

# Exhibit J

## DEPARTMENT OF HUMAN SERVICES, MEDICAL SERVICES

**SUBJECT:** Patient Centered Medical Home (PCMH 1-17)

**DESCRIPTION:** The Patient Centered Medical Home (PCMH) Manual is being updated to reflect that practice support will now continue until June 30, 2018. The current manual specifies that the practice support would end on June 30, 2017. This rule is essential to orientate new practices into the PCMH program.

**PUBLIC COMMENT:** No public hearing was held. The public comment period expired on May 13, 2017. The department received the following comment:

David Wroten, Arkansas Medical Society

**Comment:** The language below is from the Proposed revisions to the PCMH manual. Something does not look right and I would appreciate your review. In the first paragraph it defines “practice support” as both care coordination payments AND practice transformation support. It is our understanding that the intent is that practice transformation payments might be limited to a certain period of time and the 3<sup>rd</sup> paragraph alludes to that (24 months).

However, in the 4<sup>th</sup> paragraph it states that “practice support” payments may not extend past June 30, 2018. Going back to the definition in paragraph 1, it would appear that pmpm payments for care coordination (not just practice transformation) may also cease on June 30, 2018. IS THIS CORRECT?

Without pmpm care coordination payments, PCMP will cease to exist. I am hoping that this is an error in drafting.

PLEASE LET ME KNOW.

Second issue: In the Provider Relations contract renewal for AFMC, there is no mention of AFMC’s work with AMS for physician outreach services. Last year, the modest amount spent was transferred to AFMC and I thought it was done through a contract addendum. Could you please check on this and advise whether or not our physicians will have the benefit of a support person for payment improvement efforts?

**Response:** You are correct, it should say Practice Transformation instead of practice support. I’ll work with our policy department to correct the error. Let me do further research on your second issue but please note the provider rep contact is currently out for bid for next year  
<https://www.medicaid.state.ar.us/General/rfp/rfp.aspx>

**FINANCIAL IMPACT:** The financial impact for the current fiscal year is \$620,000 (\$310,000 in general revenue and \$310,000 in federal funds). The \$310,000 is matched at the 50/50 administrative match rate.

Since 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, the agency submitted the following information:

(1) a statement of the rule's basis and purpose;

**The purpose of the rule change is to allow newly enrolled PCMHs to receive practice transformation coaching. This coaching has been deemed essential to the success of practices participating in PCMH. This service is a temporary and practice may utilize it for 24 months to assist in the transition into a patient centered medical home.**

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

**The agency is seeking additional funds to aid newly enrolled providers with transitioning into a patient centered medical home. PCMHs have historically proven that they are more efficient and yield cost avoidance of Medicaid funds.**

(3) a description of the factual evidence that:  
(a) justifies the agency's need for the proposed rule; and

**This service is required for newly enrolled practices to succeed in the patient centered medical home program.**

(b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

**Practices enrolled in PCMH have historically spent less Medicaid funds and their beneficiaries tend to use the ER less often than those practices not enrolled in the program.**

(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;

**Similar vendors that provide similar support charge anywhere from \$5 - \$9 per member per month.**

(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;

**Research has shown that alternative vendors are charging higher rates.**

(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

**Existing rules have not contributed or created problems.**

(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.

**This contract will end within a few years. Practice transformation services are provided by DMS for the first 24 months of enrollment in the PCMH program. Currently nearly 90% of eligible providers are enrolled in PCMH. Within a few years, there would be no new practices enrolling thus no need for practice transformation.**

**LEGAL AUTHORIZATION:** The Department of Human Services is authorized to “make rules and regulations and take actions as are necessary or desirable to carry out the provisions of this chapter [Public Assistance] and that are not inconsistent therewith.” Arkansas Code Annotated § 20-76-201 (12). Arkansas Code § 20-77-107 specifically authorizes the department to "establish and maintain an indigent medical care program."

# EXHIBIT J

## QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS WITH THE ARKANSAS LEGISLATIVE COUNCIL

DEPARTMENT/AGENCY Department of Human Services  
DIVISION Division of Medical Services  
DIVISION DIRECTOR Dawn Stehle  
CONTACT PERSON Anne Santifer  
ADDRESS PO Box 1437, Slot S295 Little Rock AR.72203  
Anne.Santifer  
PHONE NO. 501-320-6177 FAX NO. 501-404-4619 E-MAIL @dhs.arkansas.gov  
NAME OF PRESENTER AT COMMITTEE MEETING Tami Harlan  
PRESENTER E-MAIL tami.harlan@dhs.arkansas.gov

### INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

**Donna K. Davis**  
**Administrative Rules Review Section**  
**Arkansas Legislative Council**  
**Bureau of Legislative Research**  
**One Capitol Mall, 5<sup>th</sup> Floor**  
**Little Rock, AR 72201**

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1. What is the short title of this rule? Patient Centered Medical Home (PCMH -1-17)
2. What is the subject of the proposed rule? The subject of the proposed rule is to update the PCMH provider manual to extent practice support beyond June 30, 2018.
3. Is this rule required to comply with a federal statute, rule, or regulation? Yes  No   
If yes, please provide the federal rule, regulation, and/or statute citation. \_\_\_\_\_
4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes  No   
If yes, what is the effective date of the emergency rule? \_\_\_\_\_  
When does the emergency rule expire? \_\_\_\_\_

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act?



Yes

No

5. Is this a new rule? Yes  No   
If yes, please provide a brief summary explaining the regulation. \_\_\_\_\_

Does this repeal an existing rule? Yes  No   
If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. \_\_\_\_\_

Is this an amendment to an existing rule? Yes  No   
If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes.  
**Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. AR Statute 20-76-201

7. What is the purpose of this proposed rule? Why is it necessary? The purpose of the proposed rule is to update the PCMH provider manual to extend practice support until June 30, 2018. This rule is necessary to orientate new providers into the Patient Centered Medical (PCMH) program.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b). www.medicaid.state.ar.us/general/comment/comment.aspx

9. Will a public hearing be held on this proposed rule? Yes  No   
If yes, please complete the following:

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Place: \_\_\_\_\_

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

May 13, 2017

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

July 1, 2017

12. Please provide a copy of the notice required under Ark. Code Ann. § 25-15-204(a), and proof of the publication of said notice. See attached.

13. Please provide proof of filing the rule with the Secretary of State and the Arkansas State Library as required pursuant to Ark. Code Ann. § 25-15-204(e). See attached.

14. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known. Primary care providers will be supportive of this change.



**FINANCIAL IMPACT STATEMENT**

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT**            Department of Human Services

**DIVISION**             Medical Services

**PERSON COMPLETING THIS STATEMENT**    Brian Jones

**TELEPHONE**    501-537-2064    **FAX** 501-404-4619    **EMAIL:** Brian Jones  
@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**    PCMH -1-17

- 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 \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_



Total \_\_\_\_\_

Total \_\_\_\_\_

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

**Current Fiscal Year**

**Next Fiscal Year**

General Revenue	\$310,000	N/A
Federal Funds	\$310,000	
Cash Funds		
Special Revenue		
Other (Identify)		
<b>Total</b>	<b>\$620,000</b>	<b>\$</b>

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**

**Next Fiscal Year**

\$ 310,000 N/A

The impact of this change is matched at the 50/50 administrative match rate.

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;

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### **Summary for Patient-Centered Medical Home (PCMH 1-17)**

**The Patient Centered Medical Home (PCMH) manual is being updated to reflect that practice support will now continue until June 30, 2018. The current manual specifies that the practice support would end on June 30, 2017. This rule is essential to orientate new practices into the PCMH program.**