

# ARKANSAS REGISTER

## Proposed Rule Cover Sheet



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Name of Department \_\_\_\_\_

Agency or Division Name \_\_\_\_\_

Other Subdivision or Department, If Applicable \_\_\_\_\_

Previous Agency Name, If Applicable \_\_\_\_\_

Contact Person \_\_\_\_\_

Contact E-mail \_\_\_\_\_

Contact Phone \_\_\_\_\_

Name of Rule \_\_\_\_\_

Newspaper Name \_\_\_\_\_

Date of Publishing \_\_\_\_\_

Final Date for Public Comment \_\_\_\_\_

Location and Time of Public Meeting \_\_\_\_\_

## MEDICAL SERVICES POLICY MANUAL, SECTION B-Markup

### B-200 Families and Individuals Group (MAGI)

#### B-220 Newborns

B provides a more limited range of services with limited co-pays for some services. (See [Appendix G](#)) ARKids B was authorized by Arkansas Act 407 of 1997 (the ARKids First Program Act) and was implemented as a Section 1115 Medicaid expansion program effective September 1, 1997. The program is currently funded by the Children's Health Insurance Program (CHIP) under Title XXI of the Social Security Act.

Because ARKids A and ARKids B have different benefit packages and have different federal funding match rates, it is necessary to designate separate categories of coverage for them.

Please see [PUB-040, Arkansas Medicaid, ARKids First & You](#) for a summary of the benefit packages which highlights the differences in the two packages.

#### B-220 Newborns

MS Manual ~~08/15/14~~??/??/??11/01/21

This group consists of newborns up to age one (1) whose mothers were Medicaid eligible at the time of their births. Newborns in this group are guaranteed Medicaid coverage for the first year of life regardless of income changes that may occur during that first year. Newborns receive the full range of Medicaid services.

Although this group is considered part of the ARKids First group, Newborns also have a separate category of coverage to ensure no change in household circumstances affects their one-year of guaranteed coverage. At age one(1), eligibility for ARKids First (A or B) is determined as for any other child ([See MS I-230](#)).

Newborns born to pregnant women approved under the Unborn child category ([See MS B-250](#)) ~~will not be~~ are also eligible for the Newborn category. ~~Eligibility should be determined for ARKids.~~

#### B-230 Parents/Caretaker Relatives

MS Manual 08/15/14

This group consists of adults who have related minor children living in the home for whom the adult exercises care and responsibility ([MS F-110](#)) and whose household income is below the income limit for this group (See [MS E-110](#)).

Both natural or adoptive parents may be living in the home with the child. There is no "deprivation of parental care or support" requirement for the parents to be included in this group.

## FINANCIAL IMPACT STATEMENT

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT** Department of Human Services

**DIVISION** Division of County Operations

**PERSON COMPLETING THIS STATEMENT** Jason Callan

**TELEPHONE** 501-320-6540 **FAX** 501-682-8155 **EMAIL:** Jason.Callan@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** Medical Services Policy B-220 Newborns

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>\$ 41,321</u>
Federal Funds	<u>\$ 104,279</u>
Cash Funds	<u>                    </u>
Special Revenue	<u>                    </u>
Other (Identify)	<u>                    </u>

**Next Fiscal Year**

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

Total	<u>\$145,600</u>	Total	<u>\$0</u>
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(b) What is the additional cost of the state rule?

**Current Fiscal Year**

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

**Next Fiscal Year**

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

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

**Current Fiscal Year**

\$ 0

**Next Fiscal Year**

\$ 0

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**

\$ 41,321

**Next Fiscal Year**

\$ 0

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; **To comply with CMS on newborn coverage.**

(2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute; **To comply with CMS requirements.**

(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; **Cover unborn children up to age 1 as required by CMS**

- (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; **None**
- (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; **None at this Time**
- (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 **Clarification to CMS policy required change**
- (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. **The Agency monitors State and Federal rules and policies for opportunities to reduce and control cost.**

**Statement of Necessity and Rule Summary**  
**Medical Services Policy Section B-220 Newborns**

**Statement of Necessity**

Medical Services Policy is updated to reflect a change in the Newborn category that applies to eligibility. It has become necessary to update the business processes and information regarding Unborn coverage.

This step assists the eligibility worker with the details of our policy and a revision from 42 CFR § 435.117 and 42 CFR § 435.139. The newborn policy must be revised to reflect both 42 CFR § 435.117 and 42 CFR § 435.139.

**Rule Summary**

Policy MS B-220 outlines the factors that are used to determine the eligibility of newborn categories. Newborns are guaranteed Medicaid coverage for the first year of life regardless of income changes.

The change adds a step to determine Newborn coverage eligibility outside of normal determination rules: Was the mother eligible at the time of the child's birth?

The change to MS B-220 section includes adjusting the current policy to ensure that newborns born to pregnant women approved under the Unborn child category are also eligible for the Newborn category.

## NOTICE OF RULE MAKING

The Director of the Division of County Operations of the Department of Human Services announces for a public comment period of thirty (30) calendar days a notice of rulemaking for the following proposed rule(s) under one or more of the following chapters, subchapters, or sections of the Arkansas Code §§ 20-76-201, 20-77-107 and 25-10-129.

### **Effective November 1, 2021:**

The Division of County Operations updates Medical Services Policy B-220 to comply with 42 CFR § 435.117 and 42 CFR § 435.139. The update reflects a change in the newborn category that assists in determining eligibility, outside normal determination rules, for guaranteed Medicaid coverage for the first year of life regardless of income changes. The change includes adjusting the current policy to ensure that newborns born to pregnant women approved under the Unborn child category are also eligible for the Newborn category.

The proposed rule is available for review at the Department of Human Services (DHS) Office of Rules Promulgation, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. You may also access and download the proposed rule at <https://humanservices.arkansas.gov/do-business-with-dhs/proposed-rules/>. Public comments must be submitted in writing at the above address or at the following email address: [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov). All public comments must be received by DHS no later than July 25, 2021. Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

If you need this material in a different format, such as large print, contact the Office of Rules Promulgation at 501-396-6428.

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color or national origin. 4501960528

  
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Mary Franklin, Director  
Division of County Operations