

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

As Engrossed: H3/17/25

A Bill

HOUSE BILL 1622

5 By: Representatives Gramlich, L. Johnson
6 By: Senator J. Boyd
7

For An Act To Be Entitled

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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Subtitle

16 TO AMEND THE MEDICAID FAIRNESS ACT; TO
17 MODIFY THE DEFINITION OF "ADVERSE
18 DECISION" UNDER THE MEDICAID FAIRNESS
19 ACT; AND TO PROVIDE FOR ADMINISTRATIVE
20 RECONSIDERATION UNDER THE MEDICAID
21 FAIRNESS ACT.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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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;



- (d) Concurrent reviews;
- (e) Retrospective reviews;
- (f) Least restrictive setting;
- (g) Desk audits;
- (h) Field audits and onsite audits; and
- (i) Inspections or surveys; ~~and~~

(ii) Payment amounts due to or from a particular provider resulting from gain sharing, risk sharing, incentive payments, or another reimbursement mechanism or methodology, including calculations that affect or have the potential to affect payment; and

(iii) Imposition of corrective action plans.

(B) To constitute an adverse decision, an agency decision need not have a monetary penalty attached ~~but must have~~ or a direct monetary consequence to the provider.

(C) "Adverse decision" does not include the design of or changes to an element of a reimbursement methodology or payment system that is of general applicability and implemented through the rulemaking process;

SECTION 2. Arkansas Code § 20-77-1704(a) and (b), concerning the allowance of a provider administrative appeal under the Medicaid Fairness Act, are amended to read as follows:

(a) The General Assembly finds it necessary to:

(1) Clarify its intent that providers have the right to administrative reconsideration and fair and impartial administrative appeals; and

(2) Emphasize that this right of administrative reconsideration and appeal is to be liberally construed and not limited through technical or procedural arguments by the Department of Human Services.

(b)(1)(A) In response to an adverse decision, a provider may request an administrative reconsideration with the Department of Human Services and may appeal to the Office of Medicaid Provider Appeals with the Department of Health on behalf of the recipient or on its own behalf, or both, regardless of whether the provider is an individual or a corporation.

(B)(i) A provider appeal shall be governed by the Arkansas Administrative Procedure Act, § 25-15-201 et seq., except as otherwise provided in this subchapter.

1 (ii) Multiple appeals by the same provider may be
2 consolidated.

3 (C) An administrative law judge employed by the Department
4 of Health shall conduct all Medicaid provider administrative appeals of
5 adverse decisions under this subchapter.

6 (2) The provider may appear:

7 (A) In person or through a corporate representative; or

8 (B) With prior notice to the Department of Health, through
9 legal counsel.

10 (3)(A) A Medicaid recipient may attend any hearing related to
11 his or her care, but the Department of Health may not make his or her
12 participation a requirement for provider appeals.

13 (B) The Department of Health may compel the recipient's
14 presence via subpoena, but failure of the recipient to appear shall not
15 preclude the provider appeal.

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17 /s/Gramlich

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20 **APPROVED: 4/16/25**

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