

State of Arkansas
91st General Assembly
Fiscal Session, 2018

A Bill

SENATE BILL 30

By: Joint Budget Committee

For An Act To Be Entitled

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES AND OPERATING EXPENSES FOR THE DEPARTMENT OF HUMAN SERVICES - DIVISION OF MEDICAL SERVICES FOR THE FISCAL YEAR ENDING JUNE 30, 2019; AND FOR OTHER PURPOSES.

Subtitle

AN ACT FOR THE DEPARTMENT OF HUMAN SERVICES - DIVISION OF MEDICAL SERVICES APPROPRIATION FOR THE 2018-2019 FISCAL YEAR.

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

SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established for the Department of Human Services - Division of Medical Services for the 2018-2019 fiscal year, the following maximum number of regular employees.

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2018-2019
(1)	N181N	DIRECTOR OF MEDICAL SERVICES	1	GRADE SE02
(2)	L016N	REGISTERED PHARMACIST	4	GRADE MP05
(3)	L009C	NURSE MANAGER	1	GRADE MP03
(4)	L020C	NURSING SERVICES UNIT MANAGER	1	GRADE MP02
(5)	L027C	REGISTERED NURSE SUPERVISOR	3	GRADE MP02



(6)	L038C REGISTERED NURSE	9	GRADE MP01
(7)	D007C INFORMATION SYSTEMS MANAGER	2	GRADE IT08
(8)	D030C INFORMATION SYSTEMS COORDINATOR	2	GRADE IT07
(9)	D038C SENIOR SOFTWARE SUPPORT ANALYST	1	GRADE IT06
(10)	D061C INFORMATION SYSTEMS COORDINATION SPEC	2	GRADE IT05
(11)	D068C INFORMATION SYSTEMS ANALYST	2	GRADE IT04
(12)	D058C COMPUTER OPERATIONS COORDINATOR	1	GRADE IT04
(13)	G286C DMS DEPUTY DIRECTOR	1	GRADE GS15
(14)	N080N DHS/DMS ASSISTANT DIRECTOR - FISCAL	1	GRADE GS14
(15)	N142N DHS/DAAS DEPUTY DIRECTOR	1	GRADE GS14
(16)	A010C AGENCY CONTROLLER II	1	GRADE GS13
(17)	A016C DHS DMS BUSINESS OPERATIONS MANAGER	8	GRADE GS12
(18)	N167N DHS POLICY & RESEARCH DIRECTOR	1	GRADE GS12
(19)	L010C DHS DMS MEDICAL ASSISTANCE MANAGER	2	GRADE GS10
(20)	A044C AUDIT COORDINATOR	1	GRADE GS10
(21)	G076C ADMINISTRATIVE SERVICES MANAGER	1	GRADE GS10
(22)	G099C DHS PROGRAM ADMINISTRATOR	16	GRADE GS09
(23)	G152C DHS PROGRAM MANAGER	8	GRADE GS08
(24)	X067C HEALTH FACILITIES SURVEYOR	1	GRADE GS08
(25)	P013C PUBLIC INFORMATION COORDINATOR	1	GRADE GS07
(26)	M039C MEDICAID SERVICES SUPERVISOR	1	GRADE GS07
(27)	G183C DHS PROGRAM COORDINATOR	7	GRADE GS07
(28)	A081C AUDITOR	2	GRADE GS07
(29)	C013C MEDICAL SERVICES REPRESENTATIVE	1	GRADE GS06
(30)	C037C ADMINISTRATIVE ANALYST	2	GRADE GS06
(31)	G178C POLICY DEVELOPMENT COORDINATOR	2	GRADE GS06
(32)	G180C GRANTS ANALYST	1	GRADE GS06
(33)	G198C DHS/DAAS PROGRAM SPECIALIST	1	GRADE GS06
(34)	R027C BUDGET SPECIALIST	2	GRADE GS06
(35)	L070C HEALTH CARE ANALYST	12	GRADE GS05
(36)	C050C ADMINISTRATIVE SUPPORT SUPERVISOR	1	GRADE GS05
(37)	C056C ADMINISTRATIVE SPECIALIST III	<u>13</u>	GRADE GS04
	MAX. NO. OF EMPLOYEES	117	

SECTION 2. EXTRA HELP - OPERATIONS. There is hereby authorized, for the Department of Human Services - Division of Medical Services for the 2018-

2019 fiscal year, the following maximum number of part-time or temporary employees, to be known as "Extra Help", payable from funds appropriated herein for such purposes: ten (10) temporary or part-time employees, when needed, at rates of pay not to exceed those provided in the Uniform Classification and Compensation Act, or its successor, or this act for the appropriate classification.

SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated, to the Department of Human Services - Division of Medical Services, to be payable from the paying account as determined by the Chief Fiscal Officer of the State, for personal services and operating expenses of the Department of Human Services - Division of Medical Services - Operations for the fiscal year ending June 30, 2019, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2018-2019</u>
(01) REGULAR SALARIES	\$5,819,350
(02) EXTRA HELP	201,892
(03) PERSONAL SERVICES MATCHING	1,984,828
(04) OVERTIME	2,241
(05) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	1,813,290
(B) CONF. & TRAVEL	100,099
(C) PROF. FEES	338,507
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(06) DATA PROCESSING SERVICES	<u>1,499,600</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$11,759,807</u></u>

SECTION 4. APPROPRIATION - GRANTS. There is hereby appropriated, to the Department of Human Services - Division of Medical Services, to be payable from the paying account as determined by the Chief Fiscal Officer of the State, for grant payments of the Department of Human Services - Division of Medical Services for the fiscal year ending June 30, 2019, the following:

ITEM	FISCAL YEAR
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NO.	2018-2019
(01) ARKIDS B PROGRAM	\$132,222,020
(02) HOSPITAL AND MEDICAL SERVICES	6,573,710,120
(03) PRESCRIPTION DRUGS	529,386,547
(04) PRIVATE NURSING HOME CARE	724,715,275
(05) CHILD AND FAMILY LIFE INSTITUTE	2,100,000
(06) INFANT INFIRMARY	29,876,011
(07) PUBLIC NURSING HOME	<u>217,603,340</u>
TOTAL AMOUNT APPROPRIATED	<u>\$8,209,613,313</u>

SECTION 5. APPROPRIATION - NURSING HOME CLOSURE COSTS. There is hereby appropriated, to the Department of Human Services - Division of Medical Services, to be payable from the Long-Term Care Trust Fund, for the payment of relocation costs of residents in long-term care facilities, maintenance and operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost for the fiscal year ending June 30, 2019, the following:

ITEM NO.	FISCAL YEAR 2018-2019
(01) EXPENSES	<u>\$50,000</u>

SECTION 6. APPROPRIATION - LONG-TERM CARE FACILITY RECEIVERSHIP. There is hereby appropriated, to the Department of Human Services - Division of Medical Services, to be payable from the Long Term Care Facility Receivership Fund Account, for the payment of expenses of long-term care facility receivers as authorized by law of the Department of Human Services - Division of Medical Services - Long-Term Care Facility Receivership for the fiscal year ending June 30, 2019, the following:

ITEM NO.	FISCAL YEAR 2018-2019
(01) EXPENSES	<u>\$100,000</u>

SECTION 7. APPROPRIATION - NURSING HOME QUALITY GRANTS. There is hereby appropriated, to the Department of Human Services - Division of

Medical Services, to be payable from the Long-Term Care Trust Fund, for Nursing Home Quality Care Grants of the Department of Human Services - Division of Medical Services - Nursing Home Quality Grants for the fiscal year ending June 30, 2019, the following:

ITEM NO.	FISCAL YEAR 2018-2019
(01) NURSING HOME QUALITY GRANTS AND AID	<u>\$1,000,000</u>

SECTION 8. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAL SERVICES - PHARMACEUTICAL DISPENSING FEE SURVEY. No more than two years prior to making any changes to the current pharmaceutical dispensing fee, the State shall conduct an independent survey utilizing generally accepted accounting principles, to determine the cost of dispensing a prescription by pharmacists in Arkansas. Only factors relative to the cost of dispensing shall be surveyed. These factors shall not include actual acquisition costs or average profit or any combination of actual acquisition costs or average profit. The survey results shall be the basis for establishing the dispensing fee paid to participating pharmacies in the Medicaid prescription drug program in accordance with Federal requirements. The dispensing fee shall be no lower than the cost of dispensing as determined by the survey. Nothing in this section shall be construed to prohibit the State from increasing the dispensing fee at any time.

