1	State of Arkansas	
2	95th General Assembly	**A Bill**
3	Regular Session, 2025	HOUSE BILL 1622
4		
5	By: Representatives Gramlich, L. Johnson	
6	By: Senator J. Boyd	
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8   **For An Act To Be Entitled**

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9   AN ACT TO AMEND THE MEDICAID FAIRNESS ACT; TO MODIFY

10   THE DEFINITION OF "ADVERSE DECISION" UNDER THE

11   MEDICAID FAIRNESS ACT; TO PROVIDE FOR ADMINISTRATIVE

12   RECONSIDERATION UNDER THE MEDICAID FAIRNESS ACT; AND

13   FOR OTHER PURPOSES.

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16   **Subtitle**

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17   TO AMEND THE MEDICAID FAIRNESS ACT; TO

18   MODIFY THE DEFINITION OF "ADVERSE

19   DECISION" UNDER THE MEDICAID FAIRNESS

20   ACT; AND TO PROVIDE FOR ADMINISTRATIVE

21   RECONSIDERATION UNDER THE MEDICAID

22   FAIRNESS ACT.

23

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

25

26   SECTION 1. Arkansas Code § 20-77-1702(2), concerning the definition of

27 "adverse decision" within the Medicaid Fairness Act, is amended to read as

28 follows:

29   (2)(A) "Adverse decision" means any decision by the Department

30 of Human Services or its reviewers or contractors that adversely affects a

31 Medicaid provider or recipient in regard to:

32   (i) Receipt of and payment for Medicaid claims and

33 services, including, but not limited to, decisions as to:

34   (a) Appropriate level of care or coding;

35   (b) Medical necessity;

36   (c) Prior authorization;

1	(d) Concurrent reviews;
2	(e) Retrospective reviews;
3	(f) Least restrictive setting;
4	(g) Desk audits;
5	(h) Field audits and onsite audits; and
6	(i) Inspections or surveys; ~~and~~

7   (ii) Payment amounts due to or from a particular

8 provider resulting from gain sharing, risk sharing, incentive payments, or

9 another reimbursement mechanism or methodology, including calculations that

10 affect or have the potential to affect payment; and

11   (iii) Corrective action plans.

12   (B) To constitute an adverse decision, an agency decision

13 need not have a monetary penalty attached ~~but must have~~ or a direct monetary

14 consequence to the provider.

15   (C) "Adverse decision" does not include the design of or

16 changes to an element of a reimbursement methodology or payment system that

17 is of general applicability and implemented through the rulemaking process;

18

19   SECTION 2. Arkansas Code § 20-77-1704(a) and (b), concerning the

20 allowance of a provider administrative appeal under the Medicaid Fairness

21 Act, are amended to read as follows:

22   (a) The General Assembly finds it necessary to:

23   (1) Clarify its intent that providers have the right to

24 administrative reconsideration and fair and impartial administrative appeals;

25 and

26   (2) Emphasize that this right of administrative reconsideration

27 and appeal is to be liberally construed and not limited through technical or

28 procedural arguments by the Department of Human Services.

29   (b)(1)(A) In response to an adverse decision, a provider may request

30 an administrative reconsideration and may appeal on behalf of the recipient

31 or on its own behalf, or both, regardless of whether the provider is an

32 individual or a corporation.

33   (B)(i) A provider appeal shall be governed by the Arkansas

34 Administrative Procedure Act, § 25-15-201 et seq., except as otherwise

35 provided in this subchapter.

36   (ii) Multiple appeals by the same provider may be

1   consolidated.
2   (C) An administrative law judge employed by the Department
3   of Health shall conduct all Medicaid provider administrative appeals of
4   adverse decisions under this subchapter.
5   (2) The provider may appear:
6   (A) In person or through a corporate representative; or
7   (B) With prior notice to the Department of Health, through
8   legal counsel.
9   (3)(A) A Medicaid recipient may attend any hearing related to
10   his or her care, but the Department of Health may not make his or her
11   participation a requirement for provider appeals.
12   (B) The Department of Health may compel the recipient's
13   presence via subpoena, but failure of the recipient to appear shall not
14   preclude the provider appeal.
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