

## DHS - Medical Services

### State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2022

None

### Publications

#### A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2021-2022		2022-2023		2022-2023		2023-2024				2024-2025			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
4KS Nursing Home Quality	590,710	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
642 Medicaid Expansion-Medical Svcs	62,491	1	86,789	1	83,347	1	86,218	1	86,218	1	87,250	1	87,250	1
648 Medicaid Exp-Prescription Drugs	867,739	0	5,121,104	0	9,543,457	0	9,543,457	0	9,543,457	0	9,543,457	0	9,543,457	0
648 Medicaid Exp-Hospital & Medical Services	71,686,029	0	109,014,134	0	200,426,470	0	160,426,470	0	160,426,470	0	160,426,470	0	160,426,470	0
876 Nursing Home Closure Costs	0	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
896 Division of Medical Services	8,910,707	96	11,936,076	92	12,806,877	102	12,842,703	98	12,842,703	98	12,910,112	98	12,910,112	98
897 ARKIDS B Program	102,826,398	0	175,901,504	0	207,222,020	0	207,222,020	0	207,222,020	0	207,222,020	0	207,222,020	0
897 Hospital & Medical Services	7,319,709,820	0	7,547,865,506	0	7,547,865,506	0	8,034,125,877	0	8,034,125,877	0	8,432,255,717	0	8,432,255,717	0
897 Prescription Drugs	464,550,539	0	490,480,177	0	579,386,547	0	509,386,547	0	509,386,547	0	509,386,547	0	509,386,547	0
897 Private Nursing Home Care	716,559,398	0	816,988,037	0	842,142,061	0	957,142,061	0	957,142,061	0	1,007,142,061	0	1,007,142,061	0
898 Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898 Infant Infirmary	722,657	0	476,980	0	18,588,441	0	2,588,441	0	2,588,441	0	2,588,441	0	2,588,441	0
898 Public Nursing Home Care	167,804,229	0	183,027,599	0	257,529,350	0	217,529,350	0	217,529,350	0	217,529,350	0	217,529,350	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>														
AJ9 ARPA - Surge Staff	128,069,568	0	0	0	0	0	0	0	0	0	0	0	0	0
AK1 ARPA - Skilled Nursing Fac	102,300,896	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>9,084,661,181</b>	<b>97</b>	<b>9,351,597,906</b>	<b>93</b>	<b>9,686,294,076</b>	<b>103</b>	<b>10,121,593,144</b>	<b>99</b>	<b>10,121,593,144</b>	<b>99</b>	<b>10,569,791,425</b>	<b>99</b>	<b>10,569,791,425</b>	<b>99</b>

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	66,082,126	0.7	195,952,632	2.1	195,853,165	2.0	195,853,165	2.0	16,943,361	0.2	16,943,361	0.2
General Revenue	4000010	1,366,543,617	14.7	1,390,162,370	14.6	1,455,268,964	14.7	1,390,268,964	14.2	1,520,271,690	15.1	1,390,271,690	14.0
Federal Revenue	4000020	7,587,943,374	81.8	7,196,926,555	75.4	7,290,284,690	73.8	7,290,284,690	74.3	7,560,383,508	75.0	7,560,383,508	75.9
Trust Fund	4000050	590,710	0.0	8,500,000	0.1	8,500,000	0.1	8,500,000	0.1	8,500,000	0.1	8,500,000	0.1
Performance Fund	4000055	0	0.0	300,843	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	84,045,101	0.9	110,311,740	1.2	90,000,000	0.9	90,000,000	0.9	90,000,000	0.9	90,000,000	0.9
Hospital Assessment Fee	4000281	90,062,409	1.0	110,456,234	1.2	117,884,214	1.2	117,884,214	1.2	124,222,479	1.2	124,222,479	1.2
ICF/MR Provider Fee	4000282	1,908,856	0.0	1,999,999	0.0	2,000,000	0.0	2,000,000	0.0	2,000,000	0.0	2,000,000	0.0
Insurance Premium Tax	4000298	45,000,000	0.5	37,871,168	0.4	90,740,392	0.9	90,740,392	0.9	38,350,642	0.4	38,350,642	0.4
Quality Assurance Fee	4000395	74,331,227	0.8	83,000,000	0.9	83,000,000	0.8	83,000,000	0.8	83,000,000	0.8	83,000,000	0.8
Reallocation of Resources	4000410	(10,355)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement	4000495	16,544,341	0.2	30,928,656	0.3	39,793,583	0.4	39,793,583	0.4	39,985,403	0.4	39,985,403	0.4
Transfer from Medicaid Match	4000550	12,479,198	0.1	1,650,036	0.0	1,650,036	0.0	1,650,036	0.0	1,650,036	0.0	1,650,036	0.0

Funding Sources			%		%		%		%		%		%
Transfer to General Education	4000630	(23,747,970)	(0.3)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid	4000655	(66,787,674)	(0.7)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	25,628,853	0.3	301,593,536	3.2	326,613,578	3.3	326,613,578	3.3	429,247,016	4.3	429,247,016	4.3
PASSE Premium	4000770	0	0.0	17,797,302	0.2	86,308,365	0.9	86,308,365	0.9	87,989,650	0.9	87,989,650	0.9
Soft Drink Tax	4000775	0	0.0	60,000,000	0.6	89,091,000	0.9	89,091,000	0.9	84,091,000	0.8	84,091,000	0.8
Total Funds		9,280,613,813	100.0	9,547,451,071	100.0	9,876,987,987	100.0	9,811,987,987	100.0	10,086,634,785	100.0	9,956,634,785	100.0
Excess Appropriation/(Funding)		(195,952,632)		(195,853,165)		244,605,157		309,605,157		483,156,640		613,156,640	
Grand Total		9,084,661,181		9,351,597,906		10,121,593,144		10,121,593,144		10,569,791,425		10,569,791,425	

Authorized position count varies from Agency Request in FC 896 (DHS- Admin Paying Account) due to utilization of the OPM surrender pool.  
FY23 Budget amount exceeds Authorized Appropriation in FC 642 (Medicaid Expansion-Medical Svcs) due to salary and matching rate adjustments during the 2021-2023 Biennium.  
Variance in Fund Balance is due to unfunded appropriation.

