

ARKANSAS REGISTER

Proposed Rule Cover Sheet



Secretary of State
John Thurston
500 Woodlane Street, Suite 026
Little Rock, Arkansas 72201-1094
(501) 682-5070
www.sos.arkansas.gov



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 _____

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE
20202021

Revised: July—January 1,

5. Physician Services (Continued)

F. For dates of service beginning January 1, 2021, the maximum reimbursement rate for evaluation and management codes were increased again based upon the provider survey conducted by DMS.

Effective for dates of service on or after July 1, 2020, the immunization administration fee for influenza will be based on the 2020 Medicare flu vaccine administration fee. All other immunization administration fees will be based on Medicare's 2020 physician fee schedule for the State of Arkansas. The rate is paid to all governmental and non-governmental providers, unless otherwise specified in the state plan. All rates are published at the agency's website, (<http://medicaid.mmis.arkansas.gov/>).

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services

DIVISION Division of Medical Services

PERSON COMPLETING THIS STATEMENT Lynn Burton

TELEPHONE (501) 682-1857 **FAX** (501) 682-8155 **EMAIL:** Lynn.burton@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 SPA #2020-023 Physicians' Evaluation & Management Code Rate Increase

- | | | |
|---|---|-----------------------------|
| 1. Does this proposed, amended, or repealed rule have a financial impact? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 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 <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

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

Next Fiscal Year

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

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

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

Current Fiscal Year

General Revenue	\$ 411,876
Federal Funds	\$1,036,862
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	\$1,448,738

Next Fiscal Year

General Revenue	\$ 823,752
Federal Funds	\$2,073,723
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	\$2,897,475

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

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

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

Current Fiscal Year

\$ 411,876

Next Fiscal Year

\$ 823,752

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;

A revision of the Arkansas Medicaid State Plan is necessary to increase rates for physicians' evaluation and management services.

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

Physicians' Evaluation and Management rates have not been increased in over 14 years; additionally, the new minimum wage increases have caused expenses for providers to increase.

(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;

The rate increase is based on a rate review conducted by DHS and its actuaries in the Fall of 2019.

(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;

There are no less costly alternatives.

(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

None

(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.

Rates for Physicians' services will be reviewed periodically.

Statement of Necessity and Rule Summary

State Plan Amendment 20-023 – Physicians' Evaluation & Management Code Rate Increase

Statement of Necessity

Effective for dates of service occurring on or after January 1, 2021, the Arkansas Department of Human Services (DHS), Division of Medical Services (DMS) will adjust the Medicaid maximum unit reimbursement rate for physicians' evaluation and management codes by three (3.0%) percent subject to the routine rate study performed by DMS in the Fall of 2019.

Rule Summary

Effective January 1, 2021:

The Director of the Division of Medical Services (DMS) will adjust the Medicaid maximum unit reimbursement rate for physicians' evaluation and management codes by three (3.0%) percent subject to the routine rate study performed by DMS in the Fall of 2019. All rates are published on the agency's website: (<http://medicaid.mmis.arkansas.gov/>). The financial impact will be \$411,876 for State Fiscal Year (SFY) 2021; and \$823,752 for SFY 2022.