≥ 90% of the time
Specialty Care – non-urgent	Within 60 calendar days	Met ≥ 90% of the time

226.200 Network Adequacy Variance Request

1-1-19

DHS has the sole discretion to allow a variance of any of these network adequacy standards. The PASSE may request a variance of these standards in certain geographic areas of the state. DHS may grant a variance upon consideration of the number of providers of that type and the rural nature of the geographic area for which the variance is requested.

226.300 Network Adequacy Reporting

1-1-19

A PASSE must monitor, on an ongoing basis, the ability of its participating providers to furnish all required benefits to members. The state must approve the network monitoring methodology used by the PASSE to validate that network adequacy and access to care standards are being met. A PASSE must monitor and report on the following within the specified timeframe listed: bi-annual (reports due January 30th and July 30th for the previous 6 months) basis:

- A. Bi-Annual Basis (reports due January 30th and July 30th for the previous 6 months)
 1. Provider to member ratios by specialty;
 2. Primary Care Professionals to member ratios;
 3. Care Coordinator to Client ratios; and
 4. Geographic accessibility.
- B. Annual Basis (reports due January 30th for the previous 12 months)
 1. Waiting times for appointments with participating providers;
 2. General hours of operation, including part of full time status and weekend and after hour availability;
 3. If the PASSE allows the use of telemedicine, it must do so in compliance with the Arkansas Telemedicine Act. Ark. Code Ann. § 17-80-401 *et seq.* The PASSE must document what services the PASSE allows, the settings allowed, and the qualifications for individuals to perform services via telemedicine; and

4. Gaps in service capacity or capability and proactively develop a plan to correct in gaps in network services or area of inadequate capacity to serve members.

227.000 Stakeholder Engagement in PASSE Program

1-1-19

In accordance with 42 CFR §438.70, DHS must ensure the views of beneficiaries, individuals representing beneficiaries, providers, and other stakeholders are solicited and addressed during the design, implementation, and oversight of the PASSE program.

228.000 Beneficiary Support System

1-1-19

DHS shall maintain a Beneficiary Support System in accordance with 42 CFR §438.71. The Beneficiary Support System will offer choice counseling for all beneficiaries, assistance for members understanding organized care, and assistance for members who use or express a desire to receive home and community based supportive services.

229.000 State Oversight of the Minimum MLR Requirements

1-1-19

DHS will annually submit to CMS a summary description of the report(s) received from the PASSEs according to 42 CFR §438.8(k), with the rate certification required in 42 CFR §438.7. The summary description must include, at a minimum, the amount of the numerator, the amount of the denominator, the MLR percentage achieved, and the number of member months for that MLR reporting year.

The PASSE shall submit the Medical Loss Ratio (MLR) report annually in compliance with 42 CFR § 438.8. In the event of retroactive changes to capitation rates after the contract year end, the PASSE will need to be incorporated into the MLR calculation. If the retroactive capitation rate adjustment occurs after the MLR report has been submitted to the State, a new report incorporating the change will be required to be submitted within 30 days of the capitation rate adjustment payment is made.

230.000 MEMBERS RIGHTS AND PROTECTIONS

231.000 Member Rights

1-1-19

The PASSE must have written policies addressing the following:

- A. The right to be treated with respect and with due consideration for his or her dignity and privacy.
- B. The right to receive information on available treatment options and alternatives, presented in an appropriate format.
- C. The right to participate in decisions regarding his or her health care, including the right to refuse treatment.
- D. The right to be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience or retaliation.
- E. The right to request and receive a copy of his or her medical records, and to request that they be amended or corrected.
- F. The right to exercise his or her rights without the PASSE treating the member adversely.
- G. The right to be provided written notice of a change in the beneficiary's care coordination provider within seven (7) calendar days.
- H. The right to a member handbook and referral network directory to be sent or made available to the member within five (5) business days of assignment.

231.100 Annual Enrollment Period

1-1-19

DHS will, on an annual basis, offer an open enrollment period for all current enrollees to choose a different PASSE for coverage beginning January 1 of the following year. If an individual does not make an active choice to switch PASSEs during the open enrollment period, that individual will remain a member of the same PASSE for the 12 months of the new coverage year provided the individual is otherwise eligible.

The annual open enrollment period when a member can transition their PASSE will be established by DHS and will be for no shorter than 30 days on a yearly basis.

231.200 90 Day Period To Change PASSE

1-1-19

A member may voluntarily transition from their assigned PASSE and choose another PASSE within ninety (90) days of initial assignment. A member will not be permitted to change their PASSE more than once within a twelve (12) month period, unless:

- A. The change occurs during the open enrollment period; or
- B. There is cause for transition, as described in 42 CFR § 438.56, is met.

To request a transition, a member should contact:

Arkansas Department of Human Services, Beneficiary Support Center

DHS reserves the right to transition beneficiaries in compliance with 42 CFR 438.56.

231.300 Right To Change PASSE For Cause

1-1-19

A member may not change their PASSE outside of the 90-day period following initial assignment or during the annual open enrollment period, unless cause for transition is met.

Cause for transition, as described in 42 CFR § 438.56, is as follows:

- A. The member moves out of the state;
- B. The PASSE for which the member is assigned is sanctioned pursuant to this manual, the PASSE Provider Agreement, or any state or federal regulations and laws;
- C. The PASSE does not, because of moral or religious objections, cover the service the member seeks; or
- D. Other reasons, including poor quality of care, lack of access to services covered under the PASSE agreement, or lack of access to providers experienced in dealing with the member's care needs, as determined by DHS in its sole discretion.

231.400 Provider Network Directory

1-1-19

The PASSE must submit to DHS an electronic file of the PASSE provider network directory and network services on a monthly basis. The PASSE provider network directory or a link to the PASSE provider network directory will be posted on the Arkansas Medicaid website. The PASSE must maintain a provider network directory that, at a minimum, does the following:

- A. Provides the following information to beneficiaries for each Direct Service Provider that has joined its Provider Network:
 - 1. Names, as well as any group affiliations.
 - 2. Street addresses.
 - 3. Telephone numbers.

4. Website URLs, as appropriate;
 5. Specialties, as appropriate; and
 6. If provider is accepting new Medicaid clients.
 7. Provider's cultural and linguistic capabilities, including languages offered by the provider or skilled medical interpreter at the provider's office and whether provider has completed cultural competence training; and
 8. Whether the provider's office/facility has accommodations for people with physical disabilities, including offices, exam room(s) and equipment.
- B. Clearly explains differences of in-network providers versus out of network providers to members.
- C. Updated at least monthly, with the updates posted on the PASSE's website and on the Arkansas Medicaid website. The Provider network Directory must be placed on the PASSE website and be made available to members and DHS.
- D. Attestation from the PASSE that their network meets the State's required network adequacy standards.

231.500 Choice of Health Professional**1-1-19**

The PASSE must allow each member to choose his or her health professional to the extent possible and appropriate.

The PASSE is responsible for assigning each member to a PCP.

232.000 Provider-Member Communications**1-1-19**

The PASSE must adhere to all provider-member (enrollee) communication requirements as described in 42 CFR § 438.102.

- A. The PASSE must provide information to members in a manner and format (at least 12-point font) that is easily understood to a person who reads at the sixth (6th) grade level and is readily accessible. All documents that are submitted to DHS that will be sent to members must have documentation of the reading level of that document.
- B. The PASSE must provide written materials that are critical to obtaining services, including, at a minimum, provider directories, member handbooks, appeal and grievance notices, and marketing material.
- C. All materials provided by the PASSE must be available in English and Spanish.
- D. The PASSE must make available all materials (or information) in alternative formats upon request, of the member or potential member at no cost.
- E. The PASSE must make available auxiliary aids and services upon request of the potential member or member at no cost.
- F. The PASSE must notify beneficiaries of their right to obtain information in alternative formats.
- G. The PASSE must provide each member a member identification card.
- H. The PASSE must provide each member notification of their primary care provider.

233.000 Marketing Activities**1-1-19**

The PASSE may only market to potential beneficiaries through its website or printed material distributed by DHS's choice counselors.

Marketing means any communication from the PASSE, or any of its agents, participating providers, direct service providers, or independent contractors, to a member of another PASSE or a potential member that can reasonably be interpreted as intended to influence that individual to enroll, remain enrolled or reenroll in the PASSE, or to disenroll from or not enroll in another PASSE.

A PASSE may only distribute information to a current member of their PASSE. Other than the welcome information if a member transitions to their PASSE, a PASSE cannot provide any information to a Medicaid member that is a member of another PASSE. Participating providers and direct service providers cannot distribute information to a Medicaid member about enrolling in a specific PASSE. The only allowable information that can be distributed to Medicaid beneficiaries by participating providers and direct service providers will be information that is provided by DHS.

All marketing materials and activities must be approved by DHS in advance of use. DHS may impose sanctions on the PASSE, participating providers, and direct service providers if there is a failure to adhere to the marketing material requirements and restrictions.

234.000 Liability for Payment

1-1-19

The PASSE must ensure that its members are not held liable for any of the following:

- A. The PASSE's debts, in the event of the PASSE's insolvency;
- B. Covered services provided to the Member, for which:
 - 1. DHS does not pay the PASSE; or
 - 2. The State or PASSE does not pay the individual or health care provider that furnished the services under a contractual, referral, or other arrangement.
- C. Payments for covered services furnished under a contract, referral, or other arrangement, to the extent that those payments are in excess of the amount that the enrollee would owe if the PASSE covered the services directly.

235.000 Cost Sharing

1-1-19

Cost sharing is not allowed for members assigned to a PASSE.

236.000 Consumer Advisory Committee – CFR 42 § 438.110

1-1-19

The PASSE must have and maintain a consumer advisory council consisting of at least one (1) consumer of DD services, one (1) consumer of BH services, and one (1) consumer of substance abuse treatment services. The PASSE is required to submit to DHS minutes and/or reports indicating the activities carried out by the Consumer Advisory Council on a quarterly basis.

At a minimum, the Consumer Advisory Council must:

- A. Conduct meetings at least quarterly to discuss matters within the scope of Consumer Advisory Council business;
- B. Review marketing materials for content and appropriateness;
- C. Review other informational materials for content and appropriateness;
- D. Review the results of the PASSE administered satisfaction survey; and
- E. Monitor and provide quality assurance to grievances filed by PASSE members.

237.000 Emergency and Post Stabilization Services**1-1-19**

The PASSE must adhere to 42 CFR § 438.114 in regards to coverage and payment for emergency and post stabilization services.

238.000 Solvency Standards**1-1-19**

The Arkansas Insurance Department (AID) will ensure that each PASSE meets solvency standards to remain licensed as a Risk-Based Provider Organization.

240.000 PASSE STANDARDS**241.000 Availability of Services and Readiness Review****1-1-19**

The PASSE is required to ensure that a member has access to all allowed Medicaid state plan services, including those authorized under the 1915(i) amendment, and CES waiver services. State plan services also include therapy services and services through the Early Periodic Screening Diagnosis and Treatment (EPSDT) program for children.

The PASSE must comply with Sections 1902(a)(43) and 1905(a)(4)(B) and 1905(r) of the Social Security Act and Federal regulations at 42 CFR § Part 441 Subpart B that require EPSDT services to include outreach and informing, screening, tracking, and, diagnostic and treatment services.

The PASSE must ensure that network providers and the PASSE itself complies with 42 CFR § 438.206.

Pursuant to 42 CFR § 438.66 governing state monitoring requirements and this Manual, DHS will assess the ability and capacity of the PASSE to satisfactorily perform in the following areas:

- A. Administrative staffing and resources, which includes key staff members and organizational charts;
- B. Delegation and oversight of Care Coordination responsibilities, which includes proof of 24 hours a day, 7 days a week access to care coordination;
- C. Program Integrity/Compliance protocols;
- D. Proof of the ability to manage and maintain Electronic Health Records;
- E. Member handbook;
- F. Provider handbook;
- G. Grievance and appeals process;
- H. Provider Network directory;
- I. Proof of infrastructure to pay and actively monitor claims submitted by providers,
 1. This includes:
 - a. Ability to pay claims in a timely manner (no less than 30 days after a clean claim has been submitted);
 - b. Proof that any applicable audits and edits that reject claims that do not conform to PASSE provider handbooks requirements, including but not limited to, claims that require prior authorization, pre-payment review, daily/weekly/monthly/yearly billing restrictions, etc. result in the denial of a claim.

- J. Member notices and ID cards;
- K. Member rights policies;
- L. Composition of and by-laws for the Medical/Quality Management Committee;
- M. Any allowed marketing materials;
- N. Demonstration of the ability to process claims and provider payments;
- O. Medical Management policies and procedures;
- P. Financial management, banking, and financial control policies and procedures;
- Q. Demonstration of ability to provide to DHS any required reports;
- R. Demonstrated ability to connect with the Arkansas Medicaid Management Information System (MMIS) to provide encounter claims and other information as necessary to ensure appropriate monitoring of the PASSE;
- S. Proof of Provider Network adequacy according to Section 222.000.