## **Analysis of Budget Request**

**Appropriation:** 4KS - Nursing Home Quality

**Funding Sources:** TLT - Long Term Care Trust Fund

The Nursing Home Quality of Life appropriation provides funding to initiatives that directly address, and improve, the quality of life of residents of nursing facilities. The fund has no State General Revenue; the monies in the fund are civil money penalties imposed by the federal Centers for Medicare and Medicaid Services (CMS) or the Arkansas Department of Human Services' Office of Long Term Care. Uses include:

- Payment of operating costs when nursing facility operators are unwilling or unable to continue to provide care to residents and the Arkansas Department of Human Services must take over operations temporarily.
- Grants to entities that submit proposals that are reviewed and approved by CMS that directly improve the quality of life of residents. Examples are development of new activities programs or memory stimulation programs.
- Eden Alternative or Greenhouse Project approach to nursing facility designs and operations. Both the Eden Alternative and the Greenhouse Project are attempts to create a new model for long-term care facilities that emphasizes a more home style environment over traditional institutional settings. Evidence indicates that residents of facilities operated under either approach perform significantly better than residents of traditional long-term care facilities.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting to continue appropriation in the amount of \$4,000,000 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 4KS - Nursing Home Quality

**Funding Sources:** TLT - Long Term Care Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	590,710	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total		590,710	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Funding Sources								
Trust Fund	4000050	590,710	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000
Total Funding		590,710	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		590,710	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000

## **Analysis of Budget Request**

**Appropriation:** 642 - Medicaid Tobacco Settlement Program

**Funding Sources:** PTA - Medicaid Expansion Program Account

The goal of the Medicaid Expansion program is to create a separate and distinct component of the Arkansas Medicaid Program that improves the health of Arkansans by expanding health care coverage and benefits to specific populations. The Tobacco Settlement Funds are utilized to expand Medicaid coverage to the following eligibility groups:

- Pregnant Women Expansion - Increased the income eligibility limit from 133% to 214% of the Federal poverty level.
- Hospital Benefit Coverage - Increased the number of benefit days from 20 to 24 and decreased the co-pay on the first day of hospitalization from 22% to 10%.
- 65 and Over Expansion (AR Senior) - Increased coverage to the 65 and over population for persons at 80% of the Qualified Medicare Beneficiary (QMB) Level effective January 1, 2003.
- Adults and Children with intellectual and developmental disabilities - Expanded medical assistance, home and community-based services, and employment supports for those who qualify for services in the Community and Employment Support Waiver.

This appropriation is funded by federal and tobacco settlement funds.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2023 Authorized.

The Division is requesting appropriation in the amount of \$86,218 in FY24 and \$87,250 in FY25.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 642 - Medicaid Tobacco Settlement Program

**Funding Sources:** PTA - Medicaid Expansion Program Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	45,760	55,694	53,560	54,725	54,725	55,025	55,025
<b>#Positions</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	16,665	19,611	18,303	20,009	20,009	20,741	20,741
Operating Expenses	5020002	66	9,484	9,484	9,484	9,484	9,484	9,484
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>62,491</b>	<b>86,789</b>	<b>83,347</b>	<b>86,218</b>	<b>86,218</b>	<b>87,250</b>	<b>87,250</b>
<b>Funding Sources</b>								
Fund Balance	4000005	5,360	5,707		6,240	6,240	6,240	6,240
Federal Revenue	4000020	31,589	43,661		43,109	43,109	43,625	43,625
Tobacco Settlement	4000495	31,249	43,661		43,109	43,109	43,625	43,625
<b>Total Funding</b>		<b>68,198</b>	<b>93,029</b>		<b>92,458</b>	<b>92,458</b>	<b>93,490</b>	<b>93,490</b>
<b>Excess Appropriation/(Funding)</b>		<b>(5,707)</b>	<b>(6,240)</b>		<b>(6,240)</b>	<b>(6,240)</b>	<b>(6,240)</b>	<b>(6,240)</b>
<b>Grand Total</b>		<b>62,491</b>	<b>86,789</b>		<b>86,218</b>	<b>86,218</b>	<b>87,250</b>	<b>87,250</b>

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 648 - Medicaid Tobacco Settlement Grants

**Funding Sources:** PTD - Medicaid Expansion Program Account

### **Medicaid Expansion Program - Prescription Drugs**

The Medicaid Expansion Program - Prescription Drugs provides appropriation for the prescription drugs component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting to continue appropriation in the amount of \$9,543,457 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

### **Medicaid Expansion Program - Hospital and Medical Services**

The Medicaid Expansion Program - Hospital and Medical Services provides appropriation for the Hospital/Medical component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting appropriation in the amount of \$160,426,470 for each year of the biennium.

The Agency Request includes the following change for both years:

- Reallocation of (\$40,000,000) to Hospital and Medical Services (PWD8600) to better align with the Medicaid biennium forecast.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 648 - Medicaid Tobacco Settlement Grants  
**Funding Sources:** PTD - Medicaid Expansion Program Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Medicaid Exp-Prescrip Drugs 5100004	867,739	5,121,104	9,543,457	9,543,457	9,543,457	9,543,457	9,543,457
Total	867,739	5,121,104	9,543,457	9,543,457	9,543,457	9,543,457	9,543,457
Funding Sources							
Fund Balance 4000005	32,040	33,898		33,898	33,898	33,898	33,898
Federal Revenue 4000020	364,266	3,735,333		6,767,265	6,767,265	6,753,905	6,753,905
Tobacco Settlement 4000495	505,331	1,385,771		2,776,192	2,776,192	2,789,552	2,789,552
Total Funding	901,637	5,155,002		9,577,355	9,577,355	9,577,355	9,577,355
Excess Appropriation/(Funding)	(33,898)	(33,898)		(33,898)	(33,898)	(33,898)	(33,898)
Grand Total	867,739	5,121,104		9,543,457	9,543,457	9,543,457	9,543,457

## Appropriation Summary

**Appropriation:** 648 - Medicaid Tobacco Settlement Grants  
**Funding Sources:** PTD - Medicaid Expansion Program Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Medicaid Exp-Hosp/Med Svcs 5100004	71,686,029	109,014,134	200,426,470	160,426,470	160,426,470	160,426,470	160,426,470
<b>Total</b>	<b>71,686,029</b>	<b>109,014,134</b>	<b>200,426,470</b>	<b>160,426,470</b>	<b>160,426,470</b>	<b>160,426,470</b>	<b>160,426,470</b>
Funding Sources							
Fund Balance 4000005	10,873,959	15,705,940		15,705,940	15,705,940	0	0
Federal Revenue 4000020	60,510,249	79,514,910		90,128,784	90,128,784	89,950,840	89,950,840
Tobacco Settlement 4000495	16,007,761	29,499,224		36,974,282	36,974,282	37,152,226	37,152,226
<b>Total Funding</b>	<b>87,391,969</b>	<b>124,720,074</b>		<b>142,809,006</b>	<b>142,809,006</b>	<b>127,103,066</b>	<b>127,103,066</b>
Excess Appropriation/(Funding)	(15,705,940)	(15,705,940)		17,617,464	17,617,464	33,323,404	33,323,404
<b>Grand Total</b>	<b>71,686,029</b>	<b>109,014,134</b>		<b>160,426,470</b>	<b>160,426,470</b>	<b>160,426,470</b>	<b>160,426,470</b>

## **Analysis of Budget Request**

**Appropriation:** 876 - Nursing Home Closure Costs

**Funding Sources:** TLT - Long Term Care Trust Fund

Nursing Home Closure Costs appropriation is available in the event the Division of Medical Services finds it necessary to take over the operation of a nursing home in an emergency situation. The purpose of any take-over would be for the protection of the health or property of residents of long-term care facilities, including, but not limited to, the payment for the costs of relocation of residents to other facilities, maintenance and operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

Funding for this appropriation is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consists of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting to continue appropriation in the amount of \$4,500,000 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 876 - Nursing Home Closure Costs

**Funding Sources:** TLT - Long Term Care Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses 5900046	0	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Total	0	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000

Funding Sources							
Trust Fund 4000050	0	4,500,000		4,500,000	4,500,000	4,500,000	4,500,000
Total Funding	0	4,500,000		4,500,000	4,500,000	4,500,000	4,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	0	4,500,000		4,500,000	4,500,000	4,500,000	4,500,000

## **Analysis of Budget Request**

**Appropriation:** 878 - Long Term Care Facility Receivership

**Funding Sources:** DLT - Long Term Care Facility Receivership Fund

As authorized by Ark. Code Ann. § 20-10-901 et seq., the Long Term Care Facility Receivership appropriation is used to pay the expenses of receivers appointed, if a nursing home is placed in receivership. Payment may not be made from this account until a court of law has found that a nursing home has insufficient funds to pay a receiver after all other operating expenses of the facility have been paid.

