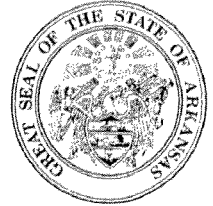




# EXHIBIT C-2

## Division of Medical Services

P.O. Box 1437, Slot S-401 · Little Rock, AR 72203-1437  
501-682-8292 · Fax: 501-682-1197 · TDD: 501-682-6789



May 7, 2009

The Honorable Percy Malone, Senate Chairman  
The Honorable Gregg Reep, House Chairman  
Public Health, Welfare, and Labor Committee  
State Capitol Building, Room 433  
Little Rock, AR 72201

Dear Senator Malone and Representative Reep:

Submitted herewith is the Medicaid Report for the 2nd quarter of SFY 2009 as required by A.C.A. Section 20-77-111. This report presents Medicaid data for the quarter October 1, 2008, through December 31, 2008.

If you have any questions regarding utilization and expenditure data, please contact Sharon Jordan, Chief Program Administrator, at 682-8489.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy Jeffus".

Roy Jeffus  
Director

RJ/RW

Attachment

cc: Keith Gober, Analyst, Bureau of Legislative Research  
Kim Baxter, Legislative Analyst, Bureau of Legislative Research  
Joyce Dees, Office of the Governor



## Division of Medical Services

P.O. Box 1437, Slot S-401 · Little Rock, AR 72203-1437  
501-682-8292 · Fax: 501-682-1197 · TDD: 501-682-6789



May 7, 2009

The Honorable Hank Wilkins, IV, Co-Chairman  
The Honorable Allen Maxwell, Co-Chairman  
Arkansas Legislative Council  
State Capitol Building, Room 315  
Little Rock, AR 72201

Dear Senator Wilkins and Representative Maxwell:

Submitted herewith is the Medicaid Report for the 2nd quarter of SFY 2009 as required by A.C.A. Section 20-77-111. This report presents Medicaid data for the quarter October 1, 2008, through December 31, 2008.

If you have any questions regarding utilization and expenditure data, please contact Sharon Jordan, Chief Program Administrator, at 682-8489.

Sincerely,

Roy Jeffus  
Director

RJ/RW

Attachment

cc: Keith Gober, Analyst, Bureau of Legislative Research  
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Joyce Dees, Office of the Governor

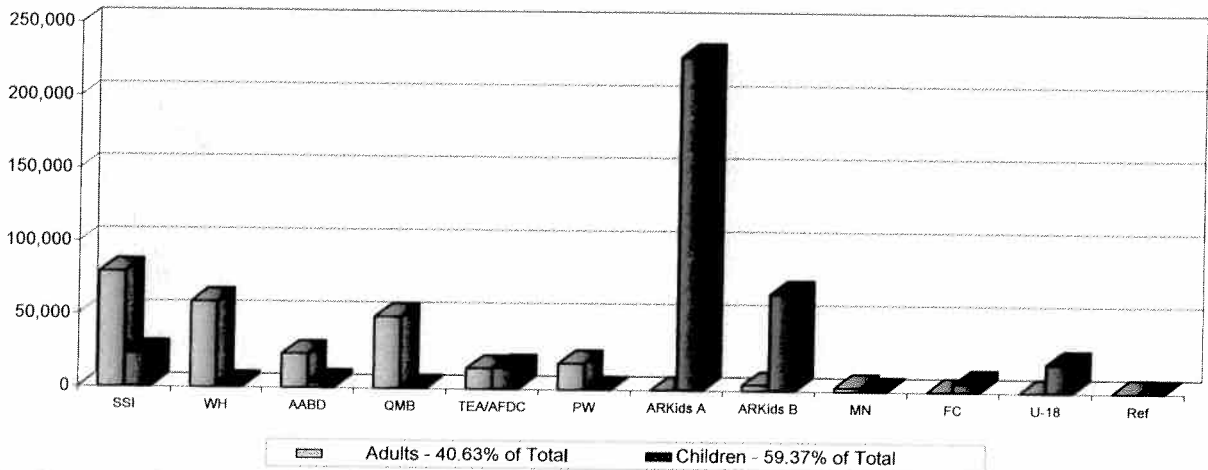
# MEDICAID QUARTERLY REPORT MEDICAID ELIGIBLES AND RECIPIENTS SECOND QUARTER - SFY 2009