241.100 Assurance of Adequate Capacity and Services**1-1-19**

A PASSE must monitor, on an ongoing basis, the ability of its participating providers to furnish all required benefits to members. The state must approve the network monitoring methodology used by the PASSE to validate that network adequacy and access to care standards are being met. A PASSE must monitor and report on the following within the specified timeframe listed: bi-annual (reports due January 30th and July 30th for the previous 6 months) basis:

- A. Bi-Annual Basis (reports due January 30th and July 30th for the previous 6 months)
 - 1. Provider to member ratios by specialty;
 - 2. Primary Care Professionals to member ratios;
 - 3. Care Coordinator to Client ratios; and
 - 4. Geographic accessibility.
- B. Annual Basis (reports due January 30th for the previous 12 months)
 - 1. Waiting times for appointments with participating providers;
 - 2. General hours of operation, including part of full time status and weekend and after hour availability;
 - 3. The volume of technological and specialty services available to serve the needs of members requiring technologically advanced or specialty care;
 - 4. If the PASSE allows the use of telemedicine, the PASSE must document what services the PASSE allows, the settings allowed, and the qualifications for individuals to perform services via telemedicine; and
 - 5. Gaps in service capacity or capability and proactively develop a plan to correct in gaps in network services or area of inadequate capacity to serve members.

242.000 Coordination and Continuity of Care**1-1-19**

- A. The PASSE must provide care coordination to each of its assigned beneficiaries. Care coordination ensures that all services are coordinated and appropriately delivered by providers. The PASSE must have care coordinators who will work with the member's

providers to ensure continuity of care across all services. Act 775 of the 2017 Arkansas Regular Session defined care coordination as including the following activities:

1. Health education and coaching;
 2. Coordination with other healthcare providers for diagnostics, ambulatory care, and hospital services;
 3. Assistance with social determinants of health, such as access to healthy food and exercise;
 4. Promotion of activities focused on the health of a patient and their community, including without limitation outreach, quality improvement, and patient panel management; and
 5. Coordination of Community-based management of medication therapy.
- B. The PASSE must comply with Conflict Free Case Management rules pursuant to 42 CFR 441.330(c)(1)(iv). The PASSE must hire Care Coordinators or contract with entities who will work with the PASSE Member's providers to ensure continuity of care across all services while maintaining independence from direct service providers. Conflict-free care coordination is a critical protection for members and a matter of program integrity.
- Care Coordinators or case managers who are employed or subcontracted by an organization that has responsibility for the development and delivery of a service plan for an enrollee shall not fulfill the responsibility of the PASSE to provide care coordination for that individual. Additionally, Care Coordinators shall not be related by consanguinity (3rd degree or less) or marriage to the individual enrollee, his or her paid caregivers, or anyone financially responsible for the individual.
- C. The PASSE care coordinator is responsible for assisting the member with moving between service settings, for example with the move from the residential treatment setting to community based care and to ensure that the member is placed in or remains at the most appropriate and least restrictive setting that meets that member's needs.
- D. Care coordination services must be available to PASSE members 24 hours a day through a hotline or web-based application.

242.100 Coordination of Benefits; Third Party Liability (TPL)

1-1-19

Coordination of Benefits (COB) refers to the activities involved in determining Medicaid benefits when an enrollee has coverage through an individual, entity, insurance, or program that is liable to pay for health care services. The PASSE is responsible for TPL.

Medicaid is the payor of last resort unless specifically prohibited by applicable State or Federal law. This means the PASSE shall pay for covered services only after all other sources of payment have been exhausted, e.g. the insurance carrier of a tortfeasor. The PASSE shall take reasonable measures to identify potentially legally liable third party sources.

If the PASSE discovers the probable existence of a liable third party that is not known to DHS, or identifies any change in coverage, the PASSE must report the information within thirty (30) days of discovery via the TPL File. Failure to report these cases may result in a sanction.

The PASSE shall coordinate benefits in accordance with 42 CFR § 433.135, so that costs for services otherwise payable by the PASSE are cost avoided or recovered from a liable third party [42 CFR § 434.6(a)(9)]. The term "State" shall be interpreted to mean "PASSE" for purposes of complying with the Federal regulations referenced above. The PASSE may require subcontractors to be responsible for coordination of benefits for services provided pursuant to the PASSE Provider Agreement. The two methods used for coordination of benefits are Cost Avoidance and Post-Payment Recovery. The PASSE shall use these methods as described in Federal and State policies.

The PASSE shall cost avoid a claim if it has established the probable existence of a liable party at the time the claim is filed. There may be limited circumstances when cost avoidance is prohibited, and the PASSE must apply post-payment recovery processes.

For purposes of cost avoidance, establishing liability takes place when the PASSE receives confirmation that another party is, by statute, contract, or agreement, legally responsible for the payment of a claim for a healthcare item or service delivered to a PASSE member. If the probable existence of a party's liability cannot be established, the PASSE must adjudicate the claim, and then utilize post-payment recovery if necessary. If DHS determines that the PASSE is not actively engaged in cost avoidance activities, the PASSE may be subject to sanctions.

If a third-party insurer other than Medicare requires the member to pay any copayment, coinsurance or deductible, the PASSE is responsible for making these payments for Medicaid covered services.

The PASSE is delegated the responsibility for coordination of benefits payment activities with legally liable third parties, including Medicare. For dual eligible members, the PASSE shall coordinate Medicare fee-for-service (FFS) crossover claims payment activities with the Medicare Benefits Coordination and Recovery Center (BCRC) in accordance with 42 CFR § 438.3(t).

The PASSE shall be registered with the BCRC as a trading partner to electronically process Medicare FFS crossover claims. An Attachment to the existing DHS Medicare FFS Coordination of Benefits Agreement (COBA) shall be executed by PASSE to register as a BCRC trading partner. Upon completion of the registration process, the BCRC shall issue each PASSE a unique COB ID number. The PASSE will electronically receive data from the BCRC to coordinate payment of Medicare FFS crossover claims only. The PASSE shall be exempt from BCRC crossover processing fees to the same extent as DHS.

Upon completion of trading partner registration, PASSE shall coordinate with the BCRC regarding the sending, receipt and transmission of necessary BCRC-provided data files and file layouts, including eligibility and claim data files. PASSE shall begin adjudicating Medicare FFS crossover claims upon completion of BCRC readiness review activities and receipt of BCRC approval.

Further information and resources for PASSE regarding the Medicare FFS COBA process and BCRC requirements are available at:

- A. Medicare Benefits Coordination and Recovery Center (BCRC) webpage: <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Coordination-of-Benefits-and-Recovery-Overview/Overview.html>
- B. COBA Implementation User Guide: <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/COBA-Trading-Partners/Downloads/COBA-Implementation-Guide-January-2017.pdf>
- C. Electronic File Layouts: <https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/COBA-Trading-Partners/Downloads/>

The PASSE shall not deny a claim for timeliness if the untimely claim submission results from a provider's reasonable efforts to determine the extent of liability.

Post-payment recovery is necessary in cases where the PASSE has not established the probable existence of a liable third-party at the time services were rendered or paid for, was unable to cost-avoid, or post-payment recovery is required. In these instances, the PASSE must adjudicate the claim and then utilize post-payment recovery processes which include: Pay and Chase, Retroactive Recoveries Involving Commercial Insurance Payor Sources, and other third-party liability recoveries.

- A. **Pay and Chase** - The PASSE shall pay the full amount of the claim according to the DHS Fee-For-Service Schedule or the negotiated contracted rate and then seek reimbursement from any third party if the claim is for the following:
1. Prenatal care for pregnant women, including services which are part of a global OB Package
 2. Preventive pediatric services, including Early and Periodic Screening Diagnosis and Treatment (EPSDT) and administration of vaccines to children under the Vaccines for Children (VFC) program, or
 3. Services covered by third party liability that are derived from an absent parent whose obligation to pay support is being enforced by Child Support Enforcement.
- B. **Retroactive Recoveries Involving Commercial Insurance Payor Source:** For a period of two years from the date of service, the PASSE shall engage in retroactive third party recovery efforts for claims paid to determine, if there are commercial insurance payor sources that were not known at the time of payment. In the event a commercial insurance payor source is identified, the PASSE must seek recovery from the commercial insurance. The PASSE is prohibited from recouping related payments from providers, requiring providers to take action, or requiring the involvement of providers in any way, unless the provider was paid in full from both the PASSE and the commercial insurance.
- C. **Other Third- Party Liability Recoveries:** The PASSE shall identify the existence of potentially liable parties using a variety of methods, including referrals, and data mining. The PASSE shall not pursue recovery in the following circumstances, unless the case has been referred to the DHS or DHS' authorized representative:
1. Motor Vehicle Cases
 2. Other Casualty Cases
 3. Tortfeasors
 4. Restitution Recoveries
 5. Worker's Compensation Cases

Upon identification of a potentially liable third party for any of the above situations, the PASSE shall, within 10 business days, report the potentially liable third party to DHS for determination of a mass tort, total plan case, or joint case. Failure to report these cases may result in sanctions or other administrative remedy. A mass tort case is a case where multiple plaintiffs or a class of plaintiffs have filed a lawsuit against the same tortfeasor(s) to recover damages arising from the same or similar set of circumstances (e.g. class action lawsuits) regardless of whether any reinsurance or Fee-For-Service payments are involved. A total plan case is a case where payments for services rendered to the member are exclusively the responsibility of the PASSE; no reinsurance or Fee-For-Service payments are involved. By contrast, a "joint" case is one where Fee-For-Service payments and/or reinsurance payments are involved. The PASSE shall cooperate with DHS's authorized representative in all collection efforts.

- D. In "total plan" cases, the PASSE is responsible for performing all research, investigation, the mandatory filing of initial liens on cases that exceed \$250, lien amendments, lien releases, and payment of other related costs in accordance with DHS guidelines. The PASSE shall use the DHS-approved casualty recovery correspondence when filing liens and when corresponding to others in regard to casualty recovery. The PASSE may retain up to 100% of its recovery collections if all of the following conditions exist:
1. Total collections received do not exceed the total amount of the PASSE's financial liability for the member,
 2. There are no payments made by DHS related to Fee-For-Service, or applied DHS administrative costs (i.e., lien filing fee, etc.), and,

3. Such recovery is not prohibited by State or Federal law.

Prior to negotiating a settlement on a total plan case, the PASSE shall notify DHS to ensure that there is no reinsurance or Fee-For-Service payment that has been made by DHS. Failure to report these cases prior to negotiating a settlement amount may result in sanction or other administrative remedy.

The PASSE shall report settlement information to DHS using a format specified by DHS, within 10 business days from the settlement date. Failure to report these cases may result in sanctions or other administrative remedy determined by DHS.

- E. Joint and Mass Tort Cases: DHS is responsible for performing all research, investigation and payment of lien-related costs, subsequent to the referral of any and all relevant case information to DHS by the PASSE. In joint and mass tort cases, DHS is also responsible for negotiating and acting in the best interest of all parties to obtain a reasonable settlement and may compromise a settlement in order to maximize overall reimbursement, net of legal and other costs. The PASSE is responsible for responding to requests from DHS to provide a list of claims related to the joint or mass tort case within 10 business days of the request. The PASSE will be responsible for their prorated share of the contingency fee. The PASSE's share of the contingency fee will be deducted from the settlement proceeds prior to DHS remitting the settlement to the PASSE organization.

- F. Other Reporting Requirements

All TPL reporting requirements are subject to validation through periodic audits and/or operational reviews which may include the PASSE submission of an electronic extract of the casualty cases, including open and closed cases. Data elements may include, but are not limited to: the member's first and last name; Medicaid ID; date of incident; claimed amount; paid/recovered amount; and case status. DHS shall provide the format and reporting schedule for this information to PASSE.

243.000 Care Coordinator Qualifications

1-1-19

An individual must meet the following qualifications to provide care coordination to PASSE beneficiaries:

- A. Be a Registered Nurse (R.N.), a physician, or have a bachelor's degree in a social science or health-related field;

OR

Have at least one (1) year of experience working with developmentally or intellectually disabled clients or behavioral health clients;

- B. Successfully complete the following background checks:

1. Criminal background check;
2. Child maltreatment registry check; and
3. Adult maltreatment registry check.

AND

- C. Successfully pass an initial drug screen prior to providing care coordination and working directly with clients;
- D. Successfully pass an annual drug screen to continue to be allowed to provide care coordination; and

- E. Cannot be excluded or debarred under any state or federal law, regulation or rule or not eligible or prohibited to enroll as a Medicaid provider.

244.000 Coverage and Authorization of Services

1-1-19

The PASSE is required to ensure that a member has access to all allowed Medicaid state PASSE and CES waiver services, including therapy services and services through the Early Periodic Screening Diagnosis and Treatment (EPSDT) program for children.

The PASSE must comply with Sections 1902(a)(43) and 1905(a)(4)(B) and 1905(r) of the Social Security Act and Federal regulations at 42 CFR § Part 441 Subpart B that require EPSDT services to include outreach and informing, screening, tracking, and, diagnostic and treatment services.

The PASSE cannot provide an incentive, monetary or otherwise, to Provider for withholding Medically Necessary Services. All services provided to PASSE members must be medically necessary for each member. The PASSE must ensure that services are sufficient in amount, duration, or scope to reasonably achieve the purpose for which the services are furnished.

The PASSE may not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of the diagnosis, type of illness, or condition of the enrollee. The PASSE may place appropriate limits on a service for utilization control, provided the services furnished can reasonably achieve their purpose.

The PASSE must ensure compliance with 42 CFR § 438.210.

245.000 Provider Selection and Payment

1-1-19

The PASSE must prepare, submit to DHS for approval, and follow a documented process for credentialing and recredentialing of providers who have signed contracts/agreements with the PASSE. The PASSE must utilize a universal application, credentialing, and contracting process for providers as approved by DHS. The PASSE must conduct provider credentialing simultaneously with provider contracting to ensure timely processing; however, beginning January 1, 2020, credentialing must be completed before final execution of the contract with the provider.

