

DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL SERVICES

SUBJECT: Core Set Reporting Requirements

DESCRIPTION:

Statement of Necessity

Beginning January 1, 2025, all states must comply annually with mandatory reporting of the Core Set of Children's Health Care Quality Measures for Medicaid and CHIP (Child Core Set) and the behavioral health measures on the Core Set of Adult Health Care Quality Measures for Medicaid (Adult Core Set) as established by federal rule issued by the Centers for Medicare & Medicaid Services (CMS). CMS developed a Medicaid Administrative State Plan Amendment (SPA) package to assist states in attesting to compliance with mandatory reporting requirements. In this rule, DHS amends the Arkansas Medicaid State Plan to attest compliance for Arkansas.

Summary

Using the form package issued by CMS, the Division of Medical Services submits an attestation of compliance as a SPA. The SPA must be submitted to CMS no later than December 31, 2024. DHS must comply with the reporting requirements and attest to such annually.

PUBLIC COMMENT: A public hearing was held on this rule on December 4, 2024. The public comment period expired on December 12, 2024. The agency indicated that it received no public comments.

The proposed effective date is pending legislative review and approval.

FINANCIAL IMPACT: The agency indicated that this rule has a financial impact.

Per the agency, the total estimated cost by fiscal year to implement this rule is \$32,016 for the current fiscal year (\$16,008 in general revenue and \$16,008 in federal funds) and \$64,030 for the next fiscal year (\$32,015 in general revenue and \$32,015 in federal funds). The total estimated cost by fiscal year to a state, county, or municipal government to implement this rule is \$16,008 for the current fiscal year and \$32,015 for the next fiscal year.

LEGAL AUTHORIZATION: The Department of Human Services has the responsibility to administer assigned forms of public assistance and is specifically authorized to maintain an indigent medical care program (Arkansas Medicaid). *See* Ark. Code Ann. §§ 20-76-201(1), 20-77-107(a)(1). The Department has the authority to make rules that are necessary or desirable to carry out its public assistance duties. Ark. Code Ann. § 20-76-201(12). The Department and its divisions also have the authority to

promulgate rules as necessary to conform their programs to federal law and receive federal funding. Ark. Code Ann. § 25-10-129(b).



ARKANSAS
DEPARTMENT OF
**HUMAN
SERVICES**

Office of Policy and Rules

P.O. Box 1437, Slot S295, Little Rock, AR 72203-1437

P: 501.320.6383 F: 501.404.4619

November 12, 2024

Mrs. Rebecca Miller-Rice
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
#1 Capitol, 5th Floor
Little Rock, AR 72201

Dear Mrs. Rebecca Miller-Rice:

Re: Core Set Reporting Requirements

Please arrange for this rule to be reviewed by the ALC-Administrative Rules Subcommittee. If you have any questions or need additional information, please contact me at 501-320-6383 or by emailing Mac.E.Golden@dhs.arkansas.gov.

Sincerely,

Mac Golden

Mac Golden
Deputy Chief

Attachments

**QUESTIONNAIRE FOR FILING PROPOSED RULES WITH
THE ARKANSAS LEGISLATIVE COUNCIL**

DEPARTMENT _____
BOARD/COMMISSION _____
BOARD/COMMISSION DIRECTOR _____
CONTACT PERSON _____
ADDRESS _____
PHONE NO. _____ EMAIL _____
NAME OF PRESENTER(S) AT SUBCOMMITTEE MEETING _____
PRESENTER EMAIL(S) _____

INSTRUCTIONS

In order to file a proposed rule for legislative review and approval, please submit this Legislative Questionnaire and Financial Impact Statement, and attach (1) a summary of the rule, describing what the rule does, the rule changes being proposed, and the reason for those changes; (2) both a markup and clean copy of the rule; and (3) all documents required by the Questionnaire.

If the rule is being filed for permanent promulgation, please email these items to the attention of Rebecca Miller-Rice, miller-ricer@blr.arkansas.gov, for submission to the Administrative Rules Subcommittee.

If the rule is being filed for emergency promulgation, please email these items to the attention of Director Marty Garrity, garritym@blr.arkansas.gov, for submission to the Executive Subcommittee.

Please answer each question completely using layman terms.

