

By: Representatives Painter, Vaught, McAlindon, Achor, C. Cooper, Lundstrum, K. Moore
By: Senator C. Penzo

HOUSE CONCURRENT RESOLUTION

TO ENCOURAGE THE UNITED STATES CONGRESS TO REEVALUATE
THE MEDICARE PHYSICIAN FEE SCHEDULE LOCALITY
STRUCTURE AND ENSURE ACCURATE GEOGRAPHIC PRACTICE
COST INDICES FOR THE METROPOLITAN STATISTICAL AREAS
OF THIS STATE.

Subtitle

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AREAS OF THIS STATE.

WHEREAS, the State of Arkansas plays a vital role in the national economy, serving as the headquarters for globally influential corporations such as Walmart Inc., Tyson Foods, and J.B. Hunt Transport Services, Inc., as well having a thriving aerospace, defense, and steel manufacturing industry; and

WHEREAS, this state's diverse economic landscape includes major metropolitan regions that differ significantly in cost structure from rural areas, particularly within the Metropolitan Statistical Areas of Fayetteville-Springdale-Rogers, AR (CBSA 22220), and Little Rock-North Little Rock-Conway, AR (CBSA 30780), as delineated by the United States Office of Management and Budget; and



WHEREAS, the Medicare Physician Fee Schedule locality structure currently designates all regions of this state under Locality 13, grouping both urban and rural areas into a single reimbursement category despite clear economic and cost-of-practice differences; and

WHEREAS, the Geographic Practice Cost Indices assigned to this state do not accurately reflect the actual costs incurred by medical practices in its metropolitan areas, placing undue financial strain on healthcare providers, and reducing access to essential medical services for residents; and

WHEREAS, Arkansas ranks as the third-worst state in Medicare locality reimbursement, trailing only Mississippi and the "Rest of Missouri" localities, further disadvantaging healthcare providers and limiting patient access to care; and

WHEREAS, this state's urban centers experience significantly higher commercial lease rates, labor costs, and other operational expenses that necessitate a reevaluation of Medicare Physician Fee Schedule localities to ensure fair Medicare reimbursement and a sustainable healthcare system; and

WHEREAS, carving out CBSA 22220, which is Fayetteville-Springdale-Rogers, AR, and CBSA 30780, which is Little Rock-North Little Rock-Conway, AR, into separate locality numbers would more accurately reflect the unique economic conditions of these metropolitan areas and align Arkansas with national standards for Medicare locality determination; and

WHEREAS, failure to correct this misalignment perpetuates inequitable healthcare reimbursement policies that hinder this state's healthcare providers' ability to deliver essential medical services,

NOW THEREFORE,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS, THE SENATE CONCURRING THEREIN:

THAT the House of Representatives and the Senate concurring encourages the United States Congress to:

- (1) Conduct a thorough review of the current Medicare Physician

Fee Schedule locality structure as applicable to this state to ensure reimbursement rates align with actual regional cost structures;

(2) Examine and reassess the Geographic Practice Cost Indices assigned to this state's localities to guarantee that the Geographic Practice Cost Indices accurately reflect the expenses incurred by healthcare providers in different regions of the state;

(3) Carve out CBSA 22220, which is Fayetteville-Springdale-Rogers, AR, and CBSA 30780, which is Little Rock-North Little Rock-Conway, AR, into separate locality numbers to ensure fair reimbursement that reflects the economic realities of these metropolitan areas; and

(4) Take swift action to correct these inaccuracies to prevent further financial disadvantages for the healthcare providers of this state and ensure equitable access to medical services for residents.

BE IT FURTHER RESOLVED THAT upon adoption of this resolution, an appropriate copy be provided by the Chief Clerk of the House of Representatives to the the members of the Arkansas congressional delegation, the Administrator of the Centers for Medicare & Medicaid Services, the Secretary of the United States Department of Health and Human Services, and the Director of the United States Office of Management and Budget.