The PASSE may not employ or contract with providers excluded from participation in Federal health care programs under either section 1128 or section 1128A of the Act.

The PASSE's network provider selection policies and procedures, consistent with 42 CFR § 438.12, must not discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatment.

245.100 Value-Based Payments

1-1-19

Payments made by a PASSE to its providers to promote efficiency and effectiveness of services, improve quality of care, and promote most appropriate utilization in the most appropriate setting. Such payments may be made as part of a PASSE's Quality Assessment and Performance Improvement (QAPI) strategy.

Provider incentives based on value are allowed and encouraged. Payments based on volume to increase inappropriate utilization (including denial of services) will not be permitted.

The PASSE must disclose any value-based payment arrangement with AID.

245.200 Assurance of Compliance with Arkansas Provider Consent Decrees

1-1-19

The PASSE must provide DHS an assurance of compliance with any applicable consent decrees impacting Arkansas Medicaid providers.

245.300 Assurance of Compliance with Arkansas Preferred Drug List Requirements 1-1-19

The PASSE must provide DHS an assurance of compliance with the current Arkansas Preferred Drug List.

245.400 Assurance of Payment Methodology Requirements by the Arkansas Insurance Department 1-1-19

The PASSE must provide DHS an assurance of compliance with payment methodology requirements by the Arkansas Insurance Department.

246.000 Confidentiality 1-1-19

For any medical records and any other health and enrollment information that identifies a particular member, each PASSE must use and disclose such individually identifiable health information in accordance with the privacy requirements in § 42 CFR Part 2 and 45 CFR parts 160 and 164, subparts A and E, to the extent that these requirements are applicable.

247.000 PASSE Grievance System 1-1-19

The PASSE must have an internal grievance process to address member concerns and complaints. The grievance process must:

- A. Allow the member 45 days from the date of the action to file the grievance;
- B. Be completed and resolved within 30 days of the filing date; and
- C. Result in written notice of the resolution being sent to the member. This notice must include:
 1. A statement of the relief requested by the member;
 2. A clear explanation of the decision, including the rationale and the applicable law or policy; and
 3. The members rights to appeal to the state.
- D. The PASSE grievance system must be approved by DHS. This requires that:
 1. Any proposed changes to the grievance system must be approved by DHS prior to implementation; and
 2. The PASSE must send written notice to members of significant changes to the grievance system at least thirty (30) days prior to implementation.

The PASSE must submit a grievance log with their quarterly report.

247.100 DHS Appeal Rights 1-1-19

When the Division of Medical Services (DMS) denies PASSE eligibility or takes an adverse action against a PASSE or member, the PASSE or member may request a fair hearing to appeal the adverse action.

To do so, the member or PASSE must follow the procedures in the Medicaid Provider Manual, Sections 160.000 & 190.000.

247.200 PASSE Appeal Rights 1-1-19

When an adverse decision/adverse action has been taken by a PASSE, the following appeals are available in response to that adverse decision/adverse action:

- A. A member, or his or her guardian or legal representative may appeal on his or her own behalf.
- B. A direct service provider of medical assistance that is the subject of the adverse action may appeal on the member's behalf.
- C. If the adverse decision/adverse action denies a claim for covered medical assistance that was previously provided to a Medicaid-eligible member, the direct service provider of such medical assistance may appeal on the direct service provider's behalf. The direct service provider does not have standing to appeal a non-payment decision if the direct service provider has not furnished any service for which payment has been denied.
- D. The PASSE must send the notice of the adverse action no less than 10 days before the action will be taken. If the member requests a hearing before the date of action, the PASSE may not terminate or reduce services until a decision is rendered after the hearing unless:
 1. It is determined at the hearing that the sole issue is one of Federal or State law or policy; and
 2. The PASSE promptly informs the member in writing that services are to be terminated or reduced pending the hearing decision.
 3. If the PASSE's action is sustained by the hearing decision, and the member does not then seek an appeal to DHS, the PASSE may institute recovery procedures against the member to recoup the cost of any services furnished the member, to the extent they were furnished solely by reason of this section.
- E. The appeal process must result in written notice of the resolution being sent to the member. This notice must include the member's right to appeal to the State.

The PASSE must adhere to the Arkansas Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201 *et seq.* in the conduct of appeals and hearings.

The PASSE appeal process must be approved by DHS. This requires that:

- A. Any proposed changes to the appeals process must be approved by DHS prior to implementation; and

The PASSE must send written notice to members of significant changes to the appeals process at least thirty (30) days prior to implementation.

247.300 Request for DHS Hearing for Anti-Competitive Practices

1-1-19

In general, payment to providers is based on good faith negotiation between the PASSE and providers reflecting rates and quality. If a PASSE or a provider believes that the other party is not negotiating in good faith and is engaged in anti-competitive practices, either party may request DHS to convene a hearing to present evidence to support its claim. Such evidence must include upper and lower payment amounts paid for the same services, except for value-based payments, to other providers. The hearing will be public. Such a hearing is not mediation. There is no obligation on the part of DHS to make a determination of wrong doing. A PASSE must disclose the use of value based payments to the provider type at issue, but shall not be required to disclose the methodology for making value based payments.

248.000 Subcontractual Relationships and Delegation

1-1-19

The PASSE must ensure compliance with 42 CFR § 438.230. The PASSE entity maintains ultimate responsibility for adhering and otherwise fully complying with all terms and conditions of this provider manual and the PASSE Provider Agreement.

248.100 Practice Guidelines

1-1-19

The PASSE must adopt practice guidelines that adhere to 42 CFR § 438.236. The PASSE must disseminate the guidelines to all affected providers and, upon request, to members and potential members. All decisions for utilization management, member education, coverage of services, and other areas to which the practice guidelines apply are consistent with the guidelines.

248.200 Health Information Systems

1-1-19

Each PASSE must have a health information system that collects, analyzes, integrates, and reports data and can achieve the objectives of 42 CFR § 438.242. The systems must provide information on areas including, but not limited to, utilization, claims, grievances and appeals, and disenrollments for other than loss of Medicaid eligibility.

DHS requires that the PASSE health information system complies with the following:

- A. Section 6504(a) of the Affordable Care Act, which requires that State claims processing and retrieval systems are able to collect data elements necessary to enable the mechanized claims processing and information retrieval systems in operation by the State to meet the requirements of section 1903(r)(1)(F) of the Act.
- B. Collects data on member and provider characteristics as specified by the State, and on all services furnished to members through an encounter data system specified by the State in the PASSE Provider Agreement.
- C. Ensures that data received from providers is accurate and complete.
- D. Make all collected data available to the State and upon request to CMS.

248.210 Reporting Requirements

1-1-19

- A. Pursuant to Act 775 of the 2017 Arkansas General Session, the PASSE is responsible for reporting to DHS on a quarterly basis, the following:
 - 1. Care Coordination encounter Data;
 - 2. Unique Identifiers of beneficiaries;
 - 3. Geographic and demographic information of beneficiaries; and
 - 4. Satisfaction scores from the PASSE administered member satisfaction survey.
- B. The PASSE must also implement and carry out a Quality Assurance and Performance Improvement (QAPI) program. The QAPI must include, at a minimum:
 - 1. Collection of and reporting on the quality metrics required by Section 251.000 of the Manual; and
 - 2. Mechanisms to detect both underutilization and overutilization of services.
- C. All reports submitted must include an attestation by the CEO or CFO of the PASSE (or their designee) that the information submitted is accurate, truthful and complete.
- D. The PASSE must retain all reports and data submitted, as well as all other records regarding the provision of care coordination for a minimum of ten (10) years from the final date of the contract period or the date of completion of an audit, whichever is later.

DHS requires that the PASSE submits to DHS the following data:

- A. Encounter data in the form and manner described in § 438.818.
- B. Data on the basis of which the State certifies the actuarial soundness of capitation rates to a PASSE under § 438.4, including base data described in § 438.5(c) that is generated by the PASSE.
- C. Data on the basis of which the State determines the compliance of the PASSE with the medical loss ratio requirement described in § 438.8.
- D. Data on the basis of which the State determines that the PASSE has made adequate provision against the risk of insolvency as required under § 438.116.
- E. Documentation described in § 438.207(b) on which the State bases its certification that the PASSE has complied with the State's requirements for availability and accessibility of services, including the adequacy of the provider network, as set forth in § 438.206.
- F. Information on ownership and control described in § 455.104 of this chapter from the PASSE and subcontractors as governed by § 438.230.
- G. The annual report of overpayment recoveries as required in § 438.608(d)(3).

248.220 Claims Payment and Claims Processing

1-1-19

The PASSE shall operate and maintain claims operational processes and systems that ensure the verification, processing, accurate and timely adjudication and payment of claims. This includes appropriate auditing of claims for NCCI edits. The claim process and systems shall result in timely payment of provider claims for eligible PASSE members. The PASSE shall have a process for resolution of provider claim disputes and member grievance and appeals for denial of claims payment. [42 CFR § 438.242(a)].

- A. The PASSE must utilize nationally recognized methodologies to correctly pay claims including but not limited to:
 - 1. Medicaid National Correct Coding Initiative (NCCI) for Professional, ASC and Outpatient services,
 - 2. Multiple Procedure/Surgical Reductions, and
 - 3. Global Day E & M Bundling standards.
- B. The claims payment management must be able to monitor and access the claims system and apply appropriate claims edits. Claims management must have oversight of the claims process and system handling of:
 - 1. Covered benefits and site of care service restrictions
 - 2. Timeliness standards
 - 3. Claims payment fraud detection and prevention
 - 4. Adherence to DHS payment policies.
 - 5. Provider rate schedules changes
 - 6. Provider contract limitations and service scope
 - 7. Member service date eligibility and enrollment in the PASSE
 - 8. Claims audit for payment accuracy
- C. The PASSE must produce a provider remittance advice attached to the provider payments and/or denials that includes at a minimum:
 - 1. The reason(s) for denials and adjustments;

2. A detailed explanation/description of all denials, payments and adjustments;
3. The amount billed;
4. The amount paid;
5. Application of coordination of benefits (COB);
6. Provider rights for claim disputes

Additionally, the PASSE must include information in its remittance advice which informs providers of instructions and timeframes for the submission of claim disputes and corrected claims. All paper remittance advices must describe this information in detail. Electronic remittance advices must either direct providers to the link where this information is explained or include a supplemental file where this information is explained.

The related remittance advice must be sent with the payment, unless the payment is made by electronic funds transfer (EFT). Any remittance advice related to an EFT must be sent to the provider, no later than the date of the EFT. The PASSE must provide provider with electronic file transfer and Data Exchange Requirements, for specific standards related to electronic claims and receiving electronic remittance advice and EFT payment.

When PASSE needs to recoup a claim payment due to a claim being determined to be the payment responsibility of another PASSE organization or third party insurer, the PASSE is responsible to inform the provider to file with the correct financial responsible payer. The responsible PASSE shall not deny a clean claim on the basis of lack of timely filing if the provider submits a clean claim to the responsible PASSE no later than 60 days from the date of the recoupment, 12 months from the date of service, or 12 months from date that eligibility is posted, whichever date is later.

The PASSE shall ensure that for each form type (Professional/Institutional), that 95% of all clean claims are adjudicated within 30 days of receipt of the clean claim and 99% are adjudicated within 60 days of receipt of the clean claim.

The PASSE is required to reimburse providers for previously denied or recouped claims, if the provider was subsequently denied payment by the primary insurer based on timely filing limits or lack of prior authorization and the member failed to initially disclose additional insurance coverage.

The provider shall have 90 days from the date they become aware that payment will not be made to submit a new claim to the PASSE which includes the documentation from the primary insurer that payment will not be made. Documentation includes but is not limited to any of the following items establishing that the primary insurer has or would deny payment based on timely filing limits or lack of prior authorization.

The PASSE's claims processes, as well as its prior authorization and concurrent review process, must minimize the likelihood of having to recoup already-paid claims. Any individual recoupment in excess of \$50,000 per provider, or Tax Identification Number within a Contract year or greater than 12 months after the date of the original payment must be approved by DHS.

When recoupment amounts for a Provider TIN cumulatively exceed \$50,000 during a Contract year (based on recoupment date), the PASSE must report the cumulative recoupment monthly to the designated DHS contact.

The Contractor must void encounters for claims that are recouped in full. For recoupments that result in a reduced claim value or adjustments that result in an increased claim value, replacement encounters must be submitted. DHS may validate the submission of applicable voids and replacement encounters upon completion of any approved recoupment. Replaced or voided encounters must reach adjudicated status within 120 days of the approval of the recoupment.

If the PASSE or DHS reverses a decision to deny, limit, or delay authorization of services, and the member received the disputed services while an appeal was pending, the PASSE shall process a claim for payment from the provider in a manner consistent with the PASSE's decision or DHS direction and applicable statutes, rules, policies, and PASSE Provider Agreement terms. The provider shall have 90 days from the date of the reversed decision to submit a clean claim to the PASSE for payment. For all claims submitted as a result of a reversed decision, the PASSE is prohibited from denying claims for untimeliness if they are submitted within the 90 day timeframe. The PASSE is also prohibited from denying claims submitted as a result of a reversed decision because the member failed to request continuation of services during the appeals/hearing process as a member's failure to request continuation of services during the appeals/hearing process is not a valid basis to deny the claim.