1. What is the official title of this rule?

2. What is the subject of the proposed rule? _____
3. Is this rule being filed under the emergency provisions of the Arkansas Administrative Procedure Act? Yes No

If yes, please attach the statement required by Ark. Code Ann. § 25-15-204(c)(1).

If yes, will this emergency rule be promulgated under the permanent provisions of the Arkansas Administrative Procedure Act? Yes No

4. Is this rule being filed for permanent promulgation? Yes No

If yes, was this rule previously reviewed and approved under the emergency provisions of the Arkansas Administrative Procedure Act? Yes No

If yes, what was the effective date of the emergency rule? _____

On what date does the emergency rule expire? _____

5. Is this rule required to comply with a *federal* statute, rule, or regulation? Yes No

If yes, please provide the federal statute, rule, and/or regulation citation.

6. Is this rule required to comply with a *state* statute or rule? Yes No

If yes, please provide the state statute and/or rule citation.

7. Are two (2) rules being repealed in accord with Executive Order 23-02? Yes No

If yes, please list the rules being repealed.

If no, please explain.

8. Is this a new rule? Yes No

Does this repeal an existing rule? Yes No

If yes, the proposed repeal should be designated by strikethrough. If it is being replaced with a new rule, please attach both the proposed rule to be repealed and the replacement rule.

Is this an amendment to an existing rule? Yes No

If yes, all changes should be indicated by strikethrough and underline. In addition, please be sure to label the markup copy clearly as the markup.

9. What is the state law that grants the agency its rulemaking authority for the proposed rule, outside of the Arkansas Administrative Procedure Act? Please provide the specific Arkansas Code citation(s), including subsection(s).

10. Is the proposed rule the result of any recent legislation by the Arkansas General Assembly?
Yes No

If yes, please provide the year of the act(s) and act number(s).

11. What is the reason for this proposed rule? Why is it necessary?

12. Please provide the web address by which the proposed rule can be accessed by the public as provided in Ark. Code Ann. § 25-19-108(b)(1).

13. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: _____

Time: _____

Place: _____

Please be sure to advise Bureau Staff if this information changes for any reason.

14. On what date does the public comment period expire for the permanent promulgation of the rule? Please provide the specific date. _____

15. What is the proposed effective date for this rule? _____

16. Please attach (1) a copy of the notice required under Ark. Code Ann. § 25-15-204(a)(1) and (2) proof of the publication of that notice.

17. Please attach proof of filing the rule with the Secretary of State, as required by Ark. Code Ann. § 25-15-204(e)(1)(A).

18. Please give the names of persons, groups, or organizations that you anticipate will comment on these rules. Please also provide their position (for or against), if known.

19. Is the rule expected to be controversial? Yes No

If yes, please explain.

NOTICE OF RULEMAKING

The Department of Human Services announces for a public comment period of thirty (30) calendar days (November 15 through December 14, 2025) a notice of rulemaking for the following proposed rule under one or more of the following chapters, subchapters, or sections of the Arkansas Code: §§ 25-10-129, 20-76-201, and 20-77-107. The promulgation of the state rule is expected to be effective February 1, 2025.

The Director of the Division of Medical Services (DMS) amends the Arkansas Medicaid State Plan based on guidance by the Centers for Medicare & Medicaid Services (CMS) to comply annually with mandatory reporting of the Core Set of Children's Health Care Quality Measures for Medicaid and CHIP (Child Core Set) and the behavioral health measures on the Core Set of Adult Health Care Quality Measures for Medicaid (Adult Core Set) as established by federal law and rule. The SPA attests to compliance with the reporting requirements on an annual basis. DMS will submit the SPA to CMS requesting a retroactive effective date of October 1, 2024. The annual fiscal impact is \$64,030.00 (State \$32,015.00; Federal \$32,015.00).

The proposed rule is available for review at the Department of Human Services (DHS) Office of Policy and Rules, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. You may also access and download the proposed rule at ar.gov/dhs-proposed-rules. Public comments must be submitted in writing at the above address or at the following email address: ORP@dhs.arkansas.gov. All public comments must be received by DHS no later than December 14, 2024. Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

A public hearing will be held by remote access through Zoom. Public comments may be submitted at the hearing. The details for attending the Zoom hearing appear at ar.gov/dhszoom.

