

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

HOUSE BILL 1942

5 By: Representative L. Johnson  
6 By: Senator B. Davis  
7

## For An Act To Be Entitled

8  
9 AN ACT TO REQUIRE CERTAIN REIMBURSEMENT RATES FOR  
10 HOME- AND COMMUNITY-BASED SERVICES WITHIN RISK-BASED  
11 PROVIDER ORGANIZATIONS; AND FOR OTHER PURPOSES.  
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## Subtitle

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15 TO REQUIRE CERTAIN REIMBURSEMENT RATES  
16 FOR HOME- AND COMMUNITY-BASED SERVICES  
17 WITHIN RISK-BASED PROVIDER  
18 ORGANIZATIONS.  
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code § 20-77-2706(d)(1), concerning the  
23 characteristics and duties of a risk-based provider organization under the  
24 Medicaid Provider-Led Organized Care Act, is amended to read as follows:

25 (d)(1) Except as provided in subdivision (d)(2) of this section,  
26 reimbursement rates paid by a risk-based provider organization to direct  
27 service providers shall:

28 (A) Be determined by mutual agreement of the risk-based  
29 provider organization and direct service provider ~~without regard to Medicaid~~  
30 ~~provider rates established by the Department of Human Services if the~~  
31 reimbursement rates are not less than the minimum rates established under §  
32 20-77-2709; and

33 (B) Assure efficiency, economy, quality, and equal access  
34 to enrollable Medicaid beneficiary populations in the same manner as to  
35 individuals who are not covered by the Arkansas Medicaid Program.  
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1 SECTION 2. Arkansas Code § 20-77-2706(e)(1), concerning the  
2 characteristics and duties of a risk-based provider organization under the  
3 Medicaid Provider-Led Organized Care Act, is amended to read as follows:

4 (e)(1) Except as provided in subdivision (e)(2) of this section, all  
5 policies and procedures regarding the provision of healthcare services by a  
6 direct service provider shall:

7 (A) Be determined by mutual agreement of the risk-based  
8 provider organization and the direct service provider ~~without regard to~~  
9 ~~Medicaid provider rates established by the Department of Human Services~~ if  
10 the reimbursement rates are not less than the minimum rates established under  
11 § 20-77-2709; and

12 (B) Assure efficiency, economy, quality, and equal access  
13 to the enrollable Medicaid beneficiary population in the same manner as  
14 individuals who are not covered by the Arkansas Medicaid Program.

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16 SECTION 3. Arkansas Code Title 20, Chapter 77, Subchapter 27, is  
17 amended to add an additional section to read as follows:

18 20-77-2709. Home- and community-based services – Rate setting.

19 (a)(1) An allowance within the capitation rates for a risk-based  
20 provider organization shall not be less than the amount needed to pay  
21 providers the rates arrived at through a rate study to be completed by  
22 October 1, 2025.

23 (2) The rates from a rate study as described in subdivision  
24 (a)(1) of this section serve as the minimums that risk-based provider  
25 organizations may pay for home- and community-based services, as authorized  
26 in 42 C.F.R. § 438.6, as existing on January 1, 2025.

27 (b) The rate study under subdivision (a)(1) of this section shall:

28 (1) Cover services in the Community and Employment Support  
29 1915(c) waiver and the Section 1915(i) of the state plan amendment for the  
30 coverage under this subchapter; and

31 (2) Accurately capture provider costs and other relevant  
32 considerations that promote economy, efficiency, quality of care, and equal  
33 access as required by the Centers for Medicare & Medicaid Services under 42  
34 U.S.C. § 1396a, as existing on January 1, 2025, and in federal regulations  
35 under 42 C.F.R. Part 447, as existing on January 1, 2025.

36 (c)(1) The Department of Human Services shall develop the cost factors

1 and other criteria for the rate study with input from home- and community-  
2 based service providers.

3 (2) As no rate study for home- and community-based service  
4 providers has been conducted since the risk-based provider organizations  
5 began serving the state, if the outcome of the rate study under subdivision  
6 (a)(1) of this section produces an increase greater than ten percent (10%),  
7 the department may be phase in a rate increase across two (2) years as  
8 authorized by state appropriations and budgets.

9 (3) The department shall conduct a full provider rate review in  
10 accordance with the published rate review schedule to ensure that rates  
11 remain adequate and aligned with actual costs.

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14 **APPROVED: 4/22/25**  
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