The PASSE shall submit a Claims operations performance report as specified by DHS in the PASSE Provider Agreement. The PASSE shall develop and implement an internal ongoing claims audit function that will include, at a minimum, the following:

- A. Verification that provider contracts are loaded correctly
- B. Accuracy of payments against provider contract terms
- C. NCCI edits are implemented

The PASSE shall audit that provider contract terms and rates are loaded correctly. This can be performed on a regular or periodic basis and consist of a random, statistically significant sampling of all claims and contracts in effect at the time of the audit. The audit sampling methodology must be documented in policy and the PASSE should review the contract loading of both large groups and individual practitioners at least once during a PASSE contract cycle, in addition to any time a contract change is initiated during that timeframe. The findings of the audits described above must be documented and any deficiencies noted in the resulting reports must be met with corrective action.

In addition, in the event of a system change or upgrade, the PASSE shall also be required to initiate an independent audit of the Claim Payment/Health Information Systems. The findings and recommendation from the audit should be submitted to DHS.

248.230 Encounter Data

1-1-19

Encounter data submission to DHS is specified in the PASSE Provider Agreement, including the specifications for submitting encounter data to the State in standardized ASC X12N 837 and NCPDP formats, and the ASC X12N 835 format as appropriate. As part of the readiness review process, DHS will review and validate that the encounter data collected, maintained, and submitted to the State by the PASSE meets the requirements of this section. The State must have procedures and quality assurance protocols to ensure that enrollee encounter data submitted is a complete and accurate representation of the services provided to the enrollees under the PASSE Provider Agreement between the State and the PASSE.

The PASSE is required to submit encounter data reports on a monthly basis to DHS. An encounter is a service or procedure provided to a PASSE member by a provider that is compensated by any possible means (e.g. Fee-for-service, capitation, fee-for-time, or salary). This includes any service or procedure that is provided directly by the PASSE. The PASSE Provider agreement will specify the exact requirements for encounter claims submission to DHS.

The PASSE must report encounter data in the following standard format:

- A. Form HCFA-1500 for professional services
- B. Form UB-92 for institutional care
- C. National Standard Drug Claim Form for prescription and over-the-counter drugs.

248.240 Recordkeeping Requirements**1-1-19**

The PASSE must retain, and require subcontractors to retain, as applicable, the following information: member grievance and appeal records in § 438.416, base data in § 438.5(c), MLR reports in § 438.8(k), and the data, information, and documentation specified in §§ 438.604, 438.606, 438.608, and 438.610 for a period of no less than 10 years.

248.250 Reporting Provider Sanctions**1-1-19**

The PASSE must report to DHS any sanctions imposed upon any provider, both in-network and out of network.

248.260 Reporting Provider-Preventable Conditions**1-1-19**

The PASSE Provider Agreement must comply with mandating provider identification of provider-preventable conditions as a condition of payment, as well as the prohibition against payment for provider-preventable conditions as set forth in § 434.6(a)(12) and § 447.26 of this chapter. The PASSE must report all identified provider-preventable conditions to DHS.

248.300 Provider Credentialing and Recredentialing**1-1-19**

Provider credentialing is a detailed process that reviews provider qualifications and career history including their education, training, residency and licenses as well as specialty certificates. DHS will accept the standards set by regulatory and accreditation organizations such as the National Committee for Quality Assurance (NCQA), Commission on the Accreditation of Rehabilitation Facilities (CARF), and The Joint Commission (TJC).

Starting January 1, 2020 the PASSE must have a credential review committee that approves or denies the final credentialing of its providers. The PASSE must demonstrate that it verifies primary source qualification data including:

- A. Verifying the training and education through the applicable regulatory and accreditation organizations;
- B. Verifying current state medical licensure;
- C. Specialty verification;
- D. Verification of employment history;
- E. Checking the Medicare and Medicaid exclusion list;
- F. Reviewing to ensure providers in its network are in good standing, including that no for any federal or state sanctions that have been imposed against them;
- G. Querying the National Practitioner Data Bank on closed and settled claims history; and
- H. Verifying the status of the provider applicant's privileges at hospitals and other health care facilities listed on the application.

All current Medicaid providers will be deemed as credentialed during calendar year 2019. Starting January 1, 2020, the PASSE must credential all network providers.

The PASSE may approve temporary provider credentials for up to 6 months pending completion of the full credential review. DHS may grant a variance for extending the temporary period following a demonstration of good cause.

The PASSE may deem the credential for providers who have already been approved and credentialed by another PASSE for up to 6 months pending completion of the full credential

review. DHS may grant a variance for extending the temporary period following a demonstration of good cause.

The PASSE must submit the electronic status file of providers who have submitted a credential application, are in a pended status, have received temporary credential approval and if credentialing was denied, the reason for denial of credentials.

Credentialing and recredentialing is required on the following provider types:

- I. Medical Doctor (MD)
- J. Doctor of Osteopathic Medicine (DOM)
- K. Doctor or Podiatric Medicine (DPM)
- L. Psychologists
- M. Optometrists
- N. Nurse practitioners (NP)
- O. Physician Assistants (PA)
- P. Certified Nurse Midwives
- Q. Affiliated Practice Dental Hygienists
- R. Speech and Language Pathologists
- S. Physical Therapists
- T. Independent behavioral health professionals who contract directly with the PASSE including Licensed Clinical Social Worker (LCSW), Licensed Professional Counselor (LPC), Licensed Marriage/Family Therapist (LMFT), Licensed Independent Substance Abuse Counselor (LISAC)
- U. Home and Community Based Providers who provide services under the CES Waiver or the 1915(i) authority
- V. Board Certified Behavioral Analysts (BCBAs) and;
- W. Any non-contracted provider that is rendering services and sees 50 or more of the contractor's members per contract year.

Providers must be recredentialed not less than every three years unless more frequently due to a change in the clinical scope of services of a provider.

248.310 Uniform Credentialing Process Requirements

1-1-19

No later than January 1, 2020, the PASSEs shall use a uniform standard credential application that must be submitted on-line and electronically and jointly select a single Contracted Credentialing Vendor Organization (CVO) according to specifications established by DHS. The costs of a CVO will be equally shared by the PASSEs. DHS shall establish a credentialing work group among the PASSEs for the purpose of setting credentialing process requirements.

250.000 QUALITY MEASUREMENT AND IMPROVEMENT; EXTERNAL QUALITY REVIEW

251.000 Basis, Scope and Applicability

1-1-19

Pursuant to sections 1932(c), 1903(a)(3)(C)(ii), 1902(a)(4), and 1902(a)(19) of the Act, CMS sets forth:

Specifications for a quality assessment and performance improvement program (QAPI) that DHS must require each PASSE to implement and maintain.

- A. Requirements for DHS review of the accreditation status of all PASSEs.
- B. Specifications for a Medicaid managed care quality rating system PASSEs.
- C. Specifications for a Medicaid managed care quality strategy that each PASSE must implement to ensure the delivery of quality health care.
- D. Requirements for annual external quality reviews of each PASSE, including:
 - 1. Criteria that DHS must use in selecting entities to perform the reviews.
 - 2. Specifications for the activities related to external quality review.
 - 3. Circumstances under which external quality review may use the results of Medicare quality reviews or private accreditation reviews,
 - 4. Requirements for making the results of the reviews publicly available.

252.000 Definitions

1-1-19

As used in these sections of the PASSE Medicaid Provider Manual:

- A. Access, as it pertains to external quality review, means the timely use of services to achieve optimal outcomes, as evidenced by managed care plans successfully demonstrating and reporting on outcome information for the availability and timeliness elements defined under § 438.68 (Network adequacy standards) and § 438.206 (Availability of services).
- B. EQR stands for external quality review.
- C. EQRO stands for external quality review organization.
- D. External quality review means the analysis and evaluation by an EQRO, of aggregated information on quality, timeliness, and access to the health care services that a PASSE or their contractors furnish to Medicaid beneficiaries.
- E. External quality review organization means an organization that meets the competence and independence requirements set forth in § 438.354, and performs external quality review, other EQR-related activities as set forth in § 438.358, or both.
- F. Financial relationship means:
 - 1. A direct or indirect ownership or investment interest (including an option or nonvested interest) in any entity. This direct or indirect interest may be in the form of equity, debt, or other means, and includes any indirect ownership or investment interest no matter how many levels removed from a direct interest; or
 - 2. A compensation arrangement with an entity.
- G. Health care services means all Medicaid services provided by a PASSE under contract with the State Medicaid agency in any setting, including but not limited to medical care, behavioral health care, and long-term services and supports.
- H. Outcomes means changes in patient health, functional status, satisfaction or goal achievement that result from health care or supportive services.

- I. Quality, as it pertains to external quality review, means the degree to which a PASSE increases the likelihood of desired outcomes of its enrollees through:
 - 1. Its structural and operational characteristics.
 - 2. The provision of services that are consistent with current professional, evidenced-based-knowledge.
 - 3. Interventions for performance improvement.
- J. Validation means the review of information, data, and procedures to determine the extent to which they are accurate, reliable, free from bias, and in accord with standards for data collection and analysis.

253.000 Quality Assessment and Performance Review Program**1-1-19**

DHS requires that each PASSE establishes and implements an ongoing comprehensive quality assessment and performance improvement program for the services it furnishes to its members that includes the elements identified in this section.

The comprehensive quality assessment and performance improvement program must include at least the following elements:

- A. Performance improvement projects.
- B. Collection and submission of performance measurement data.
- C. Mechanisms to detect both underutilization and overutilization of services.
- D. Mechanisms to assess the quality and appropriateness of care furnished to enrollees with special health care needs.
- E. For PASSE, which provide long-term services and supports:
 - 1. Mechanisms to assess the quality and appropriateness of care furnished to members using long-term services and supports, including assessment of care between care settings and a comparison of services and supports received with those set forth in the enrollee's treatment/service plan; and
 - 2. Participate in efforts by DHS to prevent, detect, and remediate critical incidents (consistent with assuring beneficiary health and welfare per §§ 441.302 and 441.730(a) of this chapter) that are based, at a minimum, on the requirements on the State for home and community-based waiver programs per § 441.302(h) of this chapter.

DHS must:

- F. Identify standard performance measures relating to the performance of PASSEs; and
- G. Identify standard performance measures relating to quality of life, rebalancing, and community integration activities for individuals receiving long-term services and supports.
- H. Require that each PASSE annually:
 - 1. Measure and report to the State on its performance, using the standard measures required by DHS;
 - 2. Submit to DHS data, specified by DHS which enables DHS to calculate the PASSE's performance using the standard measures identified by the State under paragraph (c)(1) of this section; or
 - 3. Perform a combination of the activities described above in a. and b. of this section.

- I. DHS requires that PASSEs conduct performance improvement projects, including any performance improvement projects required by CMS, which focus on both clinical and nonclinical areas.
- J. Each performance improvement project must be designed to achieve significant improvement, sustained over time, in health outcomes and enrollee satisfaction, and must include the following elements:
 - 1. Measurement of performance using objective quality indicators.
 - 2. Implementation of interventions to achieve improvement in the access to and quality of care.
 - 3. Evaluation of the effectiveness of the interventions based on the performance measures.
 - 4. Planning and initiation of activities for increasing or sustaining improvement.
- K. DHS requires that each PASSE must report the status and results of each project conducted to DHS as requested, but not less than once per year.
- L. The State may permit an MCO, PIHP, or PAHP exclusively serving dual eligibles to substitute an MA Organization quality improvement project conducted under § 422.152(d) of this chapter for one or more of the performance improvement projects otherwise required under this section.
- M. DHS must review, at least annually, the impact and effectiveness of the quality assessment and performance improvement program of each PASSE. The review must include:
 - 1. The PASSE's performance on the measures on which it is required to report.
 - 2. The outcomes and trended results of each PASSE's performance improvement projects.
 - 3. The results of any efforts by the PASSE to support community integration for enrollees using long-term services and supports.
 - 4. DHS may require that a PASSE develop a process to evaluate the impact and effectiveness of its own quality assessment and performance improvement program.

254.000**State Review of the Accreditation Status of a PASSE****1-1-19**

Each PASSE must inform DHS if they have been accredited by a private independent accrediting entity. If a PASSE has been accredited by a private independent accrediting entity, the PASSE must authorize the private independent accrediting entity to provide DHS a copy of its most recent accreditation review, including:

- A. The accreditation status, survey type and level (as applicable);
- B. Accreditation results, including recommended actions or improvements, corrective action plans, and summaries of findings; and
- C. Expiration of the accreditation

DHS will make the accreditation status of each PASSE available to the general public on the Arkansas Medicaid PASSE website.

255.000**Medicaid Managed Care Quality Rating System****1-1-19**

Each year, DHS must collect data from each PASSE with which it contracts and issue an annual quality rating for each PASSE based on the data collected, using the Medicaid managed care quality rating system adopted under 42 CFR § 438.334.

256.000 Managed Care State Quality Strategy 1-1-19

DHS, in accordance with 42 CFR § 438.340, must draft and implement a written quality strategy for assessing and improving the quality of health care services furnished by the PASSE. This State quality strategy must be made available on the Arkansas Medicaid website.

256.100 Quality Incentive Pool 1-1-19

DHS may provide quality incentive payments from the quality incentive pool to PASSEs who meet specific performance measurements as identified in the PASSE Provider Agreement. Quality incentive payments would be in addition to the global payment.

257.000 External Quality Review 1-1-19

DHS, in accordance with 42 CFR § 438.350, must ensure that an External Quality Review Organization (EQRO) performs an annual External Quality Review for each PASSE. DHS must ensure that the EQRO meets the minimum requirements of 42 CFR § 438.354. DHS must contract with an EQRO in accordance with 42 CFR § 438.356. The EQR must contain the mandatory activities as required in 42 CFR § 438.358 and can contain the optional activities listed in the same section.

