

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Department of Human Services
DIVISION Division of Medical Services
DIVISION DIRECTOR Andrew Allison, PhD
CONTACT PERSON Lisa Smith
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NAME OF PRESENTER AT COMMITTEE MEETING Marilyn Strickland
PRESENTER E-MAIL marilyn.strickland@arkansas.gov

EXHIBIT H

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
Room 315, State Capitol
Little Rock, AR 72201

1. What is the short title of this rule?

State Plan Amendment #2013-002 and Physician 3-13
2. What is the subject of the proposed rule?

To comply with 42 CFR 447.405, 447.410 and 447.415, Arkansas Medicaid will implement an increase in reimbursement for certain primary care services.
3. Is this rule required to comply with a federal statute, rule, or regulation? Yes X No ____ .
If yes, please provide the federal rule, regulation, and/or statute citation.

42 CFR 447.405, 447.410 and 447.415
4. Was this rule filed under the emergency provisions of the Administrative Procedure Act?
Yes X No ____ .

If yes, what is the effective date of the emergency rule?

February 1, 2013

When does the emergency rule expire?

May 31, 2013

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes X No ____

5. Is this a new rule? Yes No If yes, please provide a brief summary explaining the regulation.

Does this repeal an existing rule? Yes No If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule? Yes No If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."

6. Cite the state law that grants the authority for this proposed rule? If codified, please give Arkansas Code citation.

Arkansas Statute 20-76-201

7. What is the purpose of this proposed rule? Why is it necessary?

The purpose of the proposed rule is to comply with 42 CFR 447.405, 447.410 and 447.415, Arkansas Medicaid will implement an increase in reimbursement for certain primary care services Evaluation and Management (CPT©) Codes to specific identified qualifying physician specialties.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).

<https://www.medicaid.state.ar.us/InternetSolution/general/comment/comment.aspx>

9. Will a public hearing be held on this proposed rule? Yes No .
If yes, please complete the following:

Date: _____

Time: _____

Place: _____

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

March 12, 2013

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

APA Effective Date June 1, 2013. Adopted by Federal Regulation per CMS January 1, 2013.

12. Do you expect this rule to be controversial? Yes No If yes, please explain.

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known.

Medical associations, interested providers, and advocacy organizations. Their positions for or against is not known at this time.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Human Services

DIVISION Division of Medical Services

PERSON COMPLETING THIS STATEMENT

TELEPHONE NO. 682-2483 FAX NO. 682-2480 EMAIL: tom.show@arkansas.gov

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE -- STATE PLAN AMENDMENT #2013-002 AND PHYSICIAN 3-13

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

2. Does this proposed, amended, or repealed rule affect small businesses?
Yes X No _____.

If yes, please attach a copy of the economic impact statement required to be filed with the Arkansas Economic Development Commission under Arkansas Code § 25-15-301 et seq.

3. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please give the incremental cost for implementing the rule. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

Next Fiscal Year

General Revenue _____

General Revenue _____

Federal Funds _____

Federal Funds _____

Cash Funds _____

Cash Funds _____

Special Revenue _____

Special Revenue _____

Other (Identify) _____

Other (Identify) _____

Total _____

Total _____

5. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule? Identify the party subject to the proposed rule and explain how they are affected.

Current Fiscal Year (2012-2013)

Next Fiscal Year (2013-2014)

6. What is the total estimated cost by fiscal year to the agency to implement this rule? Is this the cost of the program or grant? Please explain.

\$22,500,000 Federal

\$45,000,000 Federal

 -0- State

 -0- State

\$22,500,000 Total

\$45,000,000 Total

ECONOMIC IMPACT STATEMENT
(As Required under Arkansas Code § 25-15-301)

Department: Arkansas Department of Human Services

Division: Medical Services

Person Completing this Statement: Tom Show

Telephone Number: 501-682-2483 **Fax Number:** 501-682-3889

EMAIL: tom.show@arkansas.gov

Short Title of this Rule: SPA #2013-002 & Physician 3-13 - Effective for dates of service occurring January 1, 2013 through December 31, 2014, the Arkansas Department of Human Services will increase the Medicaid Reimbursement Rates for specific Evaluation and Management services and Vaccines for Children (VFC) administration services provided by specific qualified physicians. The qualifying physicians and qualifying services are identified in 42 CFR.447.405, 447.410 and 447.415.

(1) The type or types of small businesses that will be directly affected by the proposed rule, bear the cost of the proposed rule, or directly benefit from the proposed rule.

Physicians

(2) A description of how small businesses will be adversely affected.

Physician providers will not be adversely affected. Many physician providers will benefit from being reimbursed the increased amounts.

(3) A reasonable determination of the dollar amounts the proposed rule will cost small businesses in terms of fees, administrative penalties, reporting, recordkeeping, equipment, construction labor, professional services, revenue loss, or other costs associated with compliance.

No cost is associated with compliance. It is projected that qualified physicians will receive an additional \$45,000,000 annually in Medicaid compensation for providing these services.

(4) A reasonable determination of the dollar amounts of the costs to the agency of implementing the proposed rule, as well as the financial benefit to the agency of implementing the rule.

It is projected that the Department will pay out an additional \$45,000,000 annually to physicians for providing these services.

(5) Whether and to what extent alternative means exist for accomplishing the objectives of the proposed rule that might be less burdensome to small businesses and why such alternatives are not being proposed.

Not Applicable

(6) A comparison of the proposed rule with federal and state counterparts.

Not Applicable

Summary for
State Plan Amendment #2013-002 and Physician 3-13

Effective for dates of service beginning January 1, 2013 and ending December 31, 2014, in compliance with 42 CFR 447.405, 447.410 and 447.415, Arkansas Medicaid will implement an increase in reimbursement for certain primary care service Evaluation and Management (CPT©) Codes to specific identified qualifying physician specialties and/or other regulatory identified threshold percentage physician providers; and an increase in vaccine administration fees for (CPT©) Codes covered under the Vaccines for Children Program for these same qualifying providers. This will result in an annual estimated aggregate increase of \$45,000,000 for SFY 2014. The E & M reimbursement amounts will be determined based upon the difference between Medicare Part B rates, Medicare Physicians Fee Schedule for January 2009 or 2013 and 2014 respectively (whichever is larger) and the current Medicaid rates, on a code by code basis. The vaccine administration increase is based on a single rate which was in effect on July 1, 2009.