If you need this material in a different format, such as large print, contact the Office of Policy and Rules at 501-320-6428. The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed, and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color, or national origin. 4502201653

Elizabeth Pitman, Director
Division of Medical Services

From: [Legal Ads](#)
To: [Lisa Teague](#)
Cc: [Jack Tiner](#); [Mac Golden](#); [Lakeya Gipson](#); [Elaine Stafford](#)
Subject: Re: Full Run Ad (r. 283)
Date: Tuesday, November 12, 2024 12:35:40 PM

[EXTERNAL SENDER]

Will run Fri 11/15, Sat 11/16, and Sun 11/17.

Thank you,

Gregg Sterne, Legal Advertising
Arkansas Democrat-Gazette
legalads@arkansasonline.com

From: "Lisa Teague" <Lisa.Teague@dhs.arkansas.gov>
To: "legalads" <legalads@arkansasonline.com>
Cc: "Jack Tiner" <jack.tiner@dhs.arkansas.gov>, "Mac Golden" <Mac.E.Golden@dhs.arkansas.gov>, "Lakeya Gipson" <Lakeya.Gipson@dhs.arkansas.gov>, "Elaine Stafford" <elaine.stafford@dhs.arkansas.gov>
Sent: Tuesday, November 12, 2024 10:53:03 AM
Subject: Full Run Ad (r. 283)

Good morning,

Please run the attached Notice of Public Hearing in the *Arkansas Democrat-Gazette* on the following days:

- Friday, November 15 , 2024
- Saturday, November 16, 2024
- Sunday, November 17, 2024

I am aware that the print version will only be provided to all counties on Sundays.

Invoice to: AR Dept of Human Services
P.O. Box 1437
Slot S535
Little Rock, AR 72203
ATTN: Lakeya Gipson
(Lakeya.Gipson@dhs.arkansas.gov)

Or email invoices to: dms.invoices@arkansas.gov

NOTE: Please reply to this email using "REPLY ALL"

Lisa Teague | Arkansas Department of Human Services
DHS Program Administrator
Office of Policy and Rules
Office of Legislative and Intergovernmental Affairs
Donaghy Plaza South
700 Main St. | Slot S295 | Little Rock, AR 72203
Phone: 501-396-6428
Email: lisa.teague@dhs.arkansas.gov



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From: [Lisa Teague](#)
To: [Arkansas Register](#)
Cc: [Jack Tiner](#); [Mac Golden](#); [Lakeya Gipson](#); [JAMIE EWING](#)
Subject: DHS/DMS- Proposed Filing - Core Set Reporting Requirements (r. 283)
Date: Tuesday, November 12, 2024 1:48:00 PM
Attachments: [Core Set Reporting Requirements - SOS Initial.pdf](#)

Good afternoon,

Attached is the proposed rule for Core Set Reporting Requirements. The public notice will appear in the Arkansas Democrat Gazette November 15th, 16th, and 17th, 2024. The public comment period ends December 14th, 2024.

Please post.

Thank you,

Lisa Teague | Arkansas Department of Human Services
DHS Program Administrator
Office of Policy and Rules
Office of Legislative and Intergovernmental Affairs
Donaghy Plaza South
700 Main St. | Slot S295 | Little Rock, AR 72203
Phone: 501-396-6428
Email: lisa.teague@dhs.arkansas.gov



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FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY.

DEPARTMENT _____
BOARD/COMMISSION _____
PERSON COMPLETING THIS STATEMENT _____
TELEPHONE NO. _____ **EMAIL** _____

To comply with Ark. Code Ann. § 25-15-204(e), please complete the Financial Impact Statement and email it with the questionnaire, summary, markup and clean copy of the rule, and other documents. Please attach additional pages, if necessary.

TITLE OF THIS RULE _____

1. Does this proposed, amended, or repealed rule have a financial impact?
Yes No

2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?
Yes No

3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If no, please explain:

(a) how the additional benefits of the more costly rule justify its additional cost;

(b) the reason for adoption of the more costly rule;

(c) whether the reason for adoption of the more costly rule is based on the interests of public health, safety, or welfare, and if so, how; and

(d) whether the reason for adoption of the more costly rule is within the scope of the agency's statutory authority, and if so, how.