257.100 Nonduplication of Mandatory Activities with Medicare or Accreditation Review 1-1-19

To avoid duplication, DHS may use information from a Medicare or private accreditation review of a PASSE to provide information for the annual EQR instead of conducting one or more of the EQR activities if the following conditions are met:

- A. The PASSE is in compliance with the applicable Medicare Advantage standards established by CMS, as determined by CMS or its contractor for Medicare, or has obtained accreditation from a private accrediting organization recognized by CMS as applying standards at least as stringent as Medicare under the procedures in § 422.158 of this chapter;
- B. The Medicare or private accreditation review standards are comparable to standards established through the EQR protocols (§ 438.352) for the EQR activities described in § 438.358(b)(1)(i) through (iii); and
- C. The PASSE provides to the State all the reports, findings, and other results of the Medicare or private accreditation review activities applicable to the standards for the EQR activities.

If DHS uses information from a Medicare or private accreditation review, DHS must ensure that all such information is furnished to the EQRO for analysis and inclusion in the report described in § 438.364(a).

DHS must identify in its quality strategy under § 438.340 the EQR activities for which it has exercised the option described in this section, and explain the rationale for DHS's determination that the Medicare review or private accreditation activity is comparable to such EQR activities.

257.200 Exemption from External Quality Review 1-1-19

DHS may exempt a PASSE from EQR if the following conditions are met:

- A. The PASSE has a current Medicare contract under part C of Title XVIII or under section 1876 of the Act, and a current Medicaid contract under section 1903(m) of the Act.
- B. The two contracts cover all or part of the same geographic area within the State.

- C. The Medicaid contract has been in effect for at least 2 consecutive years before the effective date of the exemption and during those 2 years the PASSE has been subject to EQR under this part, and found to be performing acceptably for the quality, timeliness, and access to health care services it provides to Medicaid beneficiaries.

When the State exercises this option, the State must obtain either of the following:

- D. Information on Medicare review findings. Each year, DHS must obtain from each PASSE that it exempts from EQR the most recent Medicare review findings reported on the PASSE including:
1. All data, correspondence, information, and findings pertaining to the PASSE's compliance with Medicare standards for access, quality assessment and performance improvement, health services, or delegation of these activities.
 2. All measures of the PASSE's performance.
 3. The findings and results of all performance improvement projects pertaining to Medicare enrollees.

If an exempted PASSE has been reviewed by a private accrediting organization, DHS must require the PASSE provides DHS with a copy of all findings pertaining to its most recent accreditation review if that review has been used for either of the following purposes:

4. To fulfill certain requirements for Medicare external review under subpart D of part 422 of this chapter.
5. To deem compliance with Medicare requirements, as provided in § 422.156 of this chapter.

These findings must include, but need not be limited to, accreditation review results of evaluation of compliance with individual accreditation standards, noted deficiencies, corrective action plans, and summaries of unmet accreditation requirements.

257.300 External Quality Review Results

1-1-19

DHS must ensure that the EQR results in an annual detailed technical report that summarizes findings on access and quality of care, including:

- A. A description of the manner in which the data from all activities conducted in accordance with § 438.358 were aggregated and analyzed, and conclusions were drawn as to the quality, timeliness, and access to the care furnished by the PASSE entity (described in § 438.310(c)(2)).
- B. For each EQR-related activity conducted in accordance with § 438.358:
1. Objectives;
 2. Technical methods of data collection and analysis;
 3. Description of data obtained, including validated performance measurement data for each activity conducted in accordance with § 438.358(b)(1)(i) and (ii); and
 4. Conclusions drawn from the data.
- C. An assessment of each PASSE's strengths and weaknesses for the quality, timeliness, and access to health care services furnished to Medicaid beneficiaries.
- D. Recommendations for improving the quality of health care services furnished by each PASSE, including how DHS can target goals and objectives in the quality strategy, under § 438.340, to better support improvement in the quality, timeliness, and access to health care services furnished to Medicaid beneficiaries.

- E. Methodologically appropriate, comparative information about all PASSEs, consistent with guidance included in the EQR protocols issued in accordance with § 438.352(e).
- F. An assessment of the degree to which each PASSE has addressed effectively the recommendations for quality improvement made by the EQRO during the previous year's EQR.

DHS cannot substantively revise the content of the final EQR technical report without evidence of error or omission.

DHS contract with a qualified EQRO to produce and submit to DHS an annual EQR technical report in accordance with this section. The State must finalize the annual technical report by April 30th of each year.

DHS must:

- A. Post the most recent copy of the annual EQR technical report on the Web site required under § 438.10(c)(3) by April 30th of each year.
- B. Provide printed or electronic copies of the information specified in paragraph (a) of this section, upon request, to interested parties such as participating health care providers, enrollees and potential enrollees of the PASSE, beneficiary advocacy groups, and members of the general public.

DHS must make the information specified in this section available in alternative formats for persons with disabilities, when requested. The information released under section may not disclose the identity or other protected health information of any patient.

258.000 Failure To Meet Quality Metrics

1-1-19

If a PASSE fails to meet the quality metrics, as specified in the PASSE Provider Agreement, DHS may take action to correct the failure of impose penalties on the PASSE. DHS's actions may include, but are not limited to:

- A. Require the PASSE submit a Corrective Action Plan (CAP) to address proposed activities to improve adherence to quality metrics;
- B. Suspend, withhold, recoup, or recover payments, or any combination thereof, made to the PASSE;
- C. Terminate the PASSE from participation as a PASSE Medicaid Provider type;
- D. Suspend the PASSE's participation in the Medicaid Program;
- E. Impose any Sanction allowable in Section 271.000 of this Manual;
- E. Cancel or shorten the PASSE's existing provider agreement;
- F. Impose any sanction identified in §152.000 of the Medicaid Provider Manual; or
- G. Suspend new assignment, enrollment and voluntary transitions to the PASSE, including automatic mandatory assignment and enrollment until performance improves.

259.000 Reporting Requirements and the Quality Assurance Performance Improvements (QAPI) Program

1-1-19

- A. Pursuant to Act 775 of the 2017 Arkansas General Session, the PASSE is responsible for reporting to DHS on a quarterly basis, the following:
 - 1. Care Coordination encounter Data;

2. Unique Identifiers of beneficiaries;
 3. Geographic and demographic information of beneficiaries; and
 4. Satisfaction scores from the PASSE administered member satisfaction survey.
- B. The PASSE must also implement and carry out a Quality Assurance and Performance Improvement (QAPI) program. The QAPI must include, at a minimum:
1. Collection of and reporting on the quality metrics required by Section 251.000 of the Manual; and
 2. Mechanisms to detect both underutilization and overutilization of services.
- C. All reports submitted must include an attestation by the CEO or CFO of the PASSE (or their designee) that the information submitted is accurate, truthful and complete.
- D. The PASSE must retain all reports and data submitted, as well as all other records regarding the provision of care coordination for a minimum of ten (10) years from the final date of the contract period or the date of completion of an audit, whichever is later.

259.100 DHS Review of Outcomes

1-1-19

Pursuant to Act 775 of the 2017 Arkansas General Session, DHS will utilize data submitted from the PASSE to measure the performance of the following:

- A. Delivery of services;
- B. Patient outcomes;
- C. Efficiencies achieved; and
- D. Quality measures, which include:
 1. Reduction in unnecessary hospital emergency department utilization;
 2. Adherence to prescribed medication regimens;
 3. Reduction in avoidable hospitalizations for ambulatory-sensitive conditions; and
 4. Reduction in hospital readmissions.
- E. Implementation of Person-Centered Service Plan.

259.200 Quality Metrics

1-1-19

Each PASSE must report on and meet the quality metric reporting standards as outlined in this provider manual and the PASSE Provider Agreement.

259.300 Reporting and Quality Metric Requirements

1-1-19

- A. Care Coordinator to Client Caseload

Metric	Target	Reporting to DHS (Frequency/Content)
The care coordinator's assigned caseload will be limited to a maximum of 50 attributed members.	≥90% of care coordinators will have a caseload of ≤50 members	Quarterly/ Details of monthly caseload for each care coordinator employed, including the names of each member in the care coordinator's caseload

B. Initial Contact of Client

Metric	Target	Reporting to DHS (Frequency/Content)
Care coordinators must initiate contact with each member within 15 business days after effective date of PASSE coverage.	≥75% of care coordinators will contact each member within 15 business days after attribution to PASSE	Quarterly/ Details of initial contact time frame with each member after attribution to PASSE, including, but not limited to, date of attribution, date of initial contact and date of completed contact

C. Follow-Up Care

Metric	Target	Reporting to DHS (Frequency/Content)
Care coordinators must follow up with members within seven (7) business days of visit to Emergency Room or Urgent Care Clinic, or discharge from Hospital or In-Patient Psychiatric Unit/Facility	≥50% of care coordinators will follow up with members within seven (7) business days of visit to Emergency Room, or discharge from Hospital or In-Patient Psychiatric Unit/Facility	Quarterly/ Details of follow up with members within (7) business days of visit to Emergency Room, or discharge from Hospital or In-Patient Psychiatric Unit/Facility, including but not limited to action or treatment plan to prevent/avoid such visits in the future

D. PCP Assignment

Metric	Target	Reporting to DHS (Frequency/Content)
Care coordinator must ensure that all members have selected a Primary Care Physician (PCP), confirm that the member is seeing the PCP as needed, and if necessary, to assist members with selecting/providing a referral to a PCP	≥80% of members will have selected a PCP and are on a PCP's caseload	Quarterly/ Details about: 1. The number of members that have been referred to and have been assigned a PCP;

259.400 National Core Indicators

1-1-19

The PASSE must report on the National Core Indicators (NCI) for its Developmental Disabilities specialty providers on a yearly basis. This report is due to DHS no later than July 31 each year for the previous 12 months.

260.000 ADDITIONAL PROGRAM INTEGRITY SAFEGUARDS**261.000 Basic Program Integrity Safeguards 1-1-19**

The PASSE must comply with the requirements in 42 CFR §§ 438.604, 438.606, 438.608 and 438.610, as applicable.

261.100 State Responsibilities 1-1-19

DHS must comply with the requirements of 42 CFR §438.602.

261.200 Source, Content, and Timing of Certification 1-1-19

For the data, documentation, or information specified in 42 CFR § 438.604 and § 260.300 of this provider manual, DHS requires that the data, documentation or information the PASSE submits to DHS must be certified by either the PASSE's Chief Executive Officer; Chief Financial Officer; or an individual who reports directly to the Chief Executive Officer or Chief Financial Officer with delegated authority to sign for the Chief Executive Officer or Chief Financial Officer so that the Chief Executive Officer or Chief Financial Officer is ultimately responsible for the certification.

The certification provided by the individual in paragraph (a) of this section must attest that, based on best information, knowledge, and belief, the data, documentation, and information specified in 42 CFR § 438.604 and §260.300 of this provider manual is accurate, complete, and truthful.

DHS requires that the PASSE must submit the certification concurrently with the submission of the data, documentation, or information required in 42 CFR § 438.604(a) and (b) and §260.300 of this provider manual.

261.300 Prohibited Affiliations 1-1-19

The PASSE may not knowingly have an individual involved in a relationship with the PASSE that is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549.

The PASSE may not knowingly have an individual involved in a relationship with the PASSE who is an individual or entity who is an affiliate, as defined in the Federal Acquisition Regulation at 48 CFR 2.101, of a person described in paragraph (a)(1) of this section.

The PASSE may not have a relationship with an individual or entity that is excluded from participation in any Federal health care program under section 1128 or 1128A of the Act.

The relationships described above are as follows:

- A. A director, officer, or partner of the PASSE
- B. A subcontractor of the PASSE
- C. A person with beneficial ownership of 5 percent or more of the PASSE entity's equity
- D. A network provider or person with an employment, consulting or other arrangement with the PASSE for the provision of items and services that are significant and material to the PASSE entity's obligations under its contract with the State.

261.400 PASSE Program Integrity Activities 1-1-19

The PASSE must establish functions and activities governing program integrity in order to reduce the incidence of Fraud and Abuse and shall comply with all state and federal program integrity requirements, including but not limited to the applicable provisions of the Social Security Act, § § 1128, 1902, 1903, and 1932; 42 CFR § § 431, 433, 434, 435, 438, 441, 447, and 455; 45 CFR Part 75; Arkansas Law and Rules, and the PASSE Provider Agreement.

270.000 SANCTIONS

271.000 Sanctions

1-1-19

In accordance with applicable law, this provider manual, and the terms of the PASSE Provider Agreement, DHS may impose sanctions and/or remedies for failure to comply with any provision of applicable law, this provider manual, or the terms of the PASSE Provider Agreement.

