



Division of Administrative Services

Office Human Resources
Recruitment & Placement

P.O. Box 1437, Slot W301 Little Rock, AR 72203-1437
501-682-6499 Fax: 501-371-1210



7 June 2017

Senator John Cooper, Co-Chairperson
Representative Les Eaves, Co-Chairperson
Uniform Personnel Classification and
Compensation Plan Subcommittee
Arkansas Legislative Council
State Capitol Building, Room 315
Little Rock, Arkansas 72201

RE: Supplemental agenda request

Dear Co-Chairs:

Please accept this supplemental request concerning an Exceptionally Well Qualified (EWQ) rate of pay for an applicant to fill a critical position. The position in question is the DHS Deputy Chief Fiscal Officer for Medicaid.

As you may be aware, Medicaid accounts for over 90% of the revenue for the Department of Human Services. This position is integral to the daily operations of the agency and will be responsible for auditing and accounting for and addressing reimbursement issues.

Regrettably, due to a timing issue with the advertising, interviewing, and selection process, DHS did not meet the deadline to have this request submitted to the Office of Personnel Management in time for the June meeting. Since this position is so involved in the reimbursement process, DHS did not feel that it would be appropriate to wait for the next scheduled meeting. The selected applicant is currently on contract with DHS which will end on June 30, 2017.

We humbly request your consideration to have this important matter added as a supplemental agenda item for the June 2017 Personnel Subcommittee meeting. I will gladly answer any questions that you may have regarding this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Eisenhauer".

Glenn Eisenhauer
Chief Human Resource Officer
Department of Human Services



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF PERSONNEL MANAGEMENT
Administrator's Office
1509 West Seventh Street, Suite 201
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-1823
www.dfa.arkansas.gov

June 13, 2017

Senator John Cooper, Co-Chairperson
Representative Les Eaves, Co-Chairperson
Uniform Personnel Classification and
Compensation Plan Subcommittee
Arkansas Legislative Council
State Capitol Building, Room 315
Little Rock, Arkansas 72201

Dear Co-Chairs:

The Office of Personnel Management (OPM) submits a request from the Arkansas Department of Human Services (DHS) for your review:

The Arkansas Department of Human Services has requested a special entry rate of \$157,100, which is maximum of grade SE02, for an exceptionally well qualified applicant for the classification DHS Deputy Chief Financial Officer- Medical Services, A019N.

Mr. David McMahon's qualifications include a Bachelor of Science in Business Administration, as well as 23 years of experience in the field of finance. The following is a detailed comparison of the minimum qualifications of the classification and Mr. McMahon's experience.

MINIMUM QUALIFICATIONS

The formal education equivalent of a bachelor's degree in accounting, finance, or a related area; plus nine years of experience involved in the area of accounting, finance, or a related field, including six years in a financial management capacity.

APPLICANT'S QUALIFICATIONS

EXPERIENCE:

2014 – Present: Navigant Consulting; Managing Consultant

2013 – 2014: Myers & Stauffer; Senior Manager

2012: Clifton Larson Allen; Senior Manager

2005 – 2011: Clifton Gunderson LLP; Senior Manager

1999 – 2005: University of North Carolina Hospitals; Director of Reimbursement

1994 – 1999: Palmetto Government Benefits Administrators; Senior Auditor

LICENSES, CERTIFICATIONS, ETC:

Certified Public Accountant, North Carolina

EDUCATION:

1994: Winthrop University; Rock, Hill, South Carolina; Bachelor's Degree in Business Administration

JUSTIFICATION

Statewide, there is one position classified as DHS Deputy Chief Financial Officer-Medical Services, A019N, which is currently vacant. Its previous incumbent earned an annual salary of \$138,751 with approximately twenty years of state government experience. The statewide turnover rate for this classification was 100% within the previous year.