The funding for this appropriation is from reimbursement at the beginning of a biennium from the general revenue fund account of the state apportionment fund prior to the distribution of revenue stabilization law with a maximum amount of one hundred thousand dollars (\$100,000).

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting to continue appropriation in the amount of \$100,000 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 878 - Long Term Care Facility Receivership

**Funding Sources:** DLT - Long Term Care Facility Receivership Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses 5900046	0	100,000	100,000	100,000	100,000	100,000	100,000
Total	0	100,000	100,000	100,000	100,000	100,000	100,000
<b>Funding Sources</b>							
Fund Balance 4000005	100,000	100,000		0	0	0	0
Total Funding	100,000	100,000		0	0	0	0
Excess Appropriation/(Funding)	(100,000)	0		100,000	100,000	100,000	100,000
Grand Total	0	100,000		100,000	100,000	100,000	100,000

## **Analysis of Budget Request**

**Appropriation:** 896 - DHS–Admin Paying Account

**Funding Sources:** PWP - Administration Paying

Act 348 of 1985 authorized the reorganization of the Department of Human Services. As part of this reorganization, the Division of Social Services became the Division of Economic and Medical Services. Act 164 of 1995 eliminated the Division of Economic and Medical Services, creating the Division of Medical Services, while functions at the county level were assigned to the Division of County Operations (formerly the Division of Program Operations). The Division of Medical Services' primary responsibility is management of the Arkansas Medicaid program, which was created by the passage of Title XIX of the Social Security Act of 1965, with Arkansas implementing the program on January 1, 1970.

Medicaid enables states to furnish:

- Medical assistance to those who have insufficient income and resources to meet the costs of necessary medical services.
- Rehabilitation and other services to help these families and individuals become or remain independent and able to care for themselves.

Each state has some sort of Medicaid program to meet the federal mandates and requirements as laid out in Title XIX. Arkansas, however, established a medical care program 26 years before passage of the federal laws requiring health care for the needy: Section 7 of Act 280 of 1939 and Act 416 of 1977 authorized the State of Arkansas to establish and maintain a medical care program for the indigent and vested responsibility for regulating and administering the program in the Arkansas Department of Human Services. This program receives federal grants under Title XIX. Thus Arkansas Medicaid is a joint federal and state program that provides necessary medical services to eligible persons who are not able to pay for such services. Individuals are certified as eligible for Medicaid services through the state's county Human Services Offices or District Social Security Offices. The Social Security Administration automatically sends SSI recipient information to DHS.

The Arkansas Medicaid Program is divided into three (3) forms of services:

1. Services Mandated by the Federal Government
2. Optional Services Chosen by Arkansas
3. Waivers Approved by the Centers for Medicare and Medicaid Services (CMS)

These services are as follows:

### **Services Mandated by the Federal Government:**

- Child Health Services - Early and Periodic Screening, Diagnosis and Treatment (EPSDT) (Under Age 21)
- Family Planning Services and Supplies (All Ages)
- Federally Qualified Health Center (FQHC) (All Ages)
- Home Health Services (All Ages)

- Hospital Services - Inpatient and Outpatient (All Ages)
- Laboratory and X-Ray (All Ages)
- Certified Nurse-Midwife Services (All Ages)
- Medical and Surgical Services of a Dentist (All Ages)
- Nurse Practitioner (Pediatric, Family, Obstetric-Gynecologic and Gerontological) (All Ages)
- Nursing Facility Services (Age 21 and Older)
- Physician Services (All Ages)
- Rural Health Clinic (RHC) (All Ages)
- Transportation (to and from medical providers when medically necessary) (All Ages)

**Optional Services Chosen by Arkansas:**

- Ambulatory Surgical Center Services (All Ages)
- Audiological Services (Under Age 21)
- Certified Registered Nurse Anesthetist (CRNA) Services (All Ages)
- Child Health Management Services (CHMS) (Under Age 21)
- Chiropractic Services (All Ages)
- Dental Services (All Ages)
- Developmental Day Treatment Clinic Services (DDTCS) (Preschool and Age 18 and Older)
- Developmental Rehabilitation Services (Under Age 3)
- Domiciliary Care Services (All Ages)
- Durable Medical Equipment (DME) (All Ages)
- End-Stage Renal Disease (ESRD) Facility Services (All Ages)
- Hearing Aid Services (Under Age 21)
- Hospice Services (All Ages)
- Hyperalimentation Services (All Ages)
- Independent Choices (Age 18 and Older)
- Inpatient Psychiatric Services (Under Age 21)
- Intermediate Care Facility (ICF) Services (All Ages)
- Licensed Mental Health Practitioner Services (Under Age 21)
- Medical Supplies (All Ages)
- Medicare Crossovers (All Ages)
- Nursing Facility Services (Under Age 21)
- Occupational, Physical, Speech Therapy Services (Under Age 21)
- Orthotic Appliances (All Ages)
- PACE (Program of All-Inclusive Care for the Elderly) (Age 55 and Older)
- Personal Care Services (All Ages)



- Podiatrist Services (All Ages)
- Portable X-Ray (All Ages)
- Prescription Drugs (All Ages)
- Private Duty Nursing Services (All Ages)
- Prosthetic Devices (All Ages)
- Rehabilitative Hospital Services (All Ages)
- Rehabilitative Services for:
  - Persons with Mental Illness (RSPMI) (All Ages)
  - Persons with Physical Disabilities (RSPD) and Youth and Children (Under Age 21)
- Respiratory Care Services (Under Age 21)
- School-Based Mental Health Services (Under Age 21)
- Targeted Case Management:
  - Children's Services (Title V), SSI, TEFRA, EPSDT, Division of Children and Family Services and Division of Youth Services (Under Age 21)
  - Beneficiaries with a Developmental Disability (All Ages)
  - Adults (Age 60 and Older)
  - Pregnant Women (All Ages)
- Tuberculosis Services (All Ages)
- Ventilator Equipment (All Ages)
- Visual Care Services (All Ages)

**Waivers Approved by the Centers for Medicare and Medicaid Services (CMS):**

- Alternatives for Adults with Physical Disabilities (Age 21-64)
- ARKids B (Age 18 and Under)
- Autism (Age 18 months-6 years)
- Developmental Disabilities Services (DDS- Community and Employment Services) (All Ages)
- ElderChoices (Age 65 and Older)
- Living Choices (Assisted Living) (Age 21 and Older)
- Non-Emergency Transportation (All Ages)
- Tax Equity Fiscal Responsibility Act of 1982 (TEFRA) (Under Age 21)
- Women's Health (Family Planning) (All Ages)

The Arkansas Medicaid Program does have limitations on the services that are provided. The major benefit limitations on services for adults (age 21 and older) are as follows:

- Twelve visits to hospital outpatient departments allowed per state fiscal year.
- A total of twelve office visits allowed per state fiscal year for any combination of the following: certified nurse midwife, nurse practitioner,

physician, medical services provided by a dentist, medical services furnished by an optometrist, and Rural Health Clinics.