4. If the purpose of this rule is to implement a *federal* rule or regulation, please state the following:
(a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

5. What is the total estimated cost by fiscal year to any private individual, private entity, or private business subject to the proposed, amended, or repealed rule? Please identify those subject to the rule, and explain how they are affected.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

6. What is the total estimated cost by fiscal year to a state, county, or municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

If yes, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

Statement of Necessity and Rule Summary

Core Set Reporting Requirements

Statement of Necessity

Beginning January 1, 2025, all states must comply annually with mandatory reporting of the Core Set of Children's Health Care Quality Measures for Medicaid and CHIP (Child Core Set) and the behavioral health measures on the Core Set of Adult Health Care Quality Measures for Medicaid (Adult Core Set) as established by federal rule issued by the Centers for Medicare & Medicaid Services (CMS). CMS developed a Medicaid Administrative State Plan Amendment (SPA) package to assist states in attesting to compliance with mandatory reporting requirements. In this rule, DHS amends the Arkansas Medicaid State Plan to attest compliance for Arkansas.

Summary

Using the form package issued by CMS, the Division of Medical Services submits an attestation of compliance as a SPA. The SPA must be submitted to CMS no later than December 31, 2024. DHS must comply with the reporting requirements and attest to such annually.

Medicaid State Plan Administration

General Administration

Reporting

Package Header

Package ID	AR2024MS0002O	SPA ID	AR-24-0013
Submission Type	Official	Initial Submission Date	N/A
Approval Date	N/A	Effective Date	10/1/2024
Superseded SPA ID	New		
	User-Entered		

A. General Reporting

The agency submits all reports in the form and with the content required by the Secretary and complies with any provisions that the Secretary finds necessary to verify and assure the correctness of all reports.

☒1. The agency assures that all requirements of 42 CFR 431.16 are met.

B. Annual Reporting on the Child and Adult Core Sets

☒1. The agency assures that all requirements of 42 CFR 437.10 through 437.15 are met.

☒2. The agency reports annually, by December 31, on:

- a. All measures on the Child Core Set that are identified by the Secretary pursuant to 42 CFR 437.10.
- b. All behavioral health measures on the Adult Core Set that are identified by the Secretary pursuant to 42 CFR 437.10.

C. Additional Information (optional)

PROPOSED

SHO #23-005

**RE: Initial Core Set Mandatory
Reporting Guidance**

December 1, 2023

Dear State Health Official:

On August 31, 2023, the Centers for Medicare & Medicaid Services (CMS) released the Mandatory Medicaid and Children's Health Insurance Program (CHIP) Core Set Reporting final rule (88 FR 60278) (final rule).¹ This letter is the initial annual subregulatory guidance that was outlined in the final rule and details the requirements and expectations for compliance with mandatory annual state reporting of the Core Set of Children's Health Care Quality Measures for Medicaid and CHIP (Child Core Set) and the behavioral health measures on the Core Set of Adult Health Care Quality Measures for Medicaid (Adult Core Set). A separate letter will be issued to provide guidance on the requirements and expectations for compliance with mandatory annual reporting for the Section 1945 and Section 1945A Health Home Core Sets. CMS expects to issue similar letters annually, most likely in the last quarter of the calendar year.

This State Health Official (SHO) letter provides guidance and outlines our expectations for submission of states' quality measure data beginning with Federal Fiscal Year (FFY) 2024 reporting and applying to all states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam. Throughout the SHO, the term "states" is used to collectively refer to these states and territories. American Samoa and the Mariana Islands may, but are not required to, report Child and Adult Core Set measures. Specifically, this letter addresses:

- Mandatory reporting regulations and adherence to reporting guidance,
- Populations and the population exemption process,
- Stratification categories,
- Attribution rules, and
- State Plan Amendment.

Materials covering additional components of the annual reporting guidance provided for by the final rule, including resource manuals and technical specifications, value sets, technical assistance (TA) briefs and updates to the reporting system, will be shared with states annually, ahead of the opening of the reporting system, as has been done in recent years.