Each PASSE will be monitored by DHS to ensure that all requirements set forth in this manual and the PASSE Provider Agreement are adhered to. This includes adherence with any applicable laws or regulations. Sanctions or remedies that can be imposed by DHS include, but are not limited to, one (1) or more of the following:

- A. Appoint temporary management of the PASSE;
- B. Cancel or shorten the PASSE's existing provider agreement(s);
- C. Suspend or terminate/de-certify the PASSE's participation as a Medicaid Enrolled Provider (PASSE Provider Type) and/or in the Arkansas Medicaid Program;
- D. Evaluate staffing allocations and require staffing enhancements;
- E. Impose civil monetary penalties or assessments not to exceed \$25,000 per violation or incident;
- F. Require the PASSE submit a Corrective Action Plan (CAP);
- G. Require a PASSE to adhere to a Directed Corrective Action Plan;
- H. Suspend new assignment, enrollment and voluntary transitions to the PASSE, including automatic mandatory assignment and enrollment after the effective date of the sanction;
- I. Grant PASSE Members the right to terminate enrollment, and transition some or all PASSE Members to another PASSE;
- J. Suspend, withhold, recoup, adjust or recover payments, or any combination thereof, made to the PASSE until there is a satisfactory resolution of the default;
- K. Require a PASSE to exclude a network provider from its network; and
- L. Impose any/all sanctions contained in the PASSE Provider Agreement, §152.000 of the PASSE Medicaid Provider Manual, and those allowed under federal law.

272.000 Basis for Imposition of Sanctions

1-1-19

DHS may impose sanctions specified in this provider manual, in the PASSE Provider Agreement and any sanction specified in 42 CFR § 438 based upon determinations on findings from onsite surveys, member or other complaints, financial status, or any other source. DHS may impose intermediate sanctions if it makes any determinations specified below:

- A. DHS determines that a PASSE acts or fails to act as follows:

1. Fails to substantially provide medically necessary services that the PASSE is required to provide, under law or under its contract with DHS, to a member covered under the contract.
 2. Imposes on members premiums or charges that are in excess of premiums or charges permitted under the Medicaid program.
 3. Acts to discriminate among members on the basis of their health status or need for health care services. This includes termination of enrollment or refusal to reenroll a beneficiary, except as permitted under the Medicaid program, or any practice that would reasonably be expected to discourage enrollment by beneficiaries whose medical condition or history indicates probable need for substantial future medical services.
 4. Misrepresents or falsifies information that it furnishes to DHS, Office of Medicaid Inspector General, CMS, the Office of the Inspector General, the Comptroller General, and any designees.
 5. Misrepresents or falsifies information that it furnishes to an enrollee, potential enrollee, or health care provider.
 6. Fails to comply with the requirements for physician incentive plans, as set forth (for Medicare) in §§ 422.208 and 422.210 of this chapter.
- B. DHS determines that a PASSE has distributed directly or indirectly through any agent or independent contractor, marketing materials that have not been approved by the State or that contain false or materially misleading information.
- C. DHS determines that:
1. A PASSE has violated any of the other requirements of sections 1903(m) or 1932 of the Act, or any implementing regulations.

272.100 Types of Intermediate Sanctions

1-1-19

The types of intermediate sanctions that DHS may impose include the following:

- A. Civil money penalties in the amounts specified in § 438.704.
- B. Appointment of temporary management for a PASSE as provided in § 438.706.
- C. Granting members the right to terminate enrollment without cause and notifying the affected members of their right to disenroll.
- D. Suspension of all new enrollment, including default enrollment, after the date the Secretary or the State notifies the PASSE of a determination of a violation of any requirement under sections 1903(m) or 1932 of the Act.
- E. Suspension of payment for beneficiaries enrolled after the effective date of the sanction and until CMS or the State is satisfied that the reason for imposition of the sanction no longer exists and is not likely to recur.

Other State agencies retain authority to impose additional sanctions under State statutes or State regulations that address areas of noncompliance specified in § 438.700, as well as additional areas of noncompliance. Nothing in this section prevents State agencies from exercising that authority.

272.200 Amounts of Civil Money Penalties

1-1-19

If the DHS imposes civil monetary penalties as provided under 42 CFR § 438.702(a)(1), the maximum civil money penalty DHS may impose varies depending on the nature of the PASSE's action or failure to act, as provided in this section.

Specific limits:

- A. The limit is \$25,000 for each determination under 42 CFR § 438.700(b)(1), (5), (6), and (c) and § 271.100, A., 1., § 271.100, A., 5., § 271.100, A., 6, and § 271.100, B.
- B. The limit is \$100,000 for each determination under § 438.700(b)(3) or (4) § 271.100, A., 3 or § 271.100, A., 5.
- C. The limit is \$15,000 for each beneficiary the State determines was not enrolled because of a discriminatory practice under § 438.700(b)(3) and § 271.100, A., 3. (This is subject to the overall limit of \$100,000 under B. of this section).

For premiums or charges in excess of the amounts permitted under the Medicaid program, the maximum amount of the penalty is \$25,000 or double the amount of the excess charges, whichever is greater. The State must deduct from the penalty the amount of overcharge and return it to the affected enrollees.

272.300 Special Rules for Temporary Management

1-1-19

If DHS imposes temporary management under 42 CFR § 438.702 (a)(2), DHS may do so only if it finds (through onsite surveys, member or other complaints, financial status, or any other source) any of the following:

- A. There is continued egregious behavior by the PASSE including but not limited to behavior that is described in 42 CFR § 438.700, or that is contrary to any requirements of sections 1903(m) and 1932 of the Act.
- B. There is substantial risk to members' health.
- C. The sanction is necessary to ensure the health of the PASSE's members:
 - 1. While improvements are made to remedy violations under § 438.700.
 - 2. Until there is an orderly termination or reorganization of the PASSE.

DHS must impose temporary management (regardless of any other sanction that may be imposed) if it finds that a PASSE has repeatedly failed to meet substantive requirements in sections 1903(m) or 1932 of the Act. DHS must also grant members the right to terminate enrollment from the PASSE which has been sanctioned without cause, as described in § 438.702(a)(3), and must notify the affected members of their right to terminate enrollment from the PASSE which has been sanctioned.

DHS may not delay imposition of temporary management to provide a hearing before imposing this sanction.

DHS may not terminate temporary management until it determines that the PASSE can ensure that the sanctioned behavior will not recur.

272.400 Termination of a PASSE Provider Agreement

1-1-19

DHS has the authority to terminate a PASSE Provider Agreement and enroll that PASSE's members in other PASSEs, if the State determines that the PASSE has failed to do either of the following:

- A. Carry out the substantive terms of its PASSE Provider Agreement.
- B. Meet applicable requirements in sections 1932, 1903(m), and 1905(t) of the Act.

272.500 Notice of Sanction and Pre-Termination Hearing

1-1-19

DHS must give the affected entity timely written notice that explains the following:

- A. The basis and nature of the sanction.
- B. Any other appeal rights.

Before terminating a PASSE agreement, DHS must provide the PASSE a pre-termination hearing. The State must do all of the following:

- C. Give the PASSE written notice of intent to terminate, the reason for termination, and the time and place of the hearing.
- D. After the hearing, give the PASSE written notice of the decision affirming or reversing the proposed termination of the PASSE provider agreement and, for an affirming decision, the effective date of termination.
- E. For an affirming decision, give members of the PASSE notice of the termination and information, consistent with § 438.10, on their options for receiving Medicaid services following the effective date of termination.

272.600 Disenrollment During Termination Hearing Process

1-1-19

After DHS notifies a PASSE that it intends to terminate the PASSE Provider Agreement, DHS may do the following:

- A. Give the PASSE's members written notice of the State's intent to terminate the contract.
- B. Allow members to transition PASSE's immediately without cause.

272.700 Notice to CMS

1-1-19

DHS must give CMS written notice whenever it imposes or lifts a sanction for violations listed in § 438.700.

The notice must adhere to all of the following requirements:

- A. Be given no later than 30 days after DHS imposes or lifts a sanction.
- B. Specify the affect PASSE, the kind of sanctions, and the reason for DHS's decision to impose or lift a sanction.

272.710 Sanction by CMS

1-1-19

DHS may recommend that CMS impose a denial of payment sanction on a PASSE if DHS determines that the PASSE acts of fails to act as specified in § 438.700(b)(1) through (6).

DHS' determination becomes CMS' determination for purposes of section 1903(m)(5)(A) of the Act unless CMS reverses or modifies it within 15 days.

If DHS's determination becomes CMS' determination under this section, DHS must take all of the following actions:

- A. Gives the PASSE written notice of the nature and basis of the proposed sanction.
- B. Allows the PASSE 15 days from the date it receives the notice to provide evidence that it has not acted or failed to act in the manner that is the basis for the recommended sanction.
- C. May extend the initial 15-day period for an additional 15 days if
 1. The PASSE submits a written request that includes a credible explanation of why it needs additional time.

2. The request is received by CMS before the end of the initial period.
3. CMS has not determined that the MCO's conduct poses a threat to an enrollee's health or safety.

If the PASSE submits a timely response to the notice of sanction, DHS-

- D. Conducts an informal reconsideration that includes review of the evidence by a State agency official who did not participate in the original recommendation.
- E. Gives the PASSE a concise written decision setting forth the factual and legal basis for the decision.
- F. Forwards the decision to CMS.

DHS's decision under this section becomes CMS' decision unless CMS reverses or modifies the decision within 15 days from date of receipt by CMS.

If CMS reverses or modifies DHS's decision, the agency sends the PASSE a copy of CMS' decision.

CMS, based upon the recommendation of DHS, may deny payment to DHS for new members of the PASSE under section 1903(m)(5)(B)(ii) of the Act in the following situations:

- G. If a CMS determination that a PASSE has acted or failed to act, as described in paragraphs (b)(1) through (6) of 42 CFR § 438.700, is affirmed on review under paragraph (d) of this section.
- H. If the CMS determination is not timely contested by the PASSE under paragraph (c) of this section.

Under 42 CFR § 438.726(b), CMS' denial of payment for new members automatically results in a denial of agency payments to the PASSE for the same enrollees. (A new member is a member that applies for enrollment after the effective date that the PASSE is notified of the sanction.)

Effective Date of Sanction - If the PASSE does not seek reconsideration, a sanction is effective 15 days after the date the PASSE is notified under this section of the decision to impose the sanction.

If the PASSE seeks reconsideration, the following rules apply:

- I. Except as specified in paragraph (d)(2) of this section, the sanction is effective on the date specified in CMS' reconsideration notice.
- J. If CMS, in consultation with DHS, determines that the PASSE's conduct poses a serious threat to a member's health or safety, the sanction may be made effective earlier than the date of the agency's reconsideration decision under paragraph (d)(1)(ii) of 42 CFR § 438.730.

CMS retains the right to independently perform the functions assigned to DHS under paragraphs (a) through (d) of §438.730

At the same time that DHS sends notice to the PASSE under paragraph (c)(1) of 42 CFR § 438.730, CMS forwards a copy of the notice to the OIG.

CMS conveys the determination described in paragraph (b) of 42 CFR § 438.730 to the OIG for consideration of possible imposition of civil money penalties under section 1903(m)(5)(A) of the Act and part 1003 of this title. In accordance with the provisions of part 1003, the OIG may impose civil money penalties on the PASSE in addition to, or in place of, the sanctions that may be imposed under this section.

272.800 State Plan Requirement

1-1-19

The PASSE Provider Agreement with a PASSE must provide that payments provided for under the contract will be denied for new enrollees when, and for so long as, payment for those enrollees is denied by CMS under § 438.730(e).

280.000 HOME AND COMMUNITY BASED SPECIALTY SERVICES**281.000 Home and Community Based Service Providers**

1-1-19

The PASSE is responsible for the credentialing of home and community based service (HCBS) providers. All HCBS providers must be enrolled in Arkansas Medicaid as an HCBS provider. In order to enroll in Arkansas Medicaid as a Home and Community Based Service provider, the HCBS provider must be credentialed as such by the PASSE.

282.000 Rehabilitative Level Services

1-1-19

The PASSE is responsible for providing Rehabilitative Level Behavioral Health Services that will improve the health of beneficiaries who need intensive levels of specialized care due to the behavioral health issues. Rehabilitative Level Behavioral Health Services are for individuals who have been identified to meet Tier II Level of Care as determined by DHS through the Behavioral Health Independent Assessment. At this level of need, services are provided in a counseling services setting but the level of need requires a broader array of services.

Rehabilitative Level Services are Home and community based behavioral health services with care coordination for the purpose of treating mental health and/or substance abuse conditions. Services shall be rendered and coordinated through a team based approach. Rehabilitative Level Services home and community based settings shall include services rendered in, but not limited to, a beneficiary's home, community, behavioral health clinic/ office, healthcare center, physician office, and/ or school.

282.001 Behavioral Assistance

1-1-19

Behavioral Assistance is a specific outcome oriented intervention provided individually or in a group setting with the child/youth and/or his/her caregiver(s) that will provide the necessary support to attain the goals of the treatment plan. Services involve applying positive behavioral interventions and supports within the community to foster behaviors that are rehabilitative and restorative in nature. The intervention should result in sustainable positive behavioral changes that improve functioning, enhance the quality of life and strengthen skills in a variety of life domains.

Behavioral Assistance is designed to support youth and their families in meeting behavioral goals in various community settings. The service is targeted for children and adolescents who are at risk of out-of-home placement or who have returned home from residential placement and need flexible wrap-around supports to ensure safety and support community integration. The service is tied to specific treatment goals and is developed in coordination with the youth and their family. Behavioral Assistance aids the family in implementing safety plans and behavioral management plans when youth are at risk for offending behaviors, aggressions, and oppositional defiance. Staff provides supports to youth and their families during periods when behaviors have been typically problematic – such as during morning preparation for school, at bedtime, after school, or other times when there is evidence of a pattern of escalation of problem difficult behaviors. The service may be provided in school classrooms or on school busses for short periods of time to help a youth's transition from hospitals or residential settings but is not intended as a permanent solution to problem difficult behaviors at school.