- One basic family planning visit and three (3) periodic family planning visits per state fiscal year. Family planning visits are not counted toward other service limitations.
- Lab and x-ray services limited to total benefit payment of \$500 per state fiscal year, except for EPSDT beneficiaries.
- Three pharmaceutical prescriptions are allowed per month (family planning and tobacco cessation prescriptions are not counted against benefit limit; unlimited prescriptions for nursing facility beneficiaries and EPSDT beneficiaries under age 21). Extensions will be considered up to a maximum of six (6) prescriptions per month for beneficiaries at risk of institutionalization. Beneficiaries receiving services through the Assisted Living waiver may receive up to nine (9) medically necessary prescriptions per month. Medicare-Medicaid beneficiaries (dual eligibles) receive their drugs through the Medicare Part D program as of January 1, 2006.
- Inpatient hospital days limited to 24 per state fiscal year, except for EPSDT beneficiaries and certain organ transplant patients.
- Co-insurance: Some beneficiaries must pay 10% of first Medicaid covered day of hospital stay.
- Beneficiaries in the Working Disabled aid category must pay 25% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some additional services.
- Some beneficiaries must pay \$.50 - \$3 of every prescription, and \$2 on the dispensing fee for prescription services for eyeglasses. Beneficiaries in the Working Disabled aid category must pay a higher co-payment for these services and also must pay co-payments for some additional services.

Additional information for limitations relating to children:

- The families of some children are responsible for co-insurance, co-payments, or premiums.
- Co-insurance: ARKids B beneficiaries must pay 10% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some outpatient and DME services.
- Co-Pay: ARKids B beneficiaries must pay a co-payment for most services; for example \$10.00 for most office visits and \$5.00 for most prescription drugs (and must use generic drugs and manufacturer rebates, if available). ARKids B beneficiaries annual cost-sharing is capped at 5% of the family's gross annual income.
- Premiums: Based on family income certain TEFRA beneficiaries must pay a premium. TEFRA families whose income is at or below 150% of the Federal Poverty level cannot be assessed a premium.

*Any and all exceptions to benefit limits are based on medical necessity.*

The Division consists of the Director's Office and five (5) distinct organizational units:

**Program and Provider Management:** The Office of Program and Provider Management includes the following operations: Provider & Member Relations, Dental, Visual and EPSDT, Behavioral Health and Utilization Review. The Provider and Member Relations, Dental, Visual and EPSDT section administers the Dental, Visual and Child Health Services (EPSDT) Medicaid programs and oversees the non-emergency transportation program, Medicaid Managed Care Systems and ConnectCare programs. This section also assists providers and beneficiaries in resolving matters related to billing and coverage. The Utilization Review section develops healthcare policies based on recognized standards of care, current healthcare initiatives and participation from community stakeholders to ensure adequate coverage benefits for Medicaid

beneficiaries. Utilization review monitors the quality and medical necessity of services delivered by Medicaid health care providers. In addition this section is responsible for the prior authorization of medically necessary services such as transplants, extension of benefits, prosthetics, hearing aids, hyperalimentation services and out of state transportation.

**Medicaid Information Management:** The Office of Medicaid Information Management is responsible for administering the Medicaid Management Information System (MMIS) which processes all Medicaid claims. The MMIS Systems and Support Unit procures and administers the contracted fiscal agent that operates the MMIS. This Unit also monitors the fiscal agent's contract compliance, performs quality assurance reviews on how the MMIS operates, manages requests for modifications to the MMIS, develops enhancements to the MMIS, and develops and produces reports from the Medicaid data warehouse.

**Program and Administrative Support:** The Office of Program and Administrative Support includes the following operations: Financial Activities, Provider Reimbursement and Third Party Liability. The Financial Activities unit performs such functions as program and operational budgeting, expenditure monitoring and evaluation, federal and state reporting, and administrative support such as personnel management, contract issuance and management, requests for proposals, and the preparation of interagency agreements. The Provider Reimbursement unit is responsible for maintaining rate files, establishing and administering methodologies for provider reimbursements, including cost reports and cost settlements, and financial aspects of the Office of Long Term Care such as budgeting, reimbursement, and audits of provider cost reports. The Third Party Liability area is responsible for implementing cost-avoidance procedures to prevent the payment of Medicaid monies when other (third) parties such as private insurance companies should pay the claim. In addition, in those instances where cost-avoidance is not successful, the Third Party Liability unit is responsible for pursuing recoupment of Medicaid monies.

**Pharmacy:** The Pharmacy Office is responsible for assuring that medically necessary pharmaceutical therapy is provided to Arkansas Medicaid recipients. It seeks to deliver these services cost effectively while complying with all state and federal requirements. The OBRA 90 statute requires states to cover all outpatient drugs by a manufacturer who signs a rebate agreement with the Centers for Medicare / Medicaid (CMS) as well as to establish a Drug Utilization Review (DUR) Board which is under the direction of the Pharmacy Office. The Office researches clinical data, develops the clinical criteria and edits for various drugs and drug classes, then works directly with the state's fiscal agent to apply the criteria and edits within the software, is the project manager for the stated evidenced-based prescription drug program, researches and reviews claims information to assist providers, beneficiaries and interested parties and researches exception criteria to assist physicians.

**Policy, Program and Contract Oversight:** The Policy, Program and Contract Oversight consists of three units. The Program Planning and Development (PPD) unit develops and maintains the Medicaid State Plan and the State's Child Health Insurance Program Plan, both required by CMS. This Unit develops and maintains fifty-seven (57) different Medicaid provider policy manuals, which include information on covered services, benefit limits, prior approvals, and billing procedures. The Waiver Quality Assurance unit is responsible for monitoring operation of the Medicaid waiver programs. The Waiver QA unit assures compliance with CMS requirements for operating the waivers through case reviews, data analysis, technical assistance to operating agencies, communication and coordination with CMS, developing new waivers and amendments to existing waivers, and developing QA strategies and interagency agreements for the waivers. The Contract Oversight unit is responsible for assisting program and contract staff in developing performance indicators for contracts and monitoring the

performance of all Division of Medical Services contractors.