¹ Final Rule: <https://www.federalregister.gov/documents/2023/08/31/2023-18669/medicaid-program-and-chip-mandatory-medicare-and-childrens-health-insurance-program-chip-core-set>

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This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

Background

The Child and Adult Core Sets assist CMS and states in understanding the quality of health care provided in Medicaid and CHIP, monitoring access to health care for beneficiaries, and improving the understanding of the health disparities that beneficiaries experience. The Child Core Set was established by Section 401 of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) (Pub. L. 111-3, enacted February 4, 2009) which added section 1139A to the Social Security Act (the Act), requiring the development of a Core Set of Children's Health Care Quality Measures for Medicaid and CHIP (Child Core Set), that could be voluntarily reported by states.

Section 2701 of the Patient Protection and Affordable Care Act (Pub. L. 111-148, enacted March 23, 2010) as amended and revised by the Healthcare and Education Reconciliation Act (Pub. L. 111-152, enacted March 30, 2010), referred to collectively as the Affordable Care Act (ACA), added a new section 1139B to the Act, extending the measurement of health care quality to Medicaid-eligible adults.

CMS released the initial Child Core Set in 2009, with voluntary state-level reporting beginning in FFY 2010 and the initial Adult Core Set in 2012, with voluntary state-level reporting beginning in FFY 2013. The Child and Adult Core Sets have been updated annually to reflect recommendations made to CMS by the Child and Adult Core Sets Annual Review Workgroup (Workgroup), which is made up of states and other interested parties.^{2,3,4,5} Since the inception of the Child and Adult Core Sets, CMS has collaborated with state Medicaid and CHIP programs to collect, report, and use the Core Sets measures voluntarily to drive quality improvement.⁶

Mandatory Reporting and Adherence to Reporting Guidance

Section 50102(b) of the Bipartisan Budget Act of 2018,⁷ (Pub. L. 115-123, enacted February 9, 2018) made state reporting of the Child Core Set mandatory starting in FFY 2024, and section 5001 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)⁸ (Pub. L. No. 115-271, enacted October 24, 2018) made state reporting of the behavioral health measures on the Adult Core Set mandatory starting in FFY 2024. The remainder of the measures on the Adult Core Set remain voluntary for states to report. On November 15, 2022, CMS published the 2024 Child and Adult Core Sets.^{9,10} Mandatory reporting of specified Core Set measures represents a major step in the development of a national, data-driven system for measuring and improving the quality of care delivered to Medicaid and CHIP beneficiaries. Comprehensive quality data will also provide information for CMS and states to better identify quality improvement priorities and to plan and implement quality improvement initiatives. As part of these efforts, CMS encourages states to use Core Set data to identify disparities in care and develop initiatives and policies to advance health equity and improve outcomes.

² https://www.ssa.gov/OP_Home/ssact/title11/1139A.htm.

³ https://www.ssa.gov/OP_Home/ssact/title11/1139B.htm.

⁴ Core Set History Table: <https://www.medicaid.gov/medicaid/quality-of-care/downloads/core-set-history-table.pdf>.

⁵ Annual Review and Selection Process: <https://www.medicaid.gov/medicaid/quality-of-care/downloads/annual-core-set-review.pdf>

⁶ <https://www.medicaid.gov/medicaid/quality-of-care/performance-measurement/index.html>.

⁷ The Bipartisan Budget Act of 2018 <https://www.congress.gov/115/bills/hr1892/BILLS-115hr1892enr.xml>

⁸ The Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act) <https://www.congress.gov/115/bills/hr6/BILLS-115hr6enr.pdf>

⁹ 2024 Child Core Set: <https://www.medicaid.gov/medicaid/quality-of-care/downloads/2024-child-core-set.pdf>

¹⁰ 2024 Adult Core Set: <https://www.medicaid.gov/medicaid/quality-of-care/downloads/2024-adult-core-set.pdf>

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In order to meet this mandatory reporting requirement, states must report on all of the measures on the Child Core Set and the behavioral health measures on the Adult Core Set, hereafter referred to as “mandatory measures,” by December 31, 2024, for FFY 2024 state reporting and annually thereafter.¹¹ States must adhere to guidance detailed in the resource manuals and TA briefs issued by CMS, which include how to calculate and report to CMS the Core Sets measures data.¹² CMS expects to release the 2024 reporting resources by Spring 2024 and will post these materials on Medicaid.gov and send an email through the TA listserv when available. The Core Sets, resource manuals, TA briefs, and the system used to report the measures will continue to be updated annually. TA is available to support states to report the Core Sets.