282.002 Adult Rehabilitative Day Service

1-1-19

A continuum of care provided to recovering individuals living in the community based on their level of need. This service includes educating and assisting the individual with accessing supports and services needed. The service assists the recovering individual to direct their resources and support systems. Activities include training to assist the person to learn, retain, or improve specific job skills, and to successfully adapt and adjust to a particular work environment. This service includes training and assistance to live in and maintain a household of their choosing in the community. In addition, transitional services to assist individuals adjust after receiving a higher level of care. The goal of this service is to promote and maintain community integration.

An array of face-to-face rehabilitative day activities providing a preplanned and structured group program for identified beneficiaries that aimed at long-term recovery and maximization of self-sufficiency, as distinguished from the symptom stabilization function of acute day treatment. These rehabilitative day activities are person- and family-centered, recovery-based, culturally competent, provide needed accommodation for any disability and must have measurable outcomes. These activities assist the beneficiary with compensating for or eliminating functional deficits and interpersonal and/or environmental barriers associated with their chronic mental illness. The intent of these services is to restore the fullest possible integration of the beneficiary as an active and productive member of his/her family, social and work community and/or culture with the least amount of ongoing professional intervention. Skills addressed may include: emotional skills, such as coping with stress, anxiety or anger; behavioral skills, such as proper use of medications, appropriate social interactions and managing overt expression of symptoms like delusions or hallucinations; daily living and self-care skills, such as personal care and hygiene, money management and daily structure/use of time; cognitive skills, such as problem solving, understanding illness and symptoms and reframing; community integration skills and any similar skills required to implement a beneficiary's master treatment plan.

282.003 Peer Support

1-1-19

Peer Support is a consumer centered service provided by individuals (ages 18 and older) who self-identify as someone who has received or is receiving behavioral health services and thus is able to provide expertise not replicated by professional training. Peer providers are trained and certified peer specialists who self-identify as being in recovery from behavioral health issues. Peer support is a service to work with beneficiaries to provide education, hope, healing, advocacy, self-responsibility, a meaningful role in life, and empowerment to reach fullest potential. Specialists will assist with navigation of multiple systems (housing, supportive employment, supplemental benefits, building/rebuilding natural supports, etc.) which impact beneficiaries' functional ability. Services are provided on an individual or group basis, and in either the beneficiary's home or community environment.

Peer support may include assisting their peers in articulating their goals for recovery, learning and practicing new skills, helping them monitor their progress, assisting them in their treatment, modeling effective coping techniques and self-help strategies based on the specialist's own recovery experience, and supporting them in advocating for themselves to obtain effective services.

282.004 Family Support Partners

1-1-19

A service provided by peer counselors, of Family Support Partners (FSP), who model recovery and resiliency for caregivers of children and youth with behavioral health care needs or developmental disabilities. FSP come from legacy families and use their lived experience, training, and skills to help caregivers and their families identify goals and actions that promote recovery and resiliency and maintain independence. A FSP may assist, teach and model appropriate child-rearing strategies, techniques and household management skills. This service provides information on child development, age-appropriate behavior, parental expectations, and childcare activities. It may also assist the member's family in securing resources and developing natural supports.

Family Support Partners serve as a resource for families with a child, youth, or adolescent receiving behavioral health or developmental disability services. Family Support Partners help families identify natural supports and community resources, provide leadership and guidance for support groups, and work with families on: individual and family advocacy, social support for assigned families, educational support, systems advocacy, lagging skills development, problem solving techniques and self-help skills.

282.005 Pharmacologic Counseling by RN

1-1-19

A specific, time limited one-to-one intervention by a nurse with a beneficiary and/or caregivers, related to their psychopharmacological treatment. Pharmaceutical Counseling involves providing medication information orally or in written form to the beneficiary and/or caregivers. The service should encompass all the parameters to make the beneficiary and/or family understand the diagnosis prompting the need for the medication and any lifestyle modification required.

282.006 Supportive Life Skills Development

1-1-19

A service that provides support and training for youth and adults on a one-on-one or group basis. This service should be a strength-based, culturally appropriate process that integrates the member into their community as they develop their recovery plan or habilitation plan. This service is designed to assist members in acquiring the skills needed to support as independent a lifestyle as possible, enable them to reside in their community (in their own home, with family, or in an alternative living setting), and promote a strong sense of self-worth. In addition, it aims to assist members in setting and achieving goals, learning independent life skills, demonstrating accountability, and making goal-oriented decisions related to independent living.

Topics may include: educational or vocational training, employment, resource and medication management, self-care, household maintenance, health, socialization, community integration, wellness, and nutrition. For clients with developmental or intellectual disability, supportive life skills development may focus on acquiring skills to complete activities of daily living (ADLs) and instrumental activities of daily living (IADLs), such as communication, bathing, grooming, cooking, shopping, or budgeting.

282.007 Child and Youth Support Services

1-1-19

Child and Youth Support Services are clinical, time-limited services for principal caregivers designed to increase a child's positive behaviors and encourage compliance with parents at home; working with teachers/schools to modify classroom environment to increase positive behaviors in the classroom; and increase a child's social skills, including understanding of feelings, conflict management, academic engagement, school readiness, and cooperation with teachers and other school staff. This service is intended to increase parental skill development in managing their child's symptoms of their illness and training the parents in effective interventions and techniques for working with the schools.

Services might include an In-Home Case Aide. An In-Home Case Aide is an intensive, time-limited therapy for youth in the beneficiary's home or, in rare instances, a community based setting. Youth served may be in imminent risk of out-of-home placement or have been recently reintegrated from an out of-home placement. Services may deal with family issues related to the promotion of healthy family interactions, behavior training, and feedback to the family.

282.008 Supportive Employment

1-1-19

Supportive Employment is designed to help beneficiaries acquire and keep meaningful jobs in a competitive job market. The service actively facilitates job acquisition by sending staff to accompany beneficiaries on interviews and providing ongoing support and/or on-the-job training once the beneficiary is employed.

Service settings may vary depending on individual need and level of community integration, and may include the beneficiary's home. Services delivered in the home are intended to foster independence in the community setting and may include training in menu planning, food preparation, housekeeping and laundry, money management, budgeting, following a medication regimen, and interacting with the criminal justice system.

282.009 Supportive Housing

1-1-19

Supportive Housing is designed to ensure that beneficiaries have a choice of permanent, safe, and affordable housing. An emphasis is placed on the development and strengthening of natural supports in the community. This service assists beneficiaries in locating, selecting, and sustaining housing, including transitional housing and chemical free living; provides opportunities for involvement in community life; and fosters independence.

Service settings may vary depending on individual need and level of community integration, and may include the beneficiary's home. Services delivered in the home are intended to foster independence in the community setting and may include training in menu planning, food preparation, housekeeping and laundry, money management, budgeting, following a medication regimen, and interacting with the criminal justice system.

282.011 Partial Hospitalization

1-1-19

Partial Hospitalization is an intensive nonresidential, therapeutic treatment program. It can be used as an alternative to and/or a step-down service from inpatient residential treatment or to stabilize a deteriorating condition and avert hospitalization. The program provides clinical treatment services in a stable environment on a level equal to an inpatient program, but on a less than 24-hour basis. The environment at this level of treatment is highly structured, and there should be a staff-to-patient ratio sufficient to ensure necessary therapeutic services. Partial Hospitalization may be appropriate as a time-limited response to stabilize acute symptoms, transition (step-down from inpatient), or as a stand-alone service to stabilize a deteriorating condition and avert hospitalization.

282.012 Mobile Crisis Intervention

1-1-19

A short-term, on-site, face-to-face therapeutic response to a member experiencing a behavioral health crisis for the purpose of identifying, assessing, treating and stabilizing the situation and reducing immediate risk of danger to the member or others consistent with the member's risk management/safety plan, if available. This service is available 24 hours per day, seven days per week, and 365 days per year; and is available after hours and on weekends when access to immediate response is not available through appropriate agencies.

The service includes a crisis assessment, engagement in a crisis planning process, which may result in the development /update of one or more Crisis Planning Tools (Safety Plan, Advanced Psychiatric Directive, etc.) that contain information relevant to and chosen by the beneficiary and family, crisis intervention and/or stabilization services including on-site face-to-face therapeutic response, psychiatric consultation, and urgent psychopharmacology intervention, as needed; and referrals and linkages to all medically necessary behavioral health services and supports, including access to appropriate services and supports, including access to appropriate services along the behavioral health continuum of care.

282.013 Therapeutic Host Homes

1-1-19

A home or family setting that that consists of high intensive, individualized treatment for the member whose behavioral health or developmental disability needs are severe enough that they would be at risk of placement in a restrictive residential setting.

A therapeutic host parent is trained to implement the key elements of the member's PCSP in the context of family and community life, while promoting the PCSP's overall objectives and goals.

The host parent should be present at the PCSP development meetings and should act as an advocate for the member.

282.014 Recovery Support Partners (for Substance Abuse)

1-1-19

A continuum of care provided to recovering members living in the community. Recovery Support partners may educate and assist the individual with accessing supports and needed services, including linkages to housing and employment services. Additionally, the Recovery Support Partner assists the recovering member with directing their resources and building support systems. The goal of the Recovery Support Partner is to help the member integrate into the community and remain there.

282.015 Substance Abuse Detox (Observational)

1-1-19

A set of interventions aimed at managing acute intoxication and withdrawal from alcohol or other drugs. Services help stabilize the member by clearing toxins from his or her body. Detoxification (detox) services are short term and may be provided in a crisis unit, inpatient, or outpatient setting. Detox services may include evaluation, observation, medical monitoring, and addiction treatment. The goal of detox is to minimize the physical harm caused by the abuse of substances and prepare the member for ongoing substance abuse treatment.

283.000 Intensive Level Services

1-1-19

The PASSE is responsible for providing Intensive Level Behavioral Health Services that will improve the health of beneficiaries who need intensive levels of specialized care due to the behavioral health issues. Intensive Level Behavioral Health Services are for individuals who have been identified to meet Tier III Level of Care as determined by DHS through the Behavioral Health Independent Assessment. Eligibility for this level of need will be identified by additional criteria, which could lead to inpatient admission or residential placement.

Intensive Level Services are the most intensive behavioral health services for the purpose of treating mental health and/or substance abuse conditions. Services shall be rendered and coordinated through a team based approach with a focus on discharge planning.

283.001 Therapeutic Communities

1-1-19

Therapeutic Communities are highly structured residential environments or continuums of care in which the primary goals are the treatment of behavioral health needs and the fostering of personal growth leading to personal accountability. Services address the broad range of needs identified by the person served. Therapeutic Communities employs community-imposed consequences and earned privileges as part of the recovery and growth process. In addition to daily seminars, group counseling, and individual activities, the persons served are assigned responsibilities within the therapeutic community setting. Participants and staff members act as facilitators, emphasizing personal responsibility for one's own life and self-improvement. The service emphasizes the integration of an individual within his or her community, and progress is measured within the context of that community's expectation.

283.002 Residential Community Reintegration Program

1-1-19

The Residential Community Reintegration Program is designed to serve as an intermediate level of care between Inpatient Psychiatric Facilities and home and community-based behavioral health services. The program provides twenty-four hour per day intensive therapeutic care provided in a small group home setting for children and youth with emotional and/or behavior problems which cannot be remedied by less intensive treatment. The program is intended to prevent acute or sub-acute hospitalization of youth, or incarceration. The program is also offered as a step-down or transitional level of care to prepare a youth for less intensive treatment. A Residential Community Reintegration Program shall be appropriately certified by the Department of Human Services to ensure quality of care and the safety of beneficiaries and staff.

A Residential Community Reintegration Program shall ensure the provision of educational services to all beneficiaries in the program. This may include education occurring on campus of the Residential Community Reintegration Program or the option to attend a school off campus if deemed appropriate in accordance with the Arkansas Department of Education.

283.003 Planned Respite

1-1-19

Temporary direct care and supervision for a beneficiary due to the absence or need for relief of the non-paid primary caregiver. Planned respite can occur at medical or specialized camps, day-care programs, the member's home or place of residence, the respite care provider's home or place of residence, foster homes, a Human Development Center, or a licensed respite facility.

The primary purpose of Planned Respite is to relieve the principal care giver of the member with a behavioral health or developmental disability need so that stressful situations are de-escalated and the care giver and member have a therapeutic and safe outlet.

283.004 Emergency Respite

1-1-19

Emergency Respite is temporary direct care and supervision for a member who is experiencing an acute behavioral crisis or developmental disability need. Emergency respite can in a facility setting, including a Human Development Center.

The primary purpose of Emergency Respite is to de-escalate stressful situations and return the member back into the community.

284.000 Community and Employment Supports (CES) Waiver Services

1-1-19

The purpose of Community and Employment Support (CES) Waiver services are to support individuals of all ages who have a developmental disability, meet ICF level of care and require waiver support services to live in the community and prevent institutionalization.

The goals of the CES Waiver are to support beneficiaries in all major life activities, promote community inclusion through integrated employment options and community experiences, and provide comprehensive care coordination and service delivery under the 1915(b) PASSE Waiver Program.

284.001 CES Supported Employment

1-1-19

CES Supported Employment is a tailored array of services that offers ongoing support to members with the most significant disabilities to assist in their goal of working in competitive integrated work settings for at least minimum wage. It is intended for individuals for whom competitive employment has not traditionally occurred, or has been interrupted or intermittent as a result of a significant disability, and who need ongoing supports to maintain their employment.