Mr. McMahon is currently employed through Navigant Consulting as its Managing Consultant with an annual salary of \$142,500. His experience includes 23 years of assisting various Medicaid agencies, auditing, accounting, and addressing reimbursement concerns. He is also familiar with government agencies, conducting training sessions, and implementing audit protocols within various states across the nation. This position was vacated unexpectedly due to a death and has been difficult to recruit.

Based on salary analysis, the Office of Personnel Management recommends approval of the requested special entry rate of \$157,100 effective July 1, 2017. Approval of this requested special entry rate would result in an increase of \$14,600, or 10.2%, in the applicant's current annual salary.

Your approval of this request is greatly appreciated.

Sincerely,


Kay Barnhill
State Personnel Administrator


Chief Fiscal Officer of the State

JUN 02 2017

Date



Office of Finance Administration
HUMAN RESOURCES

P.O. Box 1437, Slot WG1• Little Rock, AR 72203-1437
501-682-6455 • Fax: 501-683-4351



June 1, 2017

Ms. Kay Barnhill
State Personnel Administrator
Department of Finance and Administration
Office of Personnel Management
1509 West 7th Street
Little Rock, AR 72203



RE : EWQ Applicant David McMahon II
Division of Administrative Services
Position Number: 22098402
DHS DEP CHIEF FIN OFFICER-MED SERVICES; A019N ; SE02

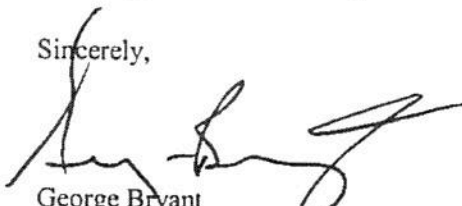
Ms. Barnhill:

The Division of Administrative Services is requesting a special entry rate of \$157,100 for an exceptionally well qualified applicant, Mr. David McMahon. This amount is the maximum salary of grade SE02.

Mr. McMahon has 22 years of service assisting various Medicaid agencies; which include auditing, accounting and addressing reimbursement issues and concerns. All of which are important facets needed for the success of this position. Mr. McMahon has also interacted with government agencies in conducting training sessions and implementing audit protocols within various states.

The approval of this request will allow us to finally fill a vacancy which has been extremely difficult to attract applicants. Should any further information be required, please contact me at 683-5923.

Sincerely,


George Bryant
Human Resource Administrator



DEPARTMENT OF FINANCE AND ADMINISTRATION
Office of Personnel Management
Special Entry Rate
Exceptionally Well Qualified Applicant

0710/DEPT OF HUMAN SERVICES

Agency # / Agency or Institution Name

22098402	A019N	SE02
Position/Item Number	Class Code / Title (Attach description of job duties)	Grade
DAVID McMAHON	\$142,500.00	\$157,100.00
Applicant's Name	Current Annual Salary	Requested Annual Salary

Applicant's Qualifications (Please summarize. Attach Resume and completed State Job Application Form).

Twenty-two years of experience assisting Medicaid agencies. Extensive experience working with Medicaid State agencies from financial administration of the agency to working with state personnel in rate setting, state plan amendment writing, compliance assurance and liaison activities with Centers for Medicare & Medicaid Services (CMS) and provider associations. Additional experience also include assisting in development of Medicaid agencies' annual fiscal budgets.

Minimum Qualifications (Use same description as stated on Class Specification).

The formal education equivalent of a bachelor's degree in accounting, finance, or a related area; plus nine years of experience in the area of accounting, finance, or a related field, including six years in professional financial management capacity. Additional requirements determined by the agency for recruiting purposes require review and approval by the Office of Personnel Management. OTHER JOB RELATED EDUCATION AND/OR EXPERIENCE MAY BE SUBSTITUTED FOR ALL OR PART OF THESE BASIC REQUIREMENTS, EXCEPT FOR CERTIFICATION OR LICENSURE REQUIREMENTS, UPON APPROVAL OF THE QUALIFICATIONS REVIEW COMMITTEE.