The provisions of this section shall be in effect only from July 1, ~~2017~~ 2018 through June 30, ~~2018~~ 2019.

SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAL SERVICES - GENERAL MEDICAID RATE METHODOLOGY PROVISIONS.

(a) Rates established by the Division of Medical Services for the services or programs covered by this Act shall be calculated by the methodologies approved by the Centers for Medicare and Medicaid Services (CMS). The Division of Medical Services shall have the authority to reduce or increase rates based on the approved methodology. Further, the Division of Medical Services shall have the authority to increase or decrease rates for good

cause including, but not limited to: (1) Identification of provider(s) who can render needed services of equal quality at rates less than traditionally charged and who meet the applicable federal and state laws, rules and regulations pertaining to the provision of a particular service;

(2) Identification that a provider or group of providers has consistently charged rates to the Arkansas Medicaid Program greater than to other purchasers of medical services of similar size;

(3) The Division determines that there has been significant changes in the technology or process by which services are provided by a provider or group of providers which has affected the costs of providing services, or;

(4) A severe economic downturn in the Arkansas economy which has affected the overall state budget of the Division of Medical Services.

The Division of Medical Services shall make available to requesting providers, the CMS's inflationary forecasts (CMS Market Basket Index). Rates established with cost of living increases based on the CMS Market Basket Index or other indices will be adjusted annually except when the state budget does not provide sufficient appropriation and funding to affect the change or portion thereof.

(b) Any rate methodology changes proposed by the Division of Medical Services both of a general and specific nature, shall be subject to prior approval by the Legislative Council or Joint Budget Committee.

Determining the maximum number of employees and the maximum amount of appropriation and general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act(s) for a state agency and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization law. Further, the General Assembly has determined that the Department of Human Services – Division of Medical Services may operate more efficiently if some flexibility is provided to the Department of Human Services – Division of Medical Services authorizing broad powers under this section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled

unconstitutional by a court of competent jurisdiction, this entire section is void.

The provisions of this section shall be in effect only from July 1, ~~2017~~ 2018 through June 30, ~~2018~~ 2019.

SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. FUND USAGE AUTHORIZED. The Arkansas Children's Hospital may request the Department of Human Services - Division of Medical Services to retain in the Department of Human Services Grant Fund account an amount not to exceed \$2,100,000 from funds made available by this Act in the Child and Family Life Institute line item of the Grants appropriation to be used to match federal funds used for supplemental Medicaid payments to Arkansas Children's Hospital. These retained funds shall not be recovered to transfer to the General Revenue Allotment Reserve Fund.

The provisions of this section shall be in effect only from July 1, ~~2017~~ 2018 through June 30, ~~2018~~ 2019.

SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. STATE PLAN. The State Plan must include the provision of EPSDT services as those services are defined in 42 U.S.C. §1396d(r). See 42 U.S.C. §§ 1396a(a)(10)(A), 1396d(a)(4)(B); see also 1396a(a)(43). Section 1396d(r) lists in detail the screening services, vision services, dental services, and hearing services that the State Plan must expressly include, but with regard to treatment services, it states that EPSDT means "[s]uch other necessary health care, diagnostic services, treatment, and other measures described in subsection (a) of this section to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the State Plan." 42 U.S.C. § 1396d(r)(5) (emphasis added). Reading 42 U.S.C. § 1396a, 42 U.S.C. § 1396d(a), and 42 U.S.C. § 1396d(r) together, we believe that the State Plan need not specifically list every treatment service conceivably available under the EPSDT mandate.

