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State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 12-08

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services (CMCS)

AUG 1 0 2012

Dr. Andrew Allison, Director
Division of Medical Services
Arkansas Department of Human Services
Post Office Box 1437
Little Rock, Arkansas 72203-1437
Attention: LeAnn Edwards, Slot S295

RE: Arkansas 12-008

Dear Dr. Allison:

We have reviewed the proposed amendment to Attachments 4.19-A, 4.19-B, and 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 12-008. This amendment implements regulations for provider preventable conditions and related payment adjustments for Medicaid.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are approving Medicaid State plan amendment 12-008 with an effective date of July 1, 2012. Enclosed are the HCFA-179 and the amended plan pages.

If you have any questions, please call Sandra Dasheiff, CPA at (214) 767-6490.



Sincerely,

A solid black rectangular box redacting the signature of the sender.

Cindy Mann, Director
Center for Medicaid and CHIP Services

Enclosures

bcc: Stuart Goldstein, CO

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 2012-008	2. STATE ARKANSAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE July 1, 2012	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES			
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR Part 447 Subpart A		7. FEDERAL BUDGET IMPACT: a. FFY 2012 -0- b. FFY 2013 -0-	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Preprint Pages * Attachment 4.19-A Page 11dd Attachment 4.19-B Page 1aa(i) Attachment 4.19-D Page ii		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): None, New Pages	
10. SUBJECT OF AMENDMENT: The Arkansas Title XIX State Plan has been amended to comply with federal regulation 42 CFR Part 447 which ensure that Medicaid payments will not be made for specific preventable conditions and specific hospital acquired conditions.			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Division of Medical Services PO Box 1437, Slot S295 Little Rock, AR 72203-1437 Attention: LeAnn Edwards	
13. TYPED NAME: Andrew Allison, PhD			
14. TITLE: Director, Division of Medical Services			
15. DATE SUBMITTED: June 27, 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: AUG 10 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL -1 2012		20. SIGNATURE OF APPROVING OFFICIAL: 	
21. TYPED NAME: PENNY THOMPSON		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

Pen and ink changes requested by Becky Murphy, Arkansas Medicaid, on 7/30/12.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

July 1, 2012

1. Inpatient Hospital Services (continued)

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

STATE <u>Arkansas</u>	A
DATE REC'D <u>06-27-12</u>	
DATE APP'D <u>AUG 10 2012</u>	
DATE EFF <u>07-01-12</u>	
HCFA 179 <u>AR-12-08</u>	

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19 (A) of this State plan.

Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19 (A) of this State plan.

Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

Additional Other Provider-Preventable Conditions identified below:

For per diem payments or cost-based reimbursement, the number of covered days shall be reduced by the number of days associated with the diagnosis not present on admission for any HAC.

No payment shall be made for inpatient services for Hospital Acquired conditions defined to include the full list of Medicare's previous inpatient "hospital-acquired conditions" (HAC) and for Other Preventable Conditions (OPPCs). OPPCs include the three Medicare National Coverage Determinations; wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; and surgical or other invasive procedure performed on the wrong patient.

No reduction in payment for a provider-preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.

Reductions in provider payment may be limited to the extent that the following apply:

- i. The identified provider-preventable conditions would otherwise result in an increase in payment.
- ii. The State can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions.

Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

SUPERSEDES: ~~11~~ New Page

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: July 1, 2012

2.a. Outpatient Hospital Services (continued)

(6) Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19 (B) of this State plan.

X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

___ Additional Other Provider-Preventable Conditions identified below:

No payment shall be made for services for the Other Preventable Conditions (OPPCs). OPPC is one category of Provider Preventable Conditions (PPC), as identified by the Centers for Medicare & Medicaid services, and applies broadly to any health care setting where an OPPC may occur. OPPCs include the three Medicare National Coverage Determinations; wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; and surgical or other invasive procedure performed on the wrong patient.

No reduction in payment for a provider-preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.

Reductions in provider payment may be limited to the extent that the following apply:

- i. The identified provider-preventable conditions would otherwise result in an increase in payment.
- ii. The State can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions.

Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

STATE <u>Arkansas</u>	A
DATE REC'D <u>06-27-12</u>	
DATE APPVD <u>AUG 10 2012</u>	
DATE EFF <u>07-01-12</u>	
HCFA 179 <u>AK-12-08</u>	

SUPERSEDES: ~~PA~~ New Page

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19 (D) of this State plan.

X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

_____ Additional Other Provider-Preventable Conditions identified below:

No payment shall be made for services for the Other Preventable Conditions (OPPCs). OPPC is one category of Provider Preventable Conditions (PPC), as identified by the Centers for Medicare & Medicaid services, and applies broadly to any health care setting where an OPPC may occur. OPPCs include the three Medicare National Coverage Determinations; wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; and surgical or other invasive procedure performed on the wrong patient.

No reduction in payment for a provider-preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.

Reductions in provider payment may be limited to the extent that the following apply:

- i. The identified provider-preventable conditions would otherwise result in an increase in payment.
- ii. The State can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions.

Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

STATE	Arkansas	A
DATE RE:	06-27-12	
DATE AP:	AUG 10 2012	
DATE EF:	07-01-12	
HCFA 175:	AR-12-08	

3 JPERSEDES: ~~MA~~ New Page