Attach OPM Form 081 For Eligible Applicants Not Selected

Agency/Institution Personnel Representative	Date	
Agency/Institution Director/Chancellor	Date	

Office of Personnel Management - Action

Reviewed By:

OPM Personnel Representative	Date
Classification and Compensation Manager	Date

David J. McMahon II, CPA

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Professional Summary

Currently, I am a Managing Consultant with Navigant Consulting's Government Healthcare Solutions business unit and a Certified Public Accountant. I have over 22 years of experience assisting over 10 Medicaid agencies working at a Medicare Administrative Contractor (MAC) with audit, accounting and reimbursement issues for Medicaid and Medicare, and dealing with governmental reimbursement issues related to an academic medical center with gross revenues exceeding \$1 billion per year. I have extensive experience working with Medicaid State agencies from financial administration of the agency to working with state personnel in rate setting, state plan amendment writing, compliance assurance and liaison activities with Centers for Medicare & Medicaid Services (CMS) and provider associations. In addition, my experience includes interacting with sister governmental agencies to the State Medicaid agency, implementing audit protocols in various states, conducting training sessions for staff of the Medicaid agencies and provider associations, assisting in development of Medicaid agencies' annual fiscal budgets.

Areas of Expertise

- Evaluating complex regulatory, budgetary and financial matters to provide leaders with concise insight and guidance.
- Proficient across the breadth and depth of regulatory healthcare as it relates to government agencies, private payers, providers and beneficiaries.
- Assisting in State Plan Amendment preparation, administrative code revisions and interactions with various stakeholders related to submission of State Plan Amendment submission.
- Develop financing mechanisms to shift burden from the General fund to the provider communities, especially related to the use of Certified Public Expenditures (CPE) and Intergovernmental Transfers (IGT).
- Knowledge of hospital operations and cost reporting, including graduate medical education (GME), transplant and home office operations within an academic medical center.
- Experienced in cost reporting forms through development of forms for Medicaid state agencies, preparation of various forms and auditing of forms for compliance with Medicare and Medicaid regulations. Speaker and trainer at various internal sessions, external conferences and presentations for clients including Medicaid state agencies and CMS on topics such as cost report preparation and audit, Medicaid Disproportionate Share Hospital (DSH) programs, Medicaid financing and reimbursement methodologies.

Professional Experience

Medicaid Performance Management

- Served as financial consultant to Chief Financial Officer for the North Carolina Department of Health and Human Services Division of Medical Assistance (DMA) in 2013-2014. Negotiated with General Assembly's Fiscal Research Division and Governor's Office of State Budget and Management on Biennial Budgets for 2013-2014 and 2014-2015. Developed DMA's proposed rebase budget for 2014-2015. Provided budget updates to Department of Health and Human Services Executive members and Governor's Office of State Budget and Management.
- Managed the financial operations of AMA during the vacancy of the Chief Financial Officer. Interacted with the State Finance Office related to Medicaid deficit. Worked on development of the budget for SFY 2012. Performed analysis to determine the effect of shifting children from CHIP to Medicaid.
- Conducted separate reviews for the South Carolina Department of Health and Human Services (SCDHHS) related to payments made by the South Carolina Department of Disabilities and Special Needs (SCDDSN) to providers of disability waiver services. Reviews included determination of administrative rate for waiver services and the effectiveness of the rate structure for services to Medicaid beneficiaries.
- Reviewed State Plan Amendment filings with CMS for funding of Inpatient and Outpatient Public Hospital Upper Payment Limits (UPL) payments for the Nevada Department of Health and Human Services, Division of Health Care Financing and Policy (DHCFP). Reviewed State Plan Amendment filings with CMS for funding of Inpatient Private Hospital UPL payments. Reviewed Nursing Facility Provider Tax Program. Reviewed CPE Program related to Targeted Case Management.
- Reviewed State Plan Amendment filings with CMS for funding of Medicaid Inpatient and Outpatient Hospital Services and DSH payments for AMA. Reviewed Quarterly Medicaid Assistance Expenditures for the Medical Assistance Program (CMS Form 64) filings for recertification by State. Provided ongoing financial consulting activities related to reimbursement topics impacting AMA.