The State Plan, however, must pay part or all of the cost of treatments to ameliorate conditions discovered by the screening process when those

treatments meet the definitions set forth in 42 U.S.C. § 1396a. See 42 U.S.C. § 1396d(r)(5); see also 42 U.S.C. §§ 1396a(a)(10), 1396a(a)(43), and 1396d(a)(4)(B). The Arkansas State Plan states that the "State will provide other health care described in [42 U.S.C. 1396d(a)] that is found to be medically necessary to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, even when such health care is not otherwise covered under the State Plan." See State Plan Under Title XIX of the Social Security Act, State Of Arkansas at §4.b. This provision meets the EPSDT mandate of the Medicaid Act.

We affirm the district court's decision to the extent that it holds that a Medicaid-Eligible individual has a federal right to early intervention day treatment when a physician recommends such treatment. Section 1396d(r)(5) states that EPSDT includes any treatments or measures outlined in 42 U.S.C. §1396d(a). There are twenty-seven sub-parts to 42 U.S.C. §1396d(a), and we find that sub-part (a)(13), in particular, when read with the other sections of the Medicaid Act listed above, mandates that early intervention day treatment be provided when it is prescribed by a physician. See 42 U.S.C. §1396d(a)(13) (defining medical assistance reimbursable by Medicaid as "other diagnostic, screening, preventive, and rehabilitative services, including any medical or remedial services recommended by a physician...for the maximum reduction of physical and mental disability and restoration of an individual to the best possible functional level"). Therefore, after CHMS clinic staff perform a diagnostic evaluation of an eligible child, if the CHMS physician prescribes early intervention day treatment as a service that would lead to the maximum reduction of medical and physical disabilities and restoration of the child to his or her best possible functional level, the Arkansas State Plan must reimburse the treatment. Because CHMS clinics are the only providers of early intervention day treatment, Arkansas must reimburse those clinics.

The provisions of this section shall be in effect only from July 1, ~~2017~~ 2018 through June 30, ~~2018~~ 2019.

SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAL SERVICES - STATE MEDICAID PROGRAM/PERSONAL CARE PROGRAM.

(a) It is the legislative intent that the Department of Human Services in

its administration of the Arkansas Medicaid Program set forth Medicaid provider participation requirements for "personal care providers" that will insure sufficient available providers to meet the required needs of all eligible recipients, to include insuring available in home services twenty-four (24) hours a day and seven (7) days a week for personal care.

(b) For the purposes of this section, "private care agencies" are defined as those providers licensed by the Department of Labor, certified as ElderChoices Providers and who furnish in home staffing services for respite, chore services, and homemaker services, and are covered by liability insurance of not less than one million dollars (\$1,000,000) covering their employees and independent contractors while they are engaged in providing services, such as personal care, respite, chore services, and homemaker services.

(c) The purpose of this section is to allow the private care agencies defined herein to be eligible to provide Medicaid reimbursed personal care services seven (7) days a week, and does not supercede Department of Human Services rules establishing monthly benefit limits and prior authorization requirements.

(d) The availability of providers shall not require the Department of Human Services to reimburse for twenty-four (24) hours per day of personal care services.

(e) The Arkansas Department of Human Services, Medical Services Division shall take such action as required by the Centers for Medicare and Medicaid Services to amend the Arkansas Medicaid manual to include private care agencies as qualified entities to provide Medicaid reimbursed personal care services.

(f) The private care agencies shall comply with rules and regulations promulgated by the Arkansas Department of Health which shall establish a separate licensure category for the private care agencies for the provision of Medicaid reimbursable personal care services seven (7) days a week.

(g) The Arkansas Department of Health shall supervise the conduct of the personal care agencies defined herein.

(h) The purpose of this section is to insure the care provided by the private care agencies is consistent with the rules and regulations of the Arkansas Department of Health.

The provisions of this section shall be in effect only from July 1, ~~2017~~

2018 through June 30, ~~2018~~ 2019.

SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ARKANSAS WORKS AND ARKANSAS HEALTH INSURANCE MARKETPLACE RESTRICTIONS. (a) As used in this section, "Arkansas Works" means Arkansas Works established under the Arkansas Works Act of 2016, Arkansas Code § 23-61-1001 et seq.