## Eligibles and Recipients by Month

SFY09			Recipients as
	Eligibles	Recipients	% of Eligibles
October	610,942	352,320	57.67%
November	608,474	349,748	57.48%
December	621,611	364,395	58.62%

SFY08			Recipients as
	Eligibles	Recipients	% of Eligibles
October	630,950	353,974	56.10%
November	629,495	351,287	55.80%
December	640,199	343,974	53.73%

**Average Number of Eligibles Per Month (2nd Quarter SFY 09)  
by Aid Category, Adults and Children (including ARKids First and CHIP)**



## Eligibles (Adults and Children) by Aid Category

(Average for October, November, December 2008)

		Adults	Children	All
<b>SSI</b>	Supplemental Security Income	79,223	23,266	102,489
<b>WH</b>	Women's Health Waiver	58,963	1,555	60,518
<b>AABD</b>	Aid to the Aged, Blind and Disabled	23,227	3,499	26,727
<b>QMB</b>	Qualified Medicare Beneficiary	49,244	9	49,254
<b>TEA/AFDC</b>	Transitional Employment Assistance	13,988	14,654	28,642
<b>PW</b>	Pregnant Women	17,909	0	17,909
<b>ARKids A</b>	Low-Income Children	0	228,589	228,589
<b>MN</b>	Medically Needy	2,669	544	3,214
<b>ARKids B</b>	ARKids First Waiver	3,928	66,567	70,496
<b>FC</b>	Foster Care	195	5,955	6,150
<b>U-18</b>	Under Age 18	1	19,683	19,684
<b>Ref</b>	Refugee	5	0	5
<b>Total Average Eligibles - 2nd Qtr SFY 2009:</b>		<b>249,353</b>	<b>364,323</b>	<b>613,676</b>
<b>Total Average Eligibles - 2nd Qtr SFY 2008:</b>		<b>256,149</b>	<b>377,399</b>	<b>633,548</b>
<b>Percentage of Increase from SFY 2008 to SFY 2009:</b>		<b>-2.65%</b>	<b>-3.46%</b>	<b>-3.14%</b>

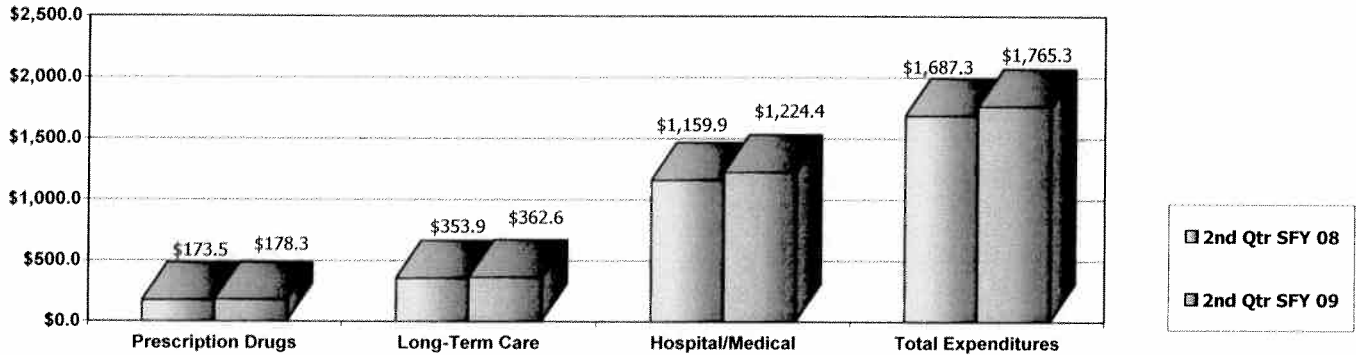
**Explanation of Monthly Recipient Counts:** Recipient counts include individuals who actually received services. Individuals for whom there was a managed care fee claim as part of the Primary Care Provider (Connect Care) Program, but for whom there was no actual medical service, are not counted.