**Healthcare Innovation:** The Health Care Innovation Unit is responsible for directing the operations and activities to redesign the Medicaid payment and service delivery systems by working with multi-payers, staff, and contractors to design and deliver episodes of care for acute conditions; implement new models of population based health for chronic conditions; develop and coordinate infrastructure requirements; and facilitate stakeholder, provider and patient engagement. Arkansas Medicaid is creating a patient-centered health care system that embraces the triple aim: (1) improving the health of the population; (2) enhancing the patient experience of care, including quality, access, and reliability; and (3) reducing, or at least controlling, the cost of health care. This will be accomplished by transforming the vast majority of care and payment from a fee for service models to models that reward and support providers for delivering improved outcomes and high quality, cost effective care.

**Coordination of Coverage:** The Coordination of Coverage Unit is responsible for coordinating any DMS efforts in the implementation of the Affordable Care Act, identifying potential improvement in the Medicaid consumer experience, and ongoing coordination of coverage for Medicaid recipients as they move in and out of Medicaid and other health insurance plans through the upcoming health insurance exchange. In addition, this new team will participate in other Medicaid changes, and will coordinate with all areas within DMS, several other DHS Divisions, and other State agencies.

The Agency is funded through general revenue (DEM - Medical Services Fund Account), federal and other revenues. Federal revenue is provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as various program support are derived from Third Party Liability Recovery, Nurse Aide Training and Long-Term Care Licensure Fees.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2023 Authorized.

The Division is requesting appropriation in the amount of \$12,842,703 in FY24 and \$12,910,112 in FY25 and general revenue funding in the amount of \$2,439,870 in FY24 and \$2,442,596 in FY25.

The Agency Request includes the following changes for both years:

- The following position changes incorporate the Agency's Reallocation of Resources approved by the Arkansas Legislative Council in June 2022, which includes a decrease of (\$114,666) in Regular Salaries in both years and (\$41,265) in Personal Services Matching in FY24 and (\$42,585) in FY25.
  - 2 positions from the Secretary's Office
  - (1) position to the Division of Aging, Adult, & Behavioral Health Services, (2) positions to the Secretary's Office and (1) position to the Division of Youth Services.
- Reallocation of \$200,000 from the Data Processing Services line item to Professional Fees for the increase in Legislative Audit invoices each year.
- Title change on two positions to more accurately align with the job responsibilities resulting in no change in appropriation.

The Executive Recommendation provides for the Agency Request with the exception of the title changes. These changes will be placed on hold for the new administration to review and recommend.

## Appropriation Summary

**Appropriation:** 896 - DHS--Admin Paying Account

**Funding Sources:** PWP - Administration Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	5,278,233	6,426,628	6,555,157	6,527,589	6,527,589	6,529,789	6,529,789
<b>#Positions</b>		<b>96</b>	<b>92</b>	<b>102</b>	<b>98</b>	<b>98</b>	<b>98</b>	<b>98</b>
Extra Help	5010001	12,371	80,000	201,892	201,892	201,892	201,895	201,895
<b>#Extra Help</b>		<b>1</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Personal Services Matching	5010003	1,682,155	2,122,962	2,194,598	2,257,092	2,257,092	2,322,298	2,322,298
Overtime	5010006	0	2,241	2,241	2,241	2,241	2,241	2,241
Operating Expenses	5020002	867,955	1,289,645	1,813,290	1,813,290	1,813,290	1,813,290	1,813,290
Conference & Travel Expenses	5050009	12,928	15,000	40,099	40,999	40,999	40,999	40,999
Professional Fees	5060010	467,952	500,000	500,000	700,000	700,000	700,000	700,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Data Processing Services	5900044	589,113	1,499,600	1,499,600	1,299,600	1,299,600	1,299,600	1,299,600
<b>Total</b>		<b>8,910,707</b>	<b>11,936,076</b>	<b>12,806,877</b>	<b>12,842,703</b>	<b>12,842,703</b>	<b>12,910,112</b>	<b>12,910,112</b>
<b>Funding Sources</b>								
Fund Balance	4000005	16,201,638	15,113,327		15,113,327	15,113,327	15,113,327	15,113,327
General Revenue	4000010	2,325,764	2,333,276		2,439,870	2,439,870	2,442,596	2,442,596
Federal Revenue	4000020	5,068,714	6,504,681		6,904,698	6,904,698	6,937,039	6,937,039
Performance Fund	4000055	0	300,843		0	0	0	0
Reallocation of Resources	4000410	(10,355)	0		0	0	0	0
Various Program Support	4000730	438,273	2,797,276		3,498,135	3,498,135	3,530,477	3,530,477
<b>Total Funding</b>		<b>24,024,034</b>	<b>27,049,403</b>		<b>27,956,030</b>	<b>27,956,030</b>	<b>28,023,439</b>	<b>28,023,439</b>
Excess Appropriation/(Funding)		(15,113,327)	(15,113,327)		(15,113,327)	(15,113,327)	(15,113,327)	(15,113,327)
<b>Grand Total</b>		<b>8,910,707</b>	<b>11,936,076</b>		<b>12,842,703</b>	<b>12,842,703</b>	<b>12,910,112</b>	<b>12,910,112</b>

Variance in number of positions in Authorized and Agency Request is due to utilization of the OPM surrender pool.

## **Analysis of Budget Request**

**Appropriation:** 897 - DHS-Grants Paying Account

**Funding Sources:** PWD - Grants Paying

### **Prescription Drugs Appropriation**

The Prescription Drugs appropriation is an optional Medicaid service chosen by Arkansas. The program allows eligible recipients to obtain prescription medication through participating pharmacies in Arkansas. Reimbursement for the program is based on the drug cost and the fee for dispensing pharmaceuticals. The Omnibus Budget Reconciliation Act of 1990 authorized rebates from pharmaceutical manufacturers. The federal share is returned and the amount retained by the state is calculated based upon the state matching rate for Medicaid.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as drug rebates, the Medicaid Trust Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting appropriation in the amount of \$509,386,547 in both years and general revenue funding of \$44,695,783 in FY24 and \$53,661,024 in FY25.

The Agency request includes the following change for both years:

- Reallocation of (\$70,000,000) in appropriation to Private Nursing Home Care (PWD7700) to better align with the Medicaid biennium forecast.

The Executive Recommendation provides for the Agency Request.

### **Private Nursing Home Care Appropriation**

The Private Nursing Home Care appropriation pays expenses for individuals who reside in nursing homes and are eligible to receive Medicaid Benefits. The residents in nursing home facilities have chronic medical needs. The referring physician must certify medical need with documented evidence of why services are needed in order for a person to be admitted and remain in a nursing home. Each Medicaid certified nursing facility evaluates each nursing home applicant's need for nursing home services. A thorough and complete evaluation must be conducted to ensure that individuals who do not require nursing home services are not admitted to nursing facilities. For Medicaid eligible recipients, the Office of Long Term Care cannot guarantee Medicaid reimbursement for any applicant admitted prior to approval by the Office of Long Term Care Medical Needs Determination section. No applicant with diagnoses or other indicators of mental illness, intellectual disability, or developmental disabilities may be admitted to nursing home care prior to evaluation and approval by the Office of Long Term

Care.

In general, nursing homes provide total care for their residents--meeting needs from social to dietary to medical. They are staffed by licensed nurses and certified nursing assistants. Nursing homes accept a variety of payment methods, such as private pay (which includes insurance), Medicaid, and Medicare. No age requirement applies to nursing home placements.