(b)(1) Determining the maximum number of employees, the maximum amount of appropriation, for what purposes an appropriation is authorized, and general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly.

(2) The purposes of subdivision (b)(1) of this section are typically accomplished by:

- (A) Identifying the purpose in the appropriation act;
- (B) Delineating such maximums in the appropriation act for a state agency; and
- (C) Delineating the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization Law, Arkansas Code § 19-5-101 et seq.

(3) It is both necessary and appropriate that the General Assembly restrict the use of appropriations authorized in this act.

(c)(1) Except as provided in this subsection, the Department of Human Services shall not allocate, budget, expend, or utilize any appropriation authorized by the General Assembly for the purpose of advertisement, promotion, or other activities designed to promote or encourage enrollment in the Arkansas Health Insurance Marketplace or Arkansas Works, including without limitation:

- (A) Unsolicited communications mailed to potential recipients;
- (B) Television, radio, or online commercials;
- (C) Billboard or mobile billboard advertising;
- (D) Advertisements printed in newspapers, magazines, or other print media; and
- (E) Internet websites and electronic media.

(2) This subsection does not prohibit the department from:

- (A) Direct communications with:

(i) Licensed insurance agents; and
(ii) Persons licensed by the department;
(B) Solicited communications with potential recipients;
(C)(i) Responding to an inquiry regarding the coverage for which a potential recipient might be eligible, including without limitation providing educational materials or information regarding any coverage for which the individual might qualify.

(ii) Educational materials and information distributed under subdivision (c)(2)(C)(i) of this section shall contain only factual information and shall not contain subjective statements regarding the coverage for which the potential recipient might be eligible; and

(D) Using an Internet website for the exclusive purpose of enrolling individuals in the Arkansas Health Insurance Marketplace or Arkansas Works.

(d) The Department of Human Services shall not apply for or accept any funds, including without limitation federal funds, for the purpose of advertisement, promotion, or other activities designed to promote or encourage enrollment in the Arkansas Health Insurance Marketplace or Arkansas Works.

(e)(1) Except as provided in subdivision (e)(2) of this section, the Department of Human Services shall not:

(A)(i) Except as provided in subdivision (e)(1)(A)(ii) of this section, allocate, budget, expend, or utilize an appropriation authorized by the General Assembly for the purpose of funding activities of navigators, guides, certified application counselors, and certified licensed producers under the Arkansas Health Insurance Marketplace Navigator, Guide, and Certified Application Counselors Act, Arkansas Code § 23-64-601 et seq.

(ii) Subdivision (e)(1)(A)(i) of this section does not apply to regulatory and training responsibilities related to navigators, guides, certified application counselors, and certified licensed producers; and

(B) Apply for or accept any funds, including without limitation federal funds, for the purpose of funding activities of navigators, guides, certified application counselors, and certified licensed producers under the Arkansas Health Insurance Marketplace Navigator, Guide, and Certified Application Counselors Act, Arkansas Code § 23-64-601 et seq.

(2) Subdivision (e)(1) of this section does not apply to certified application counselors at health related institutions, including without limitation the University of Arkansas for Medical Sciences.

(f) An appropriation authorized by the General Assembly shall not be subject to the provisions allowed through reallocation of resources or transfer of appropriation authority for the purpose of transferring an appropriation to any other appropriation authorized for the Department of Human Services to be allocated, budgeted, expended, or utilized in a manner prohibited by this section.

(g) The provisions of this section are severable, and the invalidity of any subsection or subdivision of this section shall not affect other provisions of the section that can be given effect without the invalid provision.

(h) This section expires on June 30, ~~2018~~ 2019.

SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SEVERABILITY. If any provisions of this act or the application of this act to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 15. COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act shall be limited to the appropriation for such agency and funds made available by law for the support of such appropriations; and the restrictions of the State Procurement Law, the General Accounting and Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary Procedures and Restrictions Act, or their successors, and other fiscal control laws of this State, where applicable, and regulations promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of said funds.

SECTION 16. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act shall be in compliance with the stated reasons for

which this act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 17. EFFECTIVE DATE. This act is effective on and after July 1, 2018.