

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

HOUSE BILL 2177

By: Representative McCollum

## For An Act To Be Entitled

AN ACT TO CLARIFY THE PROPER ADMINISTRATION BY THE DEPARTMENT OF HUMAN SERVICES OF THE FEDERAL REGULATIONS PERTAINING TO POST-ELIGIBILITY TREATMENT OF INCOME OF INSTITUTIONALIZED INDIVIDUALS OF LONG-TERM CARE MEDICAID; AND FOR OTHER PURPOSES.

## Subtitle

TO CLARIFY THE PROPER ADMINISTRATION BY THE DEPARTMENT OF HUMAN SERVICES OF THE FEDERAL REGULATIONS PERTAINING TO POST-ELIGIBILITY TREATMENT OF INCOME OF INSTITUTIONALIZED INDIVIDUALS OF LONG-TERM CARE MEDICAID.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 20-77-127, concerning eligibility for long-term care, is amended to add an additional subsection to read as follows:

(c)(1)(A) Under 42 C.F.R. § 435.725, certain amounts of income may be deducted from income to:

(i) Calculate the amount certain institutionalized recipients of long-term care Medicaid must contribute to the cost of their care; and

(ii) Determine the amount by which the Medicaid payment to the institution is to be reduced.

(B) The federal regulations also provide for deduction amounts for incurred expenses for "necessary medical or remedial care



recognized under State law but not covered under the State's Medicaid plan, subject to reasonable limits the agency may establish on amounts of these expenses", which are commonly referred to as "Medicaid income offsets".

(2) The Department of Human Services shall clarify the proper administration of 42 C.F.R. § 435.725, as it existed on January 1, 2017, by creating and promulgating rules that:

(A) Identify and define the types of expenses that are not covered by the Medicaid State Plan that are potentially eligible for Medicaid income offset;

(B) Identify the types of expenses that are not eligible for Medicaid income offset;

(C) Define a process for determining whether the medical or remedial service is medically appropriate and necessary and not covered under the Medicaid State Plan; and

(D) Set reasonable limits on the amounts allowed for eligible Medicaid income offsets.

**APPROVED: 04/04/2017**