

Stricken language would be deleted from and underlined language would be added to present law.  
Act 635 of the Regular Session

State of Arkansas  
95th General Assembly  
Regular Session, 2025

As Engrossed: H3/17/25

## A Bill

HOUSE BILL 1622

By: Representatives Gramlich, L. Johnson

By: Senator J. Boyd

### For An Act To Be Entitled

AN ACT TO AMEND THE MEDICAID FAIRNESS ACT; TO MODIFY THE DEFINITION OF "ADVERSE DECISION" UNDER THE MEDICAID FAIRNESS ACT; TO PROVIDE FOR ADMINISTRATIVE RECONSIDERATION UNDER THE MEDICAID FAIRNESS ACT; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE MEDICAID FAIRNESS ACT; TO MODIFY THE DEFINITION OF "ADVERSE DECISION" UNDER THE MEDICAID FAIRNESS ACT; AND TO PROVIDE FOR ADMINISTRATIVE RECONSIDERATION UNDER THE MEDICAID FAIRNESS ACT.

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

SECTION 1. Arkansas Code § 20-77-1702(2), concerning the definition of "adverse decision" within the Medicaid Fairness Act, is amended to read as follows:

(2)(A) "Adverse decision" means any decision by the Department of Human Services or its reviewers or contractors that adversely affects a Medicaid provider or recipient in regard to:

(i) Receipt of and payment for Medicaid claims and services, including, but not limited to, decisions as 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; and
- (i) Inspections or surveys; ~~and~~

(ii) Payment amounts due to or from a particular provider resulting from gain sharing, risk sharing, incentive payments, or another reimbursement mechanism or methodology, including calculations that affect or have the potential to affect payment; and

(iii) Imposition of corrective action plans.

(B) To constitute an adverse decision, an agency decision need not have a monetary penalty attached ~~but must have~~ or a direct monetary consequence to the provider.

(C) "Adverse decision" does not include the design of or changes to an element of a reimbursement methodology or payment system that is of general applicability and implemented through the rulemaking process;

SECTION 2. Arkansas Code § 20-77-1704(a) and (b), concerning the allowance of a provider administrative appeal under the Medicaid Fairness Act, are amended to read as follows:

(a) The General Assembly finds it necessary to:

(1) Clarify its intent that providers have the right to administrative reconsideration and fair and impartial administrative appeals; and

(2) Emphasize that this right of administrative reconsideration and appeal is to be liberally construed and not limited through technical or procedural arguments by the Department of Human Services.

*(b)(1)(A) In response to an adverse decision, a provider may request an administrative reconsideration with the Department of Human Services and may appeal to the Office of Medicaid Provider Appeals with the Department of Health on behalf of the recipient or on its own behalf, or both, regardless of whether the provider is an individual or a corporation.*

(B)(i) A provider appeal shall be governed by the Arkansas Administrative Procedure Act, § 25-15-201 et seq., except as otherwise provided in this subchapter.

(ii) Multiple appeals by the same provider may be consolidated.

(C) An administrative law judge employed by the Department of Health shall conduct all Medicaid provider administrative appeals of adverse decisions under this subchapter.

(2) The provider may appear:

(A) In person or through a corporate representative; or

(B) With prior notice to the Department of Health, through legal counsel.

(3)(A) A Medicaid recipient may attend any hearing related to his or her care, but the Department of Health may not make his or her participation a requirement for provider appeals.

(B) The Department of Health may compel the recipient's presence via subpoena, but failure of the recipient to appear shall not preclude the provider appeal.

*/s/Gramlich*

**APPROVED: 4/16/25**