In addition to the provider payments noted above, Act 689 of 1987 created the Long-Term Care Aide Training program. Under this Act, the Office of Long Term Care was required to establish a training program to be completed by all aides in long term care facilities who provide personal care to residents. This program consists of 75 hours of training and is payable from the Private Nursing Home Care appropriation.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, various program support which can include nursing home administration fees and Medicaid match, miscellaneous transfers derived from Ark. Code Ann. § 17-24-305(b)(1)(A), and the Medicaid Trust Fund. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting appropriation in the amount of \$957,142,061 in FY24 and \$1,007,142,061 in FY25 and general revenue funding of \$195,682,436 in FY24 and \$197,018,889 in FY25.

The Agency request includes the following changes:

- Reallocation of \$126,000,000 in appropriation from the following in both years:
  - \$70,000,000 from Prescription Drugs (PWD8100)
  - \$40,000,000 from Public Nursing Home Care (PWE8000)
  - \$16,000,000 from Infant Infirmity (PWE7900)
- Reallocation of (\$11,000,000) in appropriation to Hospital and Medical Services (PWD8600) in both years.
- Increase of \$50,000,000 in unfunded appropriation in FY25 to better align with the Medicaid biennium forecast.

The Executive Recommendation provides for the Agency Request.

### **ARKIDS B Program Appropriation**

The ArKids B program appropriation provides medical services for children who are without medical insurance coverage. Many of the parents of these children are employed but are unable to afford the necessary coverage for their children. The parents earn sufficient salaries that make them ineligible for coverage by Medicaid, thereby leaving the children without medical care.



ArKids B Program is an optional Medicaid service chosen by Arkansas and is authorized through a federal waiver to the Medicaid program that expands coverage to children in families with income at or below 200 percent of the federal poverty level. Services are available only to children through 18 years of age and are otherwise ineligible to receive Medicaid benefits. Each child must have a Primary Care Physician who will either provide the needed services or make the appropriate referral for medically necessary treatment. A patient co-payment is required per physician visit and per prescription. Effective July 1, 2006, DHS set an annual cap on cost-sharing (co-payments and coinsurance) for ARKids B families. The annual cost-sharing cap is 5% of the family's annual gross (before taxes) income.

The ArKids B Program appropriation has two (2) components and they are as follows:

- Prescription Drugs
- Hospital/Medical

Prescription Drugs component has coverage limits based on medical necessity with a \$5 per prescription co-pay and the recipient must use generic and rebate manufacturers.

Generally, the Hospital/Medical component benefits include such programs as inpatient hospital, physician visits, vision care (1 visit per year for routine exam and 1 pair of eyeglasses), dental services (2 visits per year for cleaning, x-rays, no orthodontia), medical supplies, home health services and emergency room services, ambulance (emergency only), ambulatory surgical center, durable medical equipment (\$500 per year), family planning, FQHC, nurse midwife, outpatient mental and behavior health (\$2,500 limit), podiatry, RHC and speech therapy with some form of co-pay required. Immunizations and preventative health screenings per protocols provided by the primary care physician or Division of Health require no patient co-payments.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as the Medicaid Trust Fund, and as various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting to continue appropriation in the amount of \$207,222,020 for each year and general revenue funding of \$35,139,811 in FY24 and \$38,289,383 in FY25.

The Executive Recommendation provides for the Agency Request.

### **Hospital and Medical Services Appropriation**

The Hospital and Medical Services appropriation is one of several federally supported and state administered assistance programs within the Medicaid program and consists of many services including inpatient and outpatient hospital, community mental health centers, community health centers, rural health clinics, home health, private duty nursing, personal care, hospice, practitioners such as physicians, dentists,

audiologist, psychologist, speech, occupational and physical therapists, maternity clinics, family planning, laboratory and x-ray services, case management, transportation and Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21 years of age which is the Child Health Services Program. Waiver services are also included in this appropriation. Waiver services are those that the Centers for Medicare and Medicaid Services have waived traditional provisions of the Medicaid regulations and allow deviations in how and where the services are provided and include programs such as Elderchoices, DDS-Non-institutional Waiver and Adults with Physical Disabilities. Payments are made directly to providers for services for individuals who are eligible for Medicaid services. The State establishes reimbursement rates and the methodology for rate setting. However, the Centers for Medicare and Medicaid Services must approve the state's policy(ies) and regulations in order for the State to be in compliance with guidelines established in federal law.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as Medicaid Trust Fund, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, hospital assessment fee per Act 562 of 2009 (as amended per Act 19 of 2011), and as various program support which can include matching funds from UAMS (from general revenue), Department of Education (from cash funds), Arkansas Children's Hospital, DHS Divisions (from general revenue) for services such as Therapies, Transportation, Waiver services, UPL-Upper Payment Limit match, DSH-Disproportionate Share Hospital payments, etc. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting appropriation in the amount of \$8,034,125,877 in FY24 and \$8,432,255,717 in FY25 and general revenue funding of \$1,124,713,514 in FY24 and \$1,173,353,144 in FY25.

The Agency request includes the following changes:

- Reallocation of \$40,000,000 in appropriation from Medicaid Expansion- Hospital and Medical Services (PTD8600) in both years.
- Reallocation of \$11,000,000 in appropriation from Private Nursing Home Care (PWD7700) in both years.
- Increase of \$435,260,371 in unfunded appropriation for FY24 and \$833,390,211 for FY25, of which \$383,390,211 is unfunded, to better align with the Medicaid biennium forecast.
- General Revenue increase of \$65,000,000 in FY24 and \$130,000,000 in FY25 to support the state match associated with the Medicaid biennium forecast.

The Executive Recommendation provides for the Agency Request for appropriation only. The Executive Recommendation also provides for general revenue funding in the amounts of \$1,059,713,514 in FY24 and \$1,043,353,144 in FY25.

### **Summary of the Requests - 897 - DHS-Grants Paying Account**

In summary, the Division is requesting appropriation in the amount of \$9,707,876,505 in FY24 and \$10,156,006,345 in FY25 and general

revenue of \$1,400,231,544 in FY24 and \$1,462,322,440 in FY25.

The Agency request includes the following changes:

- Total appropriation increase of \$531,260,371 in FY24 and \$979,390,211 in FY25.
- Total General Revenue increase of \$65,000,000 in FY24 and \$130,000,000 in FY25.

The increases are needed to better align with the projected Medicaid forecast.

The Executive Recommendation provides for the Agency Request for appropriation only. The Executive Recommendation also provides for general revenue funding in the amounts of \$1,335,231,544 in FY24 and \$1,332,322,440 in FY25.