Populations and Population Exemption Process

The final rule requires state reporting of the mandatory measures for all Medicaid and CHIP beneficiaries beginning with FFY 2024 state reporting, and finalized a policy that CMS would use annual subregulatory guidance, including this SHO letter, to identify any populations for whom reporting is not required for a specific year because of the difficulties that states face in reporting data on these populations.¹³ Therefore, through this letter, CMS is exempting the states from reporting on populations identified below for the FFY 2024 mandatory measures:

- Beneficiaries who have other insurance coverage as a primary payer before Medicaid or CHIP, including individuals dually eligible for Medicare and Medicaid, and
- Individuals whose Medicaid or CHIP coverage is limited to payment of liable third-party coverage premiums and/or cost sharing.

These populations are exempted from mandatory reporting due to states’ systematic challenges with data access; however, states have the option to include these populations in reporting of the 2024 Child and Adult Core Sets. Specifically, many states have requested more time to obtain, link, and analyze Medicare fee-for-service claims and Part D events data that CMS makes available via the Medicare-Medicaid Data Sharing Program.¹⁴ Additionally, states do not have access to the Medicare Advantage (MA) encounter data required to report on dually eligible beneficiaries who are enrolled in MA plans. Similarly, states do not currently have consistent access to data needed from liable third-party payers. Because collecting and reporting quality data is foundational to improving health outcomes, CMS will work with states to support reporting of these populations in the future and encourages states to begin developing processes to report these populations.

In the final rule, CMS established an annual process that allows a state or territory to submit a request to CMS for a one-year exemption if it is unable to report on a specific population for one or more measures that would otherwise be expected due to situations such as the inability to finalize a unique agreement between parties before the reporting deadline or the inability to obtain access to third party data.¹⁵ The one-year exemption request would only apply to the specific population for which the state receives an exemption. The state must include details on why the exemption is necessary and provide a reasonable timeline of the actions underway to resolve the issue so that the population can

¹¹ Please refer to § 437.15 for the specific requirements of this section.

¹² Please refer to § 437.10 and § 437.15 for the specific requirements of this section.

¹³ Please refer to § 437.10(c) for the specific requirements of this section.

¹⁴ Please see www.statedataresourcecenter.com for more information.

¹⁵ Please refer to §§ 437.10(c) and 437.15(a)(4) and (6) for the specific requirements of this section.

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be included in state reporting in future years. In addition, the state must demonstrate that it has made a reasonable effort to obtain the required data by the reporting deadline.

States interested in an exemption from FFY 2024 reporting must submit a request letter to CMS by September 1, 2024. The letter should identify the specific population for which the state cannot report and provide the other details described in the paragraph above. CMS is available to assist states with their request to ensure that the request is complete. The request letter should come from the State Medicaid Director and be sent to the following mailbox: MACQualityTA@cms.hhs.gov. CMS is committed to responding to these requests in a timely manner before the close of the mandatory reporting period to ensure that the state has time to complete reporting by December 31, 2024, and will engage with the state or territory upon receipt of the request. If CMS denies a state's request for exemption, the state will be expected to include the relevant population in that year's annual Child and Adult Core Sets reporting.

Stratification Categories

As set out in the final rule, states and territories will be expected to report stratified data beginning with FFY 2025 state Core Set reporting.¹⁶ Core Set quality measure data stratified by factors such as race and ethnicity, sex, and geography will enable CMS and states to identify the health outcomes of underserved populations as well as potential differences in health outcomes between populations.¹⁷ Stratified data can also inform adoption of broadly applicable quality improvement initiatives that address the drivers of health disparities experienced by underserved populations. CMS selected the three stratification categories below as the initial categories because they are commonly used by states, and there are existing data standards established by the Office of Management and Budget (OMB) or used by other CMS and Department of Health and Human Services (HHS) programs. Stratification of measures by additional factors will be phased in as data standards are established and data becomes available.