Medicaid Managed Care

- Worked on the completion of Safety Net Care Pool (SNCP) Financing Report under the MassHealth 1115 Demonstration Waiver with SNCP payments of approximately \$700 million annually. Interacted with staff from the Executive Office of Health and Human Services, the Massachusetts Hospital Association, and individual hospitals for determination of uncompensated care cost of hospitals receiving SNCP payments under the 1115 Demonstration Waiver.
- Part of team that worked on the completion of the independent report on uncompensated care required under the California Medi-Cal 2020 1115 Demonstration Waiver that resulted in CMS approving an Uncompensated Care component for the new Global Payment Program of \$472 million.
- Assisted with the preparation of the study of the funding and payment mechanisms required by the CMS included in the Florida Medicaid Reform Section 1115 Demonstration Waiver. Worked on the analysis of payment and funding mechanisms in nine states.
- Member of team responsible for implementation of the Regional Care Organization (RCO) system being developed by the Alabama Medicaid Agency (AMA). Reviewed quarterly reporting by Health Homes. Worked on report creation for solvency of probationary RCOs. Developing financial and

David J. McMahon II, CPA

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solvency reports for approved RCOs upon implementation of managed care. Provide assistance in writing of legislation for hospital assessment and intergovernmental transfers as the State of Alabama implements managed care through the RCOs.

- Performed supervisory review of financial stability and billing and collection requirements for desk reviews of the Iowa Medicaid's Managed Care Organization (MCO) readiness reviews

Commented [BM1]: Spell

Government Payment Transformation

- Developed and performed agreed-upon procedures engagement to reconcile CPEs claimed by the AMA for federal reimbursement. This included reviewing allowable claims under the DSH program, a review of the Medicare Cost-to-Charge Ratio and an examination of the uninsured claims.
- Responsible for completion of DSH audits for the Colorado Department of Health Care Policy and Financing for State Fiscal Year 2005 – 2010.
- Provided on-site assistance and guidance for work performed for audits of the Disproportionate Share Hospital payment programs administered by AMA, Mississippi Division of Medicaid, Nevada DHCFF, New Hampshire Department of Health and Human Services, and Texas Health and Human Services Commission (HHSC).
- Performed audits of large complex hospital facilities for North Carolina DMA. Developed audit programs for home office operations and physician cost reporting under DMA contract. Provided guidance on various reimbursement issues as needed for staff of DMA.
- Responsible for the completion of reviewing North Carolina DMA's CPE Settlement of the 43 Public Hospitals for State Fiscal Year 2006 DSH Payment program.
- Performed training sessions for hospitals related to DSH payment program and audits of the program for the Nevada DHCFF, SCDHHS, AMA, Texas HHSC, Washington State Health Care Authority, Michigan Department of Community Health, and Oklahoma Health Care Authority.
- Performed training sessions for Nevada DHCFF related to hospital and nursing home reimbursement issues.

Other Relevant Experience

- Supervised the completion of Medicaid cost reports for 4 fiscal years for Academic Teaching Hospital with over \$1 billion of gross revenue in the final cost reporting period for the University of North Carolina Hospitals. Completed appeals and reconsideration reviews for settled Medicaid and Medicare cost reports. Liaised with both Medicare and Medicaid representatives regarding cost report audits, appeal filings and other reimbursement related issues.
- In-charge auditor at Medicare Fiscal Intermediary for various Medicare field reviews of home health agencies, skilled nursing facilities and home office operations in several states. Performed and review Medicare desk audit reviews of home health agencies. Designed training structure for department of 75 auditors. Developed home office training manual for Medicare Audit department and conducted training session on the manual for 57 auditors. Created automated desk audit review programs for home health agency and home office reviews.

