

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

HCR 1007

4
5 By: Representatives Painter, Vaught, McAlindon, Achor, C. Cooper, Lundstrum, K. Moore
6 By: Senator C. Penzo

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8 **HOUSE CONCURRENT RESOLUTION**

9 TO ENCOURAGE THE UNITED STATES CONGRESS TO REEVALUATE
10 THE MEDICARE PHYSICIAN FEE SCHEDULE LOCALITY
11 STRUCTURE AND ENSURE ACCURATE GEOGRAPHIC PRACTICE
12 COST INDICES FOR THE METROPOLITAN STATISTICAL AREAS
13 OF THIS STATE.

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16 **Subtitle**

17 TO ENCOURAGE THE UNITED STATES CONGRESS
18 TO REEVALUATE THE MEDICARE PHYSICIAN FEE
19 SCHEDULE LOCALITY STRUCTURE AND ENSURE
20 ACCURATE GEOGRAPHIC PRACTICE COST
21 INDICES FOR THE METROPOLITAN STATISTICAL
22 AREAS OF THIS STATE.

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24 WHEREAS, the State of Arkansas plays a vital role in the national
25 economy, serving as the headquarters for globally influential corporations
26 such as Walmart Inc., Tyson Foods, and J.B. Hunt Transport Services, Inc., as
27 well having a thriving aerospace, defense, and steel manufacturing industry;
28 and

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30 WHEREAS, this state's diverse economic landscape includes major
31 metropolitan regions that differ significantly in cost structure from rural
32 areas, particularly within the Metropolitan Statistical Areas of
33 Fayetteville-Springdale-Rogers, AR (CBSA 22220), and Little Rock-North Little
34 Rock-Conway, AR (CBSA 30780), as delineated by the United States Office of
35 Management and Budget; and



1 WHEREAS, the Medicare Physician Fee Schedule locality structure
2 currently designates all regions of this state under Locality 13, grouping
3 both urban and rural areas into a single reimbursement category despite clear
4 economic and cost-of-practice differences; and
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6 WHEREAS, the Geographic Practice Cost Indices assigned to this state do
7 not accurately reflect the actual costs incurred by medical practices in its
8 metropolitan areas, placing undue financial strain on healthcare providers,
9 and reducing access to essential medical services for residents; and

10 WHEREAS, Arkansas ranks as the third-worst state in Medicare locality
11 reimbursement, trailing only Mississippi and the "Rest of Missouri"
12 localities, further disadvantaging healthcare providers and limiting patient
13 access to care; and
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15 WHEREAS, this state's urban centers experience significantly higher
16 commercial lease rates, labor costs, and other operational expenses that
17 necessitate a reevaluation of Medicare Physician Fee Schedule localities to
18 ensure fair Medicare reimbursement and a sustainable healthcare system; and
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20 WHEREAS, carving out CBSA 22220, which is Fayetteville-Springdale-
21 Rogers, AR, and CBSA 30780, which is Little Rock-North Little Rock-Conway,
22 AR, into separate locality numbers would more accurately reflect the unique
23 economic conditions of these metropolitan areas and align Arkansas with
24 national standards for Medicare locality determination; and
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26 WHEREAS, failure to correct this misalignment perpetuates inequitable
27 healthcare reimbursement policies that hinder this state's healthcare
28 providers' ability to deliver essential medical services,
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30 NOW THEREFORE,

31 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIFTH GENERAL
32 ASSEMBLY OF THE STATE OF ARKANSAS, THE SENATE CONCURRING THEREIN:
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34 THAT the House of Representatives and the Senate concurring encourages
35 the United States Congress to:

36 (1) Conduct a thorough review of the current Medicare Physician

1 Fee Schedule locality structure as applicable to this state to ensure
2 reimbursement rates align with actual regional cost structures;

3 (2) Examine and reassess the Geographic Practice Cost Indices
4 assigned to this state's localities to guarantee that the Geographic Practice
5 Cost Indices accurately reflect the expenses incurred by healthcare providers
6 in different regions of the state;

7 (3) Carve out CBSA 22220, which is Fayetteville-Springdale-
8 Rogers, AR, and CBSA 30780, which is Little Rock-North Little Rock-Conway,
9 AR, into separate locality numbers to ensure fair reimbursement that reflects
10 the economic realities of these metropolitan areas; and

11 (4) Take swift action to correct these inaccuracies to prevent
12 further financial disadvantages for the healthcare providers of this state
13 and ensure equitable access to medical services for residents.
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15 BE IT FURTHER RESOLVED THAT upon adoption of this resolution, an
16 appropriate copy be provided by the Chief Clerk of the House of
17 Representatives to the the members of the Arkansas congressional delegation,
18 the Administrator of the Centers for Medicare & Medicaid Services, the
19 Secretary of the United States Department of Health and Human Services, and
20 the Director of the United States Office of Management and Budget.
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