

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

SENATE BILL 604

By: Senator Files

For An Act To Be Entitled

AN ACT TO CREATE THE MEDICAID REIMBURSEMENT ADEQUACY COMMISSION ACT OF 2017; TO ESTABLISH THE MEDICAID REIMBURSEMENT ADEQUACY COMMISSION; TO PROVIDE FOR REGULAR REVIEWS OF MEDICAID REIMBURSEMENT METHODOLOGIES; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO ESTABLISH THE MEDICAID REIMBURSEMENT ADEQUACY COMMISSION; TO PROVIDE FOR REGULAR REVIEWS OF MEDICAID REIMBURSEMENT METHODOLOGIES; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code Title 20, Chapter 77, is amended to add an additional subchapter to read as follows:

Subchapter 27 – Medicaid Reimbursement Adequacy Commission Act of 2017

20-77-2701. Title.

This subchapter shall be known and may be cited as the "Medicaid Reimbursement Adequacy Commission Act of 2017".

20-77-2702. Medicaid Reimbursement Adequacy Commission.

(a) There is established the Medicaid Reimbursement Adequacy Commission.



(b) The commission shall consist of the following members:

(1) One (1) member appointed by the President Pro Tempore of the Senate;

(2) One (1) member appointed by the Speaker of the House of Representatives; and

(3)(A) Three (3) members appointed by the Governor.

(B) One (1) of the members appointed by the Governor shall be designated as the chair of the commission by the Governor.

(c) The initial members of the commission shall be appointed on or before April 30, 2017, with the initial terms to commence on May 1, 2017.

(d) The members of the commission shall service five-year terms, except the initial members shall serve terms as follows:

(1) The initial member appointed by the President Pro Tempore of the Senate shall serve a one-year term;

(2) The initial member appointed by the Speaker of the House of Representatives shall serve a two-year term;

(3) One (1) of the initial members appointed by the Governor shall serve a three-year term;

(4) One (1) of the initial members appointed by the Governor shall serve a four-year term; and

(5) The initial member appointed by the Governor and designated as the chair shall serve a five-year term.

(e) Members of the commission shall continue to serve until the appointment of their successors.

(f) An individual appointed to the commission shall have knowledge and experience in:

(1) Budgeting;

(2) Government finance;

(3) Healthcare reimbursement; or

(4) Other areas relevant to Medicaid reimbursement

methodologies.

(g) The Department of Human Services shall provide staff and contractual support for the commission.

20-77-2703. Designation of a schedule of review of reimbursement methodologies.

(a) The Department of Human Services shall establish, by rule, a schedule that will result in the review of the Medicaid reimbursement methodology for each healthcare provider type once every three (3) years.

(b) In establishing the schedule of provider types for reimbursement methodology review, the department shall provide, to the extent possible, for the review of provider types constituting approximately one-third (1/3) of the Medicaid budget each year.

20-77-2704. Review of reimbursement methodologies.

(a) On or before May 1 annually, the Medicaid Reimbursement Adequacy Commission shall commence consideration of the designated reimbursement methodologies for the next fiscal year.

(b) The commission shall consider:

(1) The existing reimbursement methodologies;

(2) The adequacy of existing rates to cover the costs of providing healthcare services;

(3) The rates paid by Medicare and other payers; and

(4) Other factors in reviewing the Medicaid reimbursement methodologies.

(c) The commission shall provide opportunity for input from interested parties regarding the Medicaid reimbursement methodologies under consideration in a given year, including receiving written comments and holding at least one (1) public hearing for comment each year.

(d) In considering the adequacy of Medicaid reimbursement methodologies, the commission shall consider the equal access procedure required by the Centers for Medicare and Medicaid Services under 42 U.S.C. § 1396a(a)(3)(A), as it existed on January 1, 2017, and 42 C.F.R. Chapter IV, Part 447, as it existed on January 1, 2017.

20-77-2705. Report.

(a) On or before October 31 annually, the Medicaid Reimbursement Adequacy Commission shall issue a report containing any recommendations for changes to the Medicaid reimbursement methodologies reviewed that year.

(b) The report shall be submitted to the Administrative Rules and Regulations Subcommittee of the Legislative Council for review.

(c) Recommendations for changes included in the report shall be deemed

approved unless specifically disapproved by the Administrative Rules and Regulations Subcommittee of the Legislative Council on or before December 31 of the year that the report is submitted.

20-77-2706. Implementation.

For every change to a Medicaid reimbursement methodology included in the report by the Medicaid Reimbursement Adequacy Commission that is disapproved by the Administrative Rules and Regulations Subcommittee of the Legislative Council, the Department of Human Services shall submit a state plan amendment or waiver amendment to the Centers for Medicare and Medicaid Services to implement the change on or before July 1 of the following year.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the reimbursement rates within the Arkansas Medicaid Program do not receive a review to ensure that the reimbursement rates are adequate; that an urgent need exists to ensure that Medicaid reimbursements are adequate to encourage healthcare professionals to move to this state; that the Medicaid Reimbursement Adequacy Commission will assist the Department of Human Services in this task of reviewing Medicaid reimbursement rates; and that this act is immediately necessary to initiate reimbursement reforms to the Arkansas Medicaid Program and to appoint individuals to the Medicaid Reimbursement Adequacy Commission to begin this reimbursement rate review process as soon as possible. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

- (1) The date of its approval by the Governor;
- (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or
- (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.