David J. McMahon II, CPA

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Work History

Managing Consultant, Navigant Consulting	2014 – Present
Senior Manager, Myers & Stauffer	2013 – 2014
Senior Manager, CliftonLarsonAllen	2012
Manager/Senior Manager, Clifton Gunderson LLP	2005 – 2011
Reimbursement Analyst/Manager of Reimbursement/Acting Director of Reimbursement, University of North Carolina Hospitals	1999 – 2005
Auditor/Assistant Senior Auditor/Senior Auditor, Palmetto Government Benefits Administrators	1994 – 1999

Certifications, Memberships and Awards

Certified Public Accountant, North Carolina

Education

Bachelor Of Science, Business Administration with Concentration in Accounting and Finance, Winthrop University, Rock Hill, SC 1994

CLASS SPECIFICATION

CLASS TITLE: DHS DEPUTY CHIEF FINANCIAL OFFICER - MEDICAL SERVICES

Class Code: A019N

CLASS SUMMARY

The DHS Deputy Chief Financial Officer – Medical Services is responsible for overseeing all financial activities occurring within assigned areas of the division, as well as financial policy and long-term financial planning for the divisional or population driven components of DHS. This position reports to the DHS CFO and serves on the executive leadership team of the Office of Finance. This position is governed by state and federal laws and agency/institution policies.

TYPICAL FUNCTIONS

Serves as a member of the Office of Finance Executive Leadership team. Directs the activities of financial personnel through lower level managers and supervisors by determining overall financial goals and objectives, managing subordinate staff, including interviewing, hiring, providing training, assigning and reviewing work, evaluating the performance of immediate subordinates, and serving as performance evaluation reviewing official for lower level financial employees. Contributes to the development, revision, implementation, and monitoring of administrative policies and procedures, biennial and interim budgets, and reallocation needs of agency divisions or population driven components of DHS. Prepares and provide information to agency management, the legislative and executive branches, and others. Performs other duties as assigned.

SPECIAL JOB DIMENSIONS

Occasional in-state travel may be required.

KNOWLEDGES, ABILITIES, AND SKILLS

Knowledge of Medicaid programs, budget and compliance. Knowledge of state and federal laws, rules, regulations, policies, and procedures related to accounting and fiscal management, budget development and maintenance. Knowledge of the State Legislative and budgetary process. Knowledge of Generally Accepted Accounting Principles (GAAP) related to cash flow, revenue and expense analysis, cost allocation, and budgeting. Strong communication skills both orally and written. Ability to interpret and apply laws, rules, regulations, policies and procedures, and develop legislation or recommended revisions. Ability to plan and direct the work of others. Ability to analyze data, plan outcomes, and determine solutions.

MINIMUM QUALIFICATIONS

The formal education equivalent of a bachelor's degree in accounting, finance, or a related area; plus nine years of experience in the area of accounting, finance, or a related field, including six years in professional financial management capacity. Additional requirements determined by the agency for recruiting purposes require review and approval by the Office of Personnel Management. OTHER JOB RELATED EDUCATION AND/OR EXPERIENCE MAY BE SUBSTITUTED FOR ALL OR PART OF THESE BASIC REQUIREMENTS, EXCEPT FOR CERTIFICATION OR LICENSURE REQUIREMENTS, UPON APPROVAL OF THE QUALIFICATIONS REVIEW COMMITTEE.



OPM Classification and Compensation Tracking Sheet

Tracking Number: 1176

Received by OPM : 6/2/2017

Date Due to Manager: 6/6/2017

Date Due to Administrator 6/12/2017

Business Area: 0710 DEPARTMENT OF HUMAN SERVICES
(DHS)

Type of Request EWQ

Personnel Committee? No

Analyst: Stephanie Dalton

Employee Name (if any): David McMahon

Position # (if any): 22098402

Job (if any): DHS Dep Chief Fin Ofcr-Medical Svcs

Grade/Class Code (if any) SE02 A019N

Date Sent to Manager: 6/2/17 2:45pm

Date Sent to Dep. Admin. _____

Date Sent to Admin.: _____

Date Sent to Director: _____

Comments: _____

Must be EFFECTIVE July 1, 2017