Beginning with FFY 2025 Child and Adult Core Sets state reporting, which must be submitted by December 31, 2025, states will be expected to stratify the mandatory measures in Table 1 of this SHO letter by three separate categories using established data standards as follows:

- Race and ethnicity, using the disaggregation of the 1997 Office of Management and Budget (OMB) minimum race and ethnicity categories,¹⁸ as specified in the 2011 HHS standards;¹⁹
- Sex, defined as biologic sex, using the 2011 HHS standards;²⁰ and
- Geography, using a minimum standard of core-based statistical area (CBSA)²¹ with recommendation to move towards Rural-Urban Commuting Area Codes.²²

States currently have the option to report stratified data on all Core Set measures in CMS' Quality Measure Reporting (QMR) system.

¹⁶ Please refer to § 437.10(b)(7) and (d) for the specific requirements of this section.

¹⁷ Consistent with Executive Order 13985, which calls for advancing equity for underserved populations: <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/>

¹⁸ <https://www.govinfo.gov/content/pkg/FR-1997-10-30/pdf/97-28653.pdf>

¹⁹ <https://aspe.hhs.gov/reports/hhs-implementation-guidance-data-collection-standards-race-ethnicity-sex-primary-language-disability-0>

²⁰ <https://aspe.hhs.gov/reports/hhs-implementation-guidance-data-collection-standards-race-ethnicity-sex-primary-language-disability-0>

²¹ <https://www.census.gov/geographies/reference-maps/2020/geo/cbsa.html>

²² <https://www.ers.usda.gov/data-products/rural-urban-commuting-area-codes/>

CMS expects to update required categories in accordance with updates to these standards and note any updates in subsequent SHO letters. For example, we expect to update the category of race and ethnicity when revised standards are released.²³ CMS will publish annual resource manuals and TA briefs that will provide additional details on the reporting process and uniform data collection standards for the required stratification categories.

Measures Subject to Stratification

States will not be required to report stratified data the first year of mandatory reporting, but will be required to report stratified data for some, but not all, mandatory measures beginning in FFY 2025. To allow time to improve the quality and completeness of data needed to stratify measures, the percentage of mandatory measures for which stratification will be required will increase over a four-year period until stratification is performed for all eligible mandatory measures beginning with FFY 2028 reporting.²⁴ The stratification phase-in schedule is as follows:

- 2025 Core Sets - 25% of mandatory measures
- 2026 Core Sets - 50% of mandatory measures
- 2027 Core Sets - 50% of mandatory measures
- 2028 Core Sets - 100% of mandatory measures

For FFY 2025 reporting, states will be required to report stratified data on 25% of the mandatory measures into the QMR system by December 31, 2025.²⁵ This includes reporting on seven of 27 measures for the Child Core Set and three of 11 measures for the behavioral health measures on the Adult Core Set.

The table below identifies the specific measures, for which states will be expected to report stratified data for the 2025 Core Set. (States can choose to report stratified data on any other quality measure.) CMS selected this subset of measures because they cover the lifespan, from birth through adulthood, and reflect high priority areas for improvement in health care delivery, health outcomes, and equity. CMS also prioritized measures included in other quality programs, such as Medicaid & CHIP Scorecard and the CMS Universal Foundation measure set.^{26,27} In determining which measures states must report, CMS considered whether stratification can be accomplished based on valid statistical methods and without risking a violation of beneficiary privacy and, for measures obtained from surveys, whether the original survey instrument collects the variables necessary to stratify the measures.²⁸ CMS calculates two of the measures on behalf of states, which will reduce state burden.

²³ <https://www.federalregister.gov/documents/2023/01/27/2023-01635/initial-proposals-for-updating-ombs-race-and-ethnicity-statistical-standards>

²⁴ Please refer to § 437.10 for the specific requirements of this section.

²⁵ States will be required to report stratified data for the 2025 on: seven Child Core Set measures (25 percent of 27 measures on the 2024 Child Core Set) and three Adult Core Set behavioral health measures (25 percent of 11 behavioral health measures on the Adult Core Set).

²⁶ Scorecard: <https://www.medicaid.gov/state-overviews/scorecard/index.html>

²⁷ Universal Foundation: https://www.nejm.org/doi/full/10.1056/NEJMp2215539?query=featured_home

²⁸ Please refer to § 437.10(d) for the specific requirements.