# Appropriation Summary

**Appropriation:** 897 - DHS-Grants Paying Account

**Funding Sources:** PWD - Grants Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Prescription Drugs	5100004	464,550,539	490,480,177	579,386,547	509,386,547	509,386,547	509,386,547	509,386,547
Total		464,550,539	490,480,177	579,386,547	509,386,547	509,386,547	509,386,547	509,386,547
Funding Sources								
Fund Balance	4000005	78,279	6,548,971		6,548,971	6,548,971	0	0
General Revenue	4000010	85,985,646	22,458,076		44,695,783	44,695,783	53,661,024	53,661,024
Federal Revenue	4000020	300,990,484	357,710,361		328,191,681	328,191,681	347,681,720	347,681,720
Drug Rebates	4000200	84,045,101	110,311,740		90,000,000	90,000,000	90,000,000	90,000,000
Total Funding		471,099,510	497,029,148		469,436,435	469,436,435	491,342,744	491,342,744
Excess Appropriation/(Funding)		(6,548,971)	(6,548,971)		39,950,112	39,950,112	18,043,803	18,043,803
Grand Total		464,550,539	490,480,177		509,386,547	509,386,547	509,386,547	509,386,547

## Appropriation Summary

**Appropriation:** 897 - DHS-Grants Paying Account

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Private Nursing Home Care 5100004	716,559,398	816,988,037	842,142,061	957,142,061	957,142,061	1,007,142,061	1,007,142,061
<b>Total</b>	<b>716,559,398</b>	<b>816,988,037</b>	<b>842,142,061</b>	<b>957,142,061</b>	<b>957,142,061</b>	<b>1,007,142,061</b>	<b>1,007,142,061</b>
Funding Sources							
Fund Balance 4000005	451,070	490,681		490,681	490,681	490,681	490,681
General Revenue 4000010	85,448,923	138,378,183		195,682,436	195,682,436	197,018,889	197,018,889
Federal Revenue 4000020	556,654,460	595,494,854		678,344,625	678,344,625	677,008,172	677,008,172
Quality Assurance Fee 4000395	74,331,227	83,000,000		83,000,000	83,000,000	83,000,000	83,000,000
Various Program Support 4000730	164,399	115,000		115,000	115,000	115,000	115,000
<b>Total Funding</b>	<b>717,050,079</b>	<b>817,478,718</b>		<b>957,632,742</b>	<b>957,632,742</b>	<b>957,632,742</b>	<b>957,632,742</b>
Excess Appropriation/(Funding)	(490,681)	(490,681)		(490,681)	(490,681)	49,509,319	49,509,319
<b>Grand Total</b>	<b>716,559,398</b>	<b>816,988,037</b>		<b>957,142,061</b>	<b>957,142,061</b>	<b>1,007,142,061</b>	<b>1,007,142,061</b>

## Appropriation Summary

**Appropriation:** 897 - DHS-Grants Paying Account

**Funding Sources:** PWD - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
ARKids B Program	5100004	102,826,398	175,901,504	207,222,020	207,222,020	207,222,020	207,222,020	207,222,020
Total		102,826,398	175,901,504	207,222,020	207,222,020	207,222,020	207,222,020	207,222,020
Funding Sources								
Fund Balance	4000005	10,615,483	27,099,552		27,099,552	27,099,552	0	0
General Revenue	4000010	14,047,420	27,440,634		35,139,811	35,139,811	38,289,383	38,289,383
Federal Revenue	4000020	83,688,201	148,460,870		137,410,205	137,410,205	148,853,252	148,853,252
Various Program Support	4000730	21,574,846	0		0	0	0	0
Total Funding		129,925,950	203,001,056		199,649,568	199,649,568	187,142,635	187,142,635
Excess Appropriation/(Funding)		(27,099,552)	(27,099,552)		7,572,452	7,572,452	20,079,385	20,079,385
Grand Total		102,826,398	175,901,504		207,222,020	207,222,020	207,222,020	207,222,020

# Appropriation Summary

**Appropriation:** 897 - DHS-Grants Paying Account

**Funding Sources:** PWD - Grants Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Hospital and Medical Services	5100004	7,319,709,820	7,547,865,506	7,547,865,506	8,034,125,877	8,034,125,877	8,432,255,717	8,432,255,717
<b>Total</b>		<b>7,319,709,820</b>	<b>7,547,865,506</b>	<b>7,547,865,506</b>	<b>8,034,125,877</b>	<b>8,034,125,877</b>	<b>8,432,255,717</b>	<b>8,432,255,717</b>
Funding Sources								
Fund Balance	4000005	17,356,909	95,937,175		95,937,175	95,937,175	0	0
General Revenue	4000010	1,155,827,519	1,151,445,897		1,124,713,514	1,059,713,514	1,173,353,144	1,043,353,144
Federal Revenue	4000020	6,184,357,637	5,871,613,645		5,910,503,764	5,910,503,764	6,145,012,567	6,145,012,567
Hospital Assessment Fee	4000281	90,062,409	110,456,234		117,884,214	117,884,214	124,222,479	124,222,479
Insurance Premium Tax	4000298	45,000,000	37,871,168		90,740,392	90,740,392	38,350,642	38,350,642
Transfer from Medicaid Match	4000550	10,829,162	0		0	0	0	0
Transfer to General Education	4000630	(23,747,970)	0		0	0	0	0
Transfer to Medicaid	4000655	(66,787,674)	0		0	0	0	0
Various Program Support	4000730	2,749,003	298,681,260		323,000,443	323,000,443	425,601,539	425,601,539
PASSE Premium	4000770	0	17,797,302		86,308,365	86,308,365	87,989,650	87,989,650
Soft Drink Tax	4000775	0	60,000,000		89,091,000	89,091,000	84,091,000	84,091,000
<b>Total Funding</b>		<b>7,415,646,995</b>	<b>7,643,802,681</b>		<b>7,838,178,867</b>	<b>7,773,178,867</b>	<b>8,078,621,021</b>	<b>7,948,621,021</b>
<b>Excess Appropriation/(Funding)</b>		<b>(95,937,175)</b>	<b>(95,937,175)</b>		<b>195,947,010</b>	<b>260,947,010</b>	<b>353,634,696</b>	<b>483,634,696</b>
<b>Grand Total</b>		<b>7,319,709,820</b>	<b>7,547,865,506</b>		<b>8,034,125,877</b>	<b>8,034,125,877</b>	<b>8,432,255,717</b>	<b>8,432,255,717</b>

## **Analysis of Budget Request**

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### **Public Nursing Home Care Appropriation**

The Public Nursing Home Care appropriation includes Title XIX Medicaid reimbursement for services provided in the five (5) Human Development Centers (Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)), the Arkansas Health Center and the thirty-one (31) 15 Bed or Less (ICF/IID) programs across the State. Services include 24 hour a day residential, medical, psychological, education and training, life skills training and therapy services needed through staffing and case plan determination. Annual staffings are required to reassess the progress of each individual and adjustments are made in case plans when necessary to help each person attain the goals and objectives established in the case plans.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, intermediate care facilities for individuals with intellectual disabilities or ICF/IID provider fee per Act 433 of 2009, various program support which can include matching funds from the Human Development Centers (from general revenue), the DDS Small 10 Beds Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)(from general revenue), the Arkansas Health Center (from mixed funding). Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting appropriation in the amount of \$217,529,350 for each year of the biennium and general revenue funding of \$50,252,322 in FY24 and \$53,160,246 in FY25.

The Agency request includes the following change for both years:

- Reallocation of (\$40,000,000) to Private Nursing Home Care (PWD7700) to better align with the Medicaid forecast.