Source: ACES Report IM-2414

**MEDICAID QUARTERLY REPORT  
PROGRAM EXPENDITURE DATA - VENDOR PAYMENTS  
SECOND QUARTER - SFY 2009**

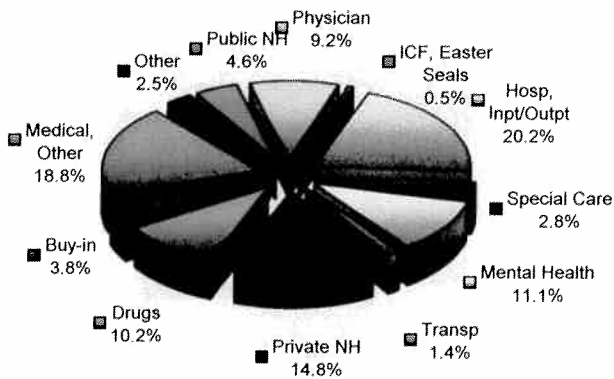
**Expenditure Comparison by Appropriation**

(Expressed in millions)

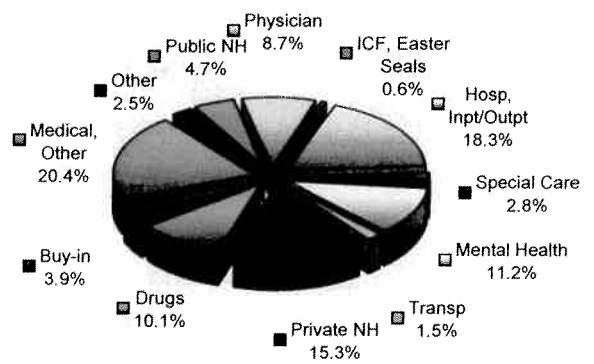


YTD Amounts	Hospital/ Medical	Drugs	Long Term Care	ARKids First	Medical Expansion	TOTAL
% of Budget Spent	96.62%	94.86%	99.82%	87.80%	77.29%	96.67%
Growth Over SFY08	5.45%	3.31%	2.47%	3.16%	16.75%	4.63%

**Total Medicaid Expenditures  
SFY 2008**



**Total Medicaid Expenditures  
Q2 YTD SFY 2009**



<b>Actual Trust Fund Usage SFY 08:</b>	\$69,215,170
<b>Actual Trust Fund Usage this Quarter:</b>	\$0
<b>Actual Trust Funds Usage Year-to-Date SFY 09:</b>	\$0
<b>SFY 09 Projected Trust Fund Usage per 7/1 Operating Budget:</b>	\$155,818,800

Source: DHS, DAS, Quarterly Payout Reports

**MEDICAID POLICY CHANGES  
OCTOBER – DECEMBER 2008**

<u>Effective Date</u>	<u>Description of Policy Change</u>
10-1-08	The Medicaid maximum 15 minute unit reimbursement rate increased in the Personal Care Program. The new rates for Self-Directed Personal Assistance Services will not be implemented until January 1, 2009.
10-1-08	A change in the process in which providers may bill for the foster care intake physical examination in the Child Health Services/Early Periodic Screening, Diagnosis and Treatment Program was made. Although this budget impact indicates a cost to the Medicaid program, the net cost to the State of Arkansas is reduced because of Federal participation at the FMAP rate for services previously paid with 100% state funds.
11-1-08	Procedure codes 90660 – Influenza Virus Vaccine, for Intranasal Use & J1652 – Injection, fondaparinux sodium, 0.5mg were added to the Physician Program. Procedure Code 90660 restrictions were changed from age 5 through age 49 to age 2 through age 49. This added the ages 2-4 for this procedure code. Procedure Code J1652 restrictions were removed allowing procedures only for 21 or older with diagnosis of ICD-9-CM 140.0 – 208.9, 230.0-238.9 or 042. J1652 is now payable to all ages with no diagnosis restrictions.
11-1-08	The maximum hourly reimbursement rates for Private Duty Nursing services were increased.

**MEDICAID ELIGIBILITY CHANGES  
OCTOBER – DECEMBER 2008**

MS 08-15 was issued 10/22/08 incorporating policy and procedures regarding the Money Follows the Person grant that allows Medicaid eligible individuals residing in an inpatient facility to transition through the existing system of Medicaid Waivers which best suits the participant's desires and needs.

This allows a beneficiary of Medicaid in a long term care facility to return to home either as an ElderChoices or AAPD recipient.