Table 1

Child Core Set Measures for Stratification by 2025 Core Set Reporting <i>7 measures</i>
Well-Child Visits in the First 30 Months of Life (W30-CH)
Child and Adolescent Well-Care Visits (WCV-CH)
Oral Evaluation, Dental Services (OEV-CH)
Follow-Up After Hospitalization for Mental Illness: Ages 6 to 17 (FUH-CH)
Prenatal and Postpartum Care: Up to Age 20 (PPC2-CH)
Live Births Weighing Less Than 2,500 Grams (LBW-CH) - CMS calculates on behalf of states
Low-Risk Cesarean Delivery (LRCD-CH) - CMS calculates on behalf of states
Behavioral Health Measures on the Adult Core Set for Stratification in 2025 <i>3 measures</i>
Initiation and Engagement of Substance Use Disorder Treatment (IET-AD)
Follow-Up After Emergency Department Visit for Substance Use: Age 18 and Older (FUA-AD)
Follow-Up After Hospitalization for Mental Illness: Ages 18 and older (FUH-AD)

Attribution Rules

As discussed in the final rule, attribution rules allow states to assign individuals to the programs or delivery systems consistently and appropriately that are accountable for their care and for performance on a given quality measure. This is particularly critical for individuals who move in or out of a program or change plans within a program during the measurement year. Such rules require a balance between the person-centered goal of measuring quality of care for a beneficiary regardless of delivery system and feasibility of reporting for providers, plans, health systems, and states. To ensure consistency of state reporting and inclusion of data for all beneficiaries in mandatory reporting while also balancing the challenges inherent in reporting, we will establish attribution rules for individuals who are enrolled in Medicaid and/or CHIP for the full measurement year but who move between programs or delivery systems during that time. The Annual Core Set resource manuals and TA briefs will include attribution rules to determine in which program (Medicaid or CHIP) or type of service delivery (managed care or fee-for-service) a state would count a child or adult who experiences such transitions within a given measurement year for the purpose of calculating each measure on the Core Sets.

State Plan Amendment (SPA)

CMS is developing a Medicaid Administrative SPA package that states will be required to submit, through the Medicaid and CHIP Program (MACPro) Portal, attesting to compliance with the mandatory reporting requirements.²⁹ States may contact their Medicaid state lead for technical

²⁹ Please refer to § 437.20 for the specific requirements of this section.

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assistance to complete the Medicaid SPA. States will need to submit the Medicaid SPA to CMS by December 31, 2024. The SPA package will be provided in time to ensure that states have sufficient time to complete it prior to mandatory reporting. There is no requirement for an equivalent CHIP SPA.

Closing

States can submit questions or request technical assistance for reporting the Child and Adult Core Sets by sending an email to: MACQualityTA@cms.hhs.gov.

If you have questions about this SHO letter, please contact Deirdra Stockmann, Director, Division of Quality and Health Outcomes, at deirdra.stockmann@cms.hhs.gov.

Sincerely,

/s/

Daniel Tsai
Deputy Administrator and Director

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AR - Submission Package - AR2024MS0002O - (AR-24-0013) - Administration

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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Centers for Medicare & Medicaid Services
601 E. 12th St.
Room 355 (300)
Kansas City, MO 64106



Center for Medicaid & CHIP Services

December 18, 2024

Janet Mann
Director of Health and Medicaid Director
Arkansas Department of Human Services
112 West 8th Street
Slot S401
Little Rock, AR 72201-4608

Re: Approval of State Plan Amendment AR-24-0013

Dear Janet Mann,

On November 18, 2024, the Centers for Medicare and Medicaid Services (CMS) received Arkansas State Plan Amendment (SPA) AR-24-0013 to to update state plan assurances in accordance with federally mandated quality reporting requirements for the Child Core Set and the behavioral health quality measures on the Adult Core Set outlined in 42 CFR 431.16 and 437.10 through 437.15.

We approve Arkansas State Plan Amendment (SPA) AR-24-0013 with an effective date(s) of October 01, 2024.

If you have any questions regarding this amendment, please contact Lee Herko at Lee.Herko@cms.hhs.gov or at 570-230-4048.

Sincerely,
James G. Scott, Director
Division of Program Operations
Center for Medicaid & CHIP Services