The Executive Recommendation provides for the Agency Request.

### **Infant Infirmery Appropriation**

The Infant Infirmery Nursing Home appropriation provides for services to infants with special needs. The facilities are licensed as Private Pediatric Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). Facilities receiving reimbursement through this appropriation are Arkansas Pediatric Facility, Brownwood Life Care Center, Millcreek of Arkansas and Easter Seals Children's Rehabilitation Center. These programs provide a valuable service in that many children are admitted to one of these programs when discharged from a



hospital and need continuing attention and medical oversight but not on-going medical treatment.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal revenue derived from Title XIX - Medicaid, U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as intermediate care facilities for individuals with intellectual disabilities or ICF/IID provider fee per Act 433 of 2009, the Medicaid Trust Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting appropriation in the amount of \$2,588,441 for each year of the biennium and general revenue funding of \$245,228 in FY24 and \$246,408 in FY25.

The Agency request includes the following change for both years:

- Reallocation of (\$16,000,000) to Private Nursing Home Care (PWD7700) to better align with the Medicaid forecast.

The Executive Recommendation provides for the Agency Request.

### **Child and Family Life Institute Appropriation**

Ark. Code Ann. § 20-78-104 authorized Arkansas Children's Hospital to provide administration for the Child Health and Family Life Institute (CHFLI). Children's Hospital and UAMS, Department of Pediatrics act in conjunction by either contract or cooperative agreement for necessary activities in the delivery of services through the CHFLI. The mission of the institute is "an initiated state effort to explore, develop, and evaluate new and better ways to address medically, socially, and economically interrelated health and developmental needs of children with special health care needs and their families. Utilizing a multidisciplinary collaboration of professionals, the Institute's priorities include wellness and prevention, screening and diagnosis, treatment and intervention, training and education, service access, public policy and advocacy, research and evaluation". Programs include such services as KIDS FIRST - a pediatric day health treatment program for preschool age children at risk for developmental delay; CO-MEND Councils of volunteer/local community activities with pooled resources to assist families; Outreach offers specialized health care at the local level for children who live in areas without specialized care available; Community Pediatrics-a support system with a pediatric team available to provide services in medically underserved areas; Children-at-Risk - diagnostic and treatment for children who have been abused and their families; Pediatric Psychology; Developmental/Physical Medicine and Rehabilitation for children with severe disabilities; and Adolescent Medicine. Children's Hospital is specifically to fund the KIDS FIRST Program as a priority when considering program funding decisions within the Institute. The Department of Pediatrics is the administrative oversight entity for cooperative agreements or contracts for the delivery of services.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account).

Continuing level of appropriation is the FY2023 Authorized.

The Division is requesting to continue appropriation and general revenue in the amount of \$2,100,000 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

**Summary of the Requests - 898 - DHS-Grants Paying Account**

In summary, the Division is requesting appropriation in the amount of \$222,217,791 in both years and general revenue of \$52,597,550 in FY24 and \$55,506,654 in FY25.

The Agency request includes the following change in each year:

- Total appropriation decrease of (\$56,000,000).

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Public Nursing Home Care	5100004	167,804,229	183,027,599	257,529,350	217,529,350	217,529,350	217,529,350	217,529,350
<b>Total</b>		167,804,229	183,027,599	257,529,350	217,529,350	217,529,350	217,529,350	217,529,350

Funding Sources								
Fund Balance	4000005	9,002,663	33,533,418		33,533,418	33,533,418	1,299,215	1,299,215
General Revenue	4000010	22,747,747	45,877,233		50,252,322	50,252,322	53,160,246	53,160,246
Federal Revenue	4000020	165,326,013	133,500,331		131,392,789	131,392,789	137,545,798	137,545,798
ICF/MR Provider Fee	4000282	1,908,856	1,999,999		2,000,000	2,000,000	2,000,000	2,000,000
Transfer from Medicaid Match	4000550	1,650,036	1,650,036		1,650,036	1,650,036	1,650,036	1,650,036
Various Program Support	4000730	702,332	0		0	0	0	0
<b>Total Funding</b>		201,337,647	216,561,017		218,828,565	218,828,565	195,655,295	195,655,295
<b>Excess Appropriation/(Funding)</b>		(33,533,418)	(33,533,418)		(1,299,215)	(1,299,215)	21,874,055	21,874,055
<b>Grand Total</b>		167,804,229	183,027,599		217,529,350	217,529,350	217,529,350	217,529,350

## Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Infant Infirmary	5100004	722,657	476,980	18,588,441	2,588,441	2,588,441	2,588,441	2,588,441	
Total		722,657	476,980	18,588,441	2,588,441	2,588,441	2,588,441	2,588,441	
<b>Funding Sources</b>									
Fund Balance	4000005	1,364,725	1,383,963		1,383,963	1,383,963	0	0	
General Revenue	4000010	160,598	129,071		245,228	245,228	246,408	246,408	
Federal Revenue	4000020	581,297	347,909		597,770	597,770	596,590	596,590	
Total Funding		2,106,620	1,860,943		2,226,961	2,226,961	842,998	842,998	
Excess Appropriation/(Funding)		(1,383,963)	(1,383,963)		361,480	361,480	1,745,443	1,745,443	
Grand Total		722,657	476,980		2,588,441	2,588,441	2,588,441	2,588,441	

# Appropriation Summary

**Appropriation:** 898 - DHS-Grants Paying Account

**Funding Sources:** PWE - Grants Paying

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Child & Family Life Inst	5100004	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total		0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
<b>Funding Sources</b>								
General Revenue	4000010	0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000
Total Funding		0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000

## Appropriation Summary

**Appropriation:** AJ9 - ARPA - Surge Staff

**Funding Sources:** FRP - American Rescue Plan

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid 5100004	128,069,568	0	0	0	0	0	0
Total	128,069,568	0	0	0	0	0	0
Funding Sources							
Federal Revenue 4000020	128,069,568	0		0	0	0	0
Total Funding	128,069,568	0		0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	128,069,568	0		0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2023-2025 BIENNIUM. This appropriation is funded by the American Rescue Plan Act of 2021. As per Section 41 of Act 199 of 2022, all state agencies, institutions, and constitutional offices receiving funding from the American Rescue Plan Act of 2021 shall request a transfer of appropriation and expend using the American Rescue Plan Act of 2021 Appropriation Sections as authorized in Act 199.

## Appropriation Summary

**Appropriation:** AK1 - ARPA - Skilled Nursing Fac

**Funding Sources:** FRP - American Rescue Plan

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid 5100004	102,300,896	0	0	0	0	0	0
Total	102,300,896	0	0	0	0	0	0
Funding Sources							
Federal Revenue 4000020	102,300,896	0		0	0	0	0
Total Funding	102,300,896	0		0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	102,300,896	0		0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2023-2025 BIENNIUM. This appropriation is funded by the American Rescue Plan Act of 2021. As per Section 41 of Act 199 of 2022, all state agencies, institutions, and constitutional offices receiving funding from the American Rescue Plan Act of 2021 shall request a transfer of appropriation and expend using the American Rescue Plan Act of 2021 Appropriation Sections as authorized in Act 199.