CES Supported Employment consists of the following supports:

- A. **Discovery Career Planning** – Information is gathered about a member's interests, strengths, skills, the types of supports that are most effective, and the types of environments and activities where the member is at his or her best. Discovery/Career Planning services should result in the development of the Individual Career Profile which includes specific recommendations regarding the member's employment support needs, preferences, abilities and characteristic of optimal work environment. The following activities may be a component of Discovery/Career Planning: review of the member's work history, interest and skills; job exploration; job shadowing; informational interviewing including mock interviews; job and task analysis activities; situational assessments to assess the member's interest and aptitude in a particular type of job; employment preparation (i.e. resume development); benefits counseling; business plan development for self-employment; and volunteerism.

- B. **Employment Path** – Members receiving Employment Path services must have goals related to employment in integrated community settings in their Person Centered Support Plan (PCSP). Service activities must be designed to support such employment goals. Employment Path services can replace non-work services. Activities under Employment Path should develop and teach soft skills utilized in integrated employment which include but are not limited to following directions, attending to tasks, problem solving skills and strategies, mobility training, effective and appropriate communication-verbal and nonverbal, and time management.
- C. **Employment Supports** – Job Development services are individualized services that are specific in nature to obtaining certain employment opportunity. The initial outcome of Job Development Services is a Job Development Plan to be incorporated with the Individual Career Profile. The Job development plan should specify at a minimum the short and long term employment goals, target wages, tasks hours and special conditions that apply to the worksite for that member; jobs that will be developed and/or a description of customized tasks that will be negotiated with potential employers; initial list of employer contacts and plan for how many employers will be contacted each week; conditions for use of on-site job coaching.
- D. **Employment Supports Job Coaching** – Employment Supports Job Coaching are on-site activities that may be provided to a member once employment is obtained. Activities provided under this services may include, but are not limited to, the following: Complete job duty and task analysis; assist the member in learning to do the job by the least intrusive method; develop compensatory strategies if needed to cue member to complete job; analyze work environment during initial training/learning of the job, and make determinations regarding modifications or assistive technology.

284.002 Supportive Living

1-1-19

Supportive living is an array of individually tailored services and activities to enable members to reside successfully in their own home, with family or in an alternative living setting (apartment, or provider owned group home). Supportive living services must be provided in an integrated community setting.

Supportive living includes care, supervision, and activities that directly relate to active treatment goals and objectives set forth in the member's PCSP. It excludes room and board expenses, including general maintenance, upkeep, or improvement to the home.

Supportive living supervision and activities are meant to assist the member to acquire, retain, or improve skills in a wide variety of areas that directly affect the person's ability to reside as independently as possible in the community. The habilitation objective to be served by each activity should be documented in the member's PCSP. Examples of supervision and activities that may be provided as part of supportive living include:

- A. **Decision making**, including the identification of and response to dangerously threatening situations, making decisions and choices affecting the member's life, and initiating changes in living arrangements or life activities.
- B. **Money management**, including training, assistance or both in handling personal finances, making purchase and meeting personal financial obligations;
- C. **Daily living skills**, including training in accomplishing routine housekeeping tasks, meal preparation, dressing, personal hygiene, administration of medication (to the extent permitted by state law), proper use of adaptive and assistive devices and household appliances, training on home safety, first aid, and emergency procedures;
- D. **Socialization**, including training and assistance in participating in general community activities and establishing relationships with peers. Activity training includes assisting the member to continue to participate in an ongoing basis;

- E. Community integration experiences, including activities intended to instruct the member in daily living and community living in integrated settings, such as shopping, church attendance, sports, and participation sports.
- F. Mobility, including training and assistance aimed at enhancing movement within the member's living arrangement, mastering the use of adaptive aids and equipment, accessing and using public transportation, independent travel or movement within the community;
- G. Communication, including training in vocabulary building, use of augmentative communication devices, and receptive and expressive language;
- H. Behavior shaping and management, including training and assistance in appropriate expression of emotions or desires, compliance, assertiveness, acquisition of socially appropriate behaviors or reduction of inappropriate behaviors;
- I. Reinforcement of therapeutic services, including conducting exercises reinforcing physical, occupational, speech, behavioral or other therapeutic programs;
- J. Companion activities and therapies, or the use of animals as modalities to motivate members to meet functional goals established for the member's habilitative training, including language skills, increased range of motion, socialization, and the development of self-respect, self-esteem, responsibility, confidence, an assertiveness; and
- K. Health maintenance activities, which include tasks that members would otherwise do for themselves or have a family member do, with the exception of injections and IV medication administration.

284.003 Adaptive Equipment**1-1-19**

Adaptive equipment is a piece of equipment, or product system that is used to increase, maintain, or improve functional capabilities of members, whether commercially purchased, modified, or customized. The adaptive equipment services include adaptive, therapeutic, or augmentative equipment that enables a member to increase, maintain, or improve their functional capacity to perform daily life tasks that would not be possible otherwise.

Consultation by a medical professional must be conducted to ensure the adaptive equipment will meet the needs of the member.

Adaptive equipment includes enabling technology, such as safe home modifications, that empower members to gain independence through customizable technologies that allow them to safely perform activities of daily living without assistance while still providing monitoring and response for those members, as needed. Enabling technology allows members to be proactive about their daily schedule and integrates member choice.

Adaptive equipment also includes Personal Emergency Response Systems (PERS), which is a stationary or portable electronic device used in the member's place of residence and that enables the member to secure help in an emergency. The system is connected to a response center staffed by trained professionals who respond to activation of the device. PERS services may include the assessment, purchase, installation, and monthly rental fee.

Computer equipment, including software, can be included as adaptive equipment. Specifically, computer equipment includes equipment that allows the member increased control of their environment, to gain independence, or to protect their health and safety.

Vehicle modifications are also included as adaptive equipment. Vehicle modifications are adaptations to an automobile or van to accommodate the special needs of the member. The purpose of vehicle modifications is to enable the member to integrate more fully into the community and to ensure the health, safety, and welfare of the member. Vehicle modifications

exclude: adaptations or modifications to the vehicle that are of general utility and not of direct medical or habilitative benefit to the member; purchase, down payment, monthly car payment or lease payment; or regularly scheduled maintenance of the vehicle.

284.004 Community Transition Services**1-1-19**

Community Transition Services are non-recurring set-up expenses for members who are transitioning from an institutional or provider-operated living arrangement, such as an ICF or group home, to a living arrangement in a private residence where the member or his or her guardian is directly responsible for his or her own living expenses.

Community Transition service activities include those necessary to enable a member to establish a basic household, not including room and board, and may include: (a) security deposits that are required to obtain a lease on an apartment or home; (b) essential household furnishings required to occupy and use a community domicile, including furniture, window coverings, food preparation items, and bed/bath linens; (c) set-up fees or deposits for utility or service access, including telephone, electricity, heating and water; (d) services necessary for the member's health and safety such as pest eradication and one-time cleaning prior to occupancy; and (e) moving expenses.

Community Transition Services should not include payment for room and board; monthly rental or mortgage expense; regular food expenses, regular utility charges; and/or household appliances or items that are intended for purely diversional/recreational purposes.

284.005 Consultation**1-1-19**

Consultation services are clinical and therapeutic services which assist the individual, parents, legally responsible persons, responsible individuals and service providers in carrying out the member's PCSP. Consultation activities are provided by professionals licensed as one of the following:

- A. Psychologist
- B. Psychological Examiner
- C. Mastered Social Worker
- D. Professional counselor
- E. Speech pathologist
- F. Occupational therapist
- G. Registered Nurse
- H. Certified parent educator or provider trainer
- I. Certified communication and environmental control specialist
- J. Qualified Developmental Disabled Professional (QDDP)
- K. Positive Behavior Support (PBS) Specialist
- L. Physical therapist
- M. Rehabilitation counselor
- N. Dietitian
- O. Recreational Therapist

P. Board Certified Behavior Analyst (BCBA)

These services are direct in nature. The PASSE will be responsible for maintaining the necessary information to document staff qualifications. Staff, who meets the certification criteria necessary for other consultation functions, may also provide these activities. These activities include, but are not limited to:

- Q. Provision of updated psychological and adaptive behavior assessments;
- R. Screening, assessing and developing therapeutic treatment plans;
- S. Assisting in the design and integration of individual objectives as part of the overall individual service planning process as applicable to the consultation specialty;
- T. Training of direct services staff or family members in carrying out special community living services strategies identified in the member's PCSP as applicable to the consultation specialty;
- U. Providing information and assistance to the persons responsible for developing the member's PCSP as applicable to the consultation specialty;
- V. Participating on the interdisciplinary team, when appropriate to the consultant's specialty;
- W. Consulting with and providing information and technical assistance with other service providers or with direct service staff or family members in carrying out the member's PCSP specific to the consultant's specialty;
- X. Assisting direct services staff or family members to make necessary program adjustments in accordance with the member's PCSP and applicable to the consultant's specialty;
- Y. Determining the appropriateness and selection of adaptive equipment to include communication devices, computers and software consistent with the consultant's specialty;
- Z. Training or assisting members, direct services staff or family members in the set up and use of communication devices, computers and software consistent with the consultant's specialty;
- AA. Screening, assessing and developing positive behavior support plans; assisting staff in implementation, monitoring, reassessment and plan modification consistent with the consultant's specialty;
- BB. Training of direct services staff or family members by a professional consultant in:
 - 1. Activities to maintain specific behavioral management programs applicable to the member,
 - 2. Activities to maintain speech pathology, occupational therapy or physical therapy program treatment modalities specific to the member,
 - 3. The provision of medical procedures not previously prescribed but now necessary to sustain the member in the community.
- CC. Training or assisting by advocacy consultants to members and family members on how to self-advocate.
- DD. Rehabilitation Counseling for the purposes of supported employment supports.
- EE. Training and assisting members, direct services staff or family members in proper nutrition and special dietary needs.

Crisis Intervention is delivered in the member's place of residence or other local community site by a mobile intervention team or professional. Intervention shall be available 24 hours a day, 365 days a year. Intervention services shall be targeted to provide technical assistance and training in the areas of behavior already identified. Services are limited to a geographic area conducive to rapid intervention as defined by the provider responsible to deploy the team or professional. Services may be provided in a setting as determined by the nature of the crisis; i.e., residence where behavior is happening, neutral ground, local clinic or school setting, etc., for persons participating in the Waiver program and who are in need of non-physical intervention to maintain or re-establish a behavior management or positive programming plan.

284.007 Environmental Modifications

1-1-19

Modifications made to the member's place of residence that are necessary to ensure the health, welfare and safety of the member or that enable the member to function with greater independence and without which, the member would require institutionalization. Examples of environmental modifications include the installation of wheelchair ramps, widening doorways, modification of bathroom facilities, installation of specialized electrical and plumbing systems to accommodate medical equipment, installation of sidewalks or pads, and fencing to ensure non-elopement, wandering or straying of members with decreased mental capacity or aberrant behaviors.

Exclusions include modifications or repairs to the home which are of general utility and not for a specific medical or habilitative benefit; modifications or improvements which are of an aesthetic value only; and modifications that add to the total square footage of the home.

Environmental modifications that are permanent fixtures to rental property require written authorization and release of current or future liability from the property owner.

284.008 Supplemental Support

1-1-19

Supplemental Support services meet the needs of the member to improve or enable the continuance of community living. Supplemental Support Services will be based upon demonstrated needs as identified in a member's PCSP as unforeseen problems arise that, unless remedied, could cause a disruption in the member's services or placement, or place the member at risk of institutionalization.

284.009 Caregiver Respite

1-1-19

Caregiver respite services are provided on a short term basis to members unable to care for themselves due to the absence of or need for relief to the non-paid primary caregiver. Caregiver respite services do not include room and board charges.

Receipt of respite does not necessarily preclude a member from receiving other services on the same day. For example, a member may receive day services, such as supported employment, on the same day as caregiver respite services.

When caregiver respite is furnished for the relief of a foster care provider, foster care services may not be billed during the period that respite is furnished. Caregiver respite should not be furnished for the purpose of compensating relief or substitute staff for supportive living services. Caregiver respite services are not to supplant the responsibility of the parent or guardian.

Caregiver respite services may be provided through a combination of basic child care & support services required to meet the needs of a child.

Caregiver respite may be provided in the following locations:

- A. Member's home or private place of residence;
- B. The private residence of a respite care provider;

- C. Foster home;
- D. Licensed respite facility; or
- E. Other community residential facility approved by the member's PASSE, not a private residence. Respite care may occur in a licensed or accredited residential mental health facility.

284.010 Specialized Medical Supplies

1-1-19

Specialized medical equipment and supplies include:

- A. Items necessary for life support or to address physical conditions along with ancillary supplies and equipment necessary to the proper functioning of such items;
- B. Such other durable and non-durable medical equipment not available under the State plan that is necessary to address the member's functional limitations and has been deemed medically necessary by the prescribing physician;
- C. Necessary medical supplies not available under the State plan. Items reimbursed with Waiver funds are in addition to any medical equipment and supplies furnished under the State plan and exclude those items that are not of direct medical or remedial benefit to the member. All items shall meet applicable standards of manufacture, design and installation. The most cost effective item should be considered first.

Additional supply items are covered as a Waiver service when they are considered essential and medically necessary for home and community care.

- D. Nutritional supplements;
- E. Non-prescription medications. Alternative medicines not Federal Drug Administration approved are excluded from coverage.
- F. Prescription drugs minus the cost of drugs covered by Medicare Part D when extended benefits available under state plan are exhausted.