

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Rm. 833
Dallas, TX 75202



Division of Medicaid & Children's Health, Region VI

September 6, 2012

Our Reference: SPA-AR-12-10

Dr. Andrew Allison
State Medicaid Director
Arkansas Department of Health and Human Services
P.O. Box 1437
Little Rock, Arkansas 72203

Dear Dr. Allison:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 12-10. Effective October 1, 2013, this State plan amendment implements a payment improvement initiative which provides positive incentive adjustments in the form of gain sharing to reward providers who succeed in delivering higher quality, patient-centered, and cost-effective care for designated episodes of care and requires providers who do not meet the cost of care and/or quality thresholds to make risk-sharing payments back to the Medicaid agency. With this SPA, the state is applying the payment improvement initiative to perinatal, upper respiratory infection, and attention deficit/hyperactivity disorder episodes of care. This SPA was a collaborative effort between CMS and state staff and leadership, and SPA language was developed jointly by the State and CMS.

Transmittal Number 12-10 is approved with an effective date of October 1, 2012, as requested. A copy of the HCFA-179, Transmittal No. 12-10 dated June 8, 2012 is enclosed along with the approved plan pages.

If you have any questions, please contact Stacey Shuman at (214) 767-6479.

Sincerely,

Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosure