

DHS - Medical Services

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under the Director's Office/Office of Chief Counsel.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2015

State Contracts over \$50,000 awarded to Minority Owned Businesses are reported under the DHS Director's Office/Office of Chief Counsel.

Department Appropriation Summary

Historical Data

Agency Request and Recommendations

Appropriation	2014-2015		2015-2016		2015-2016		2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
4KS Nursing Home Quality	110,828	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
642 Medicaid Expansion-Medical Svcs	54,923	1	69,083	1	113,521	2	113,521	2	113,521	2	113,521	2
648 Medicaid Exp-Prescription Drugs	3,684,419	0	4,197,034	0	4,197,034	0	4,553,782	0	4,553,782	0	4,553,782	0
648 Medicaid Exp-Hospital & Medical Services	13,700,019	0	62,510,440	0	62,510,440	0	62,510,440	0	62,510,440	0	62,510,440	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
896 Division of Medical Services	24,784,521	325	26,218,290	315	30,197,725	324	31,519,767	324	31,519,767	324	31,519,767	324
897 ARKIDS B Program	78,216,970	0	132,222,020	0	147,222,020	0	157,323,782	0	157,323,782	0	157,323,782	0
897 Hospital & Medical Services	4,827,309,826	0	5,731,081,193	0	6,480,004,382	0	6,729,382,816	0	6,729,382,816	0	6,729,382,816	0
897 Prescription Drugs	421,388,422	0	433,889,916	0	433,889,916	0	467,370,558	0	467,370,558	0	467,370,558	0
897 Private Nursing Home Care	625,476,236	0	682,112,888	0	692,112,888	0	726,218,533	0	726,218,533	0	726,218,533	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
898 Infant Infirmary	25,041,371	0	26,283,630	0	31,283,630	0	32,098,423	0	32,098,423	0	32,098,423	0
898 Public Nursing Home Care	197,037,131	0	205,112,018	0	255,112,018	0	264,136,947	0	264,136,947	0	264,136,947	0
Total	6,216,804,666	326	7,307,446,512	316	8,140,393,574	326	8,478,978,569	326	8,478,978,569	326	8,478,978,569	326

Funding Sources		%		%		%		%		%	
General Revenue	4000010	902,819,083	14.5	977,241,268	13.4	1,182,999,688	15.5	1,173,065,456	15.4	1,182,999,688	15.5
Federal Revenue	4000020	4,780,404,391	76.9	5,820,944,312	79.7	5,965,702,212	78.0	5,965,702,212	78.2	5,965,702,212	78.0
Trust Fund	4000050	12,410,828	0.2	41,550,000	0.6	46,443,185	0.6	46,443,185	0.6	46,443,185	0.6
Merit Adjustment Fund	4000055	0	0.0	25,250	0.0	0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	46,661,399	0.8	35,424,279	0.5	54,249,094	0.7	54,249,094	0.7	54,249,094	0.7
General Improvement Fund	4000265	46,300,805	0.7	15,989,521	0.2	10,000,000	0.1	0	0.0	10,000,000	0.1
Hospital Assessment Fee	4000281	61,458,300	1.0	61,458,300	0.8	61,458,300	0.8	61,458,300	0.8	61,458,300	0.8
ICF/MR Provider Fee	4000282	10,793,551	0.2	13,596,251	0.2	11,682,065	0.2	11,682,065	0.2	11,682,065	0.2
Inter-agency Fund Transfer	4000316	(1,124,591)	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Transfers	4000355	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0	115,000	0.0
Quality Assurance Fee	4000395	76,237,823	1.2	81,852,723	1.1	75,604,017	1.0	75,604,017	1.0	75,604,017	1.0
Reimbursement	4000425	0	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0
Tobacco Settlement	4000495	27,950,641	0.4	22,677,096	0.3	17,930,323	0.2	17,930,323	0.2	17,930,323	0.2
Transfer from Medicaid Match	4000550	13,524,976	0.2	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2

Funding Sources		%		%		%		%		%	
Various Program Support 4000730	239,252,460	3.8	223,603,669	3.1		205,953,872	2.7	205,953,872	2.7	205,953,872	2.7
Total Funds	6,216,804,666	100.0	7,307,446,512	100.0		7,645,106,599	100.0	7,625,172,367	100.0	7,645,106,599	100.0
Excess Appropriation/(Funding)	0		0			833,871,970		853,806,202		833,871,970	
Grand Total	6,216,804,666		7,307,446,512			8,478,978,569		8,478,978,569		8,478,978,569	

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 for two (2) new approaches to nursing home care. These approaches are as follows:

- Eden Alternative approach
- Greenhouse Project approach

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.

The Eden Alternative approach allows residents choices in their everyday living that are traditionally dictated to the resident by the facility. These choices include, among others, the choice of meals (what is served and when) and the care routine. It also utilizes permanent assignments of caregivers to create familiarity and trust.

The Greenhouse Project approach utilizes Eden Alternative principles, but with a strikingly different physical plant. Greenhouse Project facilities are constructed on the premise that the elders will thrive in a nursing home if it's built to resemble living in one's own house. This means that facilities are built in small, separate units with each unit housing its own kitchen and laundry, and with no more than ten (10) beds - all of which are private rooms. This gives residents more privacy and more control over their lives. Additionally, Greenhouse Project facilities stress resident participation. This is performed in a number of ways. For example:

- Residents are encouraged to participate in meal planning and preparation. The facility is constructed so that residents can both gather around the kitchen and observe or participate in meal preparation. This gives them meaningful experiences and allows a time for interaction between the elders and the staff.
- Residents are encouraged to use their skills and interests for the benefit of other residents. An emphasis is placed on what residents can do rather than just their physical ailments and disabilities.
- The use of "universal" workers. Under this concept, each unit or house is staffed by the same CNAs and nurses who not only perform traditional care, but also perform laundry and meal preparation. This aids in worker retention by varying the duties of the workers. It

also allows the workers to better learn the desires and abilities of residents, and to encourage their participation in various aspects of their own care, as if they were home. The staffs are assigned only to one particular unit or house allowing the elders to become better acquainted with their caregivers.

Facilities that adopt the Eden Alternative/Greenhouse Project model are operated at the same cost as traditional facilities. Once a facility has adopted the model, there is no additional cost, making the on going project cost-neutral. The cost of building a facility to meet Greenhouse Project requirements are approximately the same as for a traditional facility.

There are, however, one-time or initial startup costs for training and physical plant changes for existing facilities. In order to encourage the adoption of the Eden Alternative/Greenhouse Project model, the U. S. Department of Health and Human Services' proposed that the Arkansas Department of Human Services utilize some of the funding collected that is associated with the imposition of civil penalties levied on long-term care facilities in the Long-Term Care Trust Fund.

As the licensing and regulatory agency, the Office of Long Term Care believes that encouraging the adoption of these models benefits the State of Arkansas in a number of ways. First, the models provide a higher level of care for residents, at little or no cost to the State. Second, the adoption of these models results in an inarguable increase in the quality of life for residents. Third, adoption of this proposal places Arkansas in a leadership role in remaking the long-term care model, and demonstrates the State's commitment to seeking improvement in long-term care.

Funding for this program 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. Under this appropriation, funds are targeted for Eden Alternative/Greenhouse Project related grants to facilities. The funding would be provided by grants for:

- Eden Alternative Associate Training to providers; and
- Greenhouse Project development for new construction of facilities.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

Appropriation	2014-2015	2015-2016	2015-2016	2016-2017		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid 5100004	110,828	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	110,828	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Funding Sources						
Trust Fund 4000050	110,828	1,500,000		1,500,000	1,500,000	1,500,000
Total Funding	110,828	1,500,000		1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	110,828	1,500,000		1,500,000	1,500,000	1,500,000

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

The Medicaid Expansion Program provides appropriation for the administration component of the Medicaid Expansion Program established by Initiated Act 1 of 2000 for the Division of Medical Services. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002).

Funding for this appropriation is derived from tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	37,804	37,593	69,476	69,476	69,476	69,476
	#Positions	1	1	2	2	2	2
Personal Services Matching	5010003	13,723	13,672	26,227	26,227	26,227	26,227
Operating Expenses	5020002	2,979	15,818	15,818	15,818	15,818	15,818
Conference & Travel Expenses	5050009	417	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		54,923	69,083	113,521	113,521	113,521	113,521
Funding Sources							
Federal Revenue	4000020	27,462	34,542		56,761	56,761	56,761
Tobacco Settlement	4000495	27,461	34,541		56,760	56,760	56,760
Total Funding		54,923	69,083		113,521	113,521	113,521
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		54,923	69,083		113,521	113,521	113,521

Analysis of Budget Request

Appropriation: 648 - Tobacco-Delay Draw-Paying

Funding Sources: PTD - Medicaid Expansion Program Account

Medicaid Expansion Program - Prescription Drugs referenced on page 230

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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Medicaid Expansion Program - Hospital and Medical Services referenced on page 231

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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying/Medicaid Expansion - Prescription Drugs

Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation	2014-2015	2015-2016	2015-2016	2016-2017		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Medicaid Exp-Prescrip Drugs 5100004	3,684,419	4,197,034	4,197,034	4,553,782	4,553,782	4,553,782
Total	3,684,419	4,197,034	4,197,034	4,553,782	4,553,782	4,553,782
Funding Sources						
General Revenue 4000010	0	0		0	336,079	0
Federal Revenue 4000020	54,068	170,088		3,217,703	3,217,703	3,217,703
Tobacco Settlement 4000495	3,630,351	4,026,946		1,000,000	1,000,000	1,000,000
Total Funding	3,684,419	4,197,034		4,217,703	4,553,782	4,217,703
Excess Appropriation/(Funding)	0	0		336,079	0	336,079
Grand Total	3,684,419	4,197,034		4,553,782	4,553,782	4,553,782

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying/Medicaid Expansion - Hospital and Medical Services

Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation	2014-2015 Actual	2015-2016 Budget	2015-2016 Authorized	2016-2017		
				Legislative Recommendation	Agency Request	Executive Recommendation
Medicaid Exp-Hosp/Med Svcs 5100004	13,700,019	62,510,440	62,510,440	62,510,440	62,510,440	62,510,440
Total	13,700,019	62,510,440	62,510,440	62,510,440	62,510,440	62,510,440
Funding Sources						
Federal Revenue 4000020	9,666,511	43,894,831		40,636,877	40,636,877	40,636,877
Tobacco Settlement 4000495	4,033,508	18,615,609		16,873,563	16,873,563	16,873,563
Total Funding	13,700,019	62,510,440		57,510,440	57,510,440	57,510,440
Excess Appropriation/(Funding)	0	0		5,000,000	5,000,000	5,000,000
Grand Total	13,700,019	62,510,440		62,510,440	62,510,440	62,510,440

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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Appropriation	2014-2015	2015-2016	2015-2016	2016-2017		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Expenses 5900046	0	50,000	50,000	50,000	50,000	50,000
Total	0	50,000	50,000	50,000	50,000	50,000
Funding Sources						
Trust Fund 4000050	0	50,000		50,000	50,000	50,000
Total Funding	0	50,000		50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	50,000		50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

As authorized by Arkansas Code Annotated §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).

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

Appropriation	2014-2015	2015-2016	2015-2016	2016-2017		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Expenses 5900046	0	100,000	100,000	100,000	100,000	100,000
Total	0	100,000	100,000	100,000	100,000	100,000
Funding Sources						
Reimbursement 4000425	0	100,000		100,000	100,000	100,000
Total Funding	0	100,000		100,000	100,000	100,000
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	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- Alternative Community 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 eight (8) 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.

Long Term Care: The Office of Long Term Care (OLTC) is the unit of state government responsible for the regulation of long term care facilities in Arkansas. These facilities include Nursing Homes, Intermediate Care Facilities for the Mentally Retarded (ICF/MR), Residential Care Facilities (RCF), Adult Day Care, Adult Day Health Care, Post-Acute Head Injury Facilities, Assisted Living Facilities (ALF) and Psychiatric Residential Treatment Facilities (PRTF). This regulation of facilities includes conducting on-site inspections of facilities, investigations of complaints against facilities, medical need determinations for placement into facilities, and licensure of facilities and facility administrators. In addition, the Office of Long Term Care administers a criminal record background check on the employees and applicants and of facilities the Office regulates, and the Office is responsible for the administration of the training and certification of Certified Nursing Assistance (CNAs), who are long-term care facility caregivers that are employed in long term care facilities and hospital-based facilities. The Office of Long Term Care includes the following operations: Quality Assurance & Support, Survey & Certification, Special Programs, Abuse & Neglect, and State

Regulated Facilities.

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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	15,296,810	15,106,931	16,137,864	16,149,964	16,149,964	16,149,964
	#Positions	325	315	324	324	324	324
Extra Help	5010001	112,974	201,892	201,892	201,892	201,892	201,892
	#Extra Help	6	8	7	7	7	7
Personal Services Matching	5010003	5,093,954	5,074,442	5,400,857	5,404,331	5,404,331	5,404,331
Overtime	5010006	5	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,359,546	4,341,565	7,363,652	8,670,120	8,670,120	8,670,120
Conference & Travel Expenses	5050009	102,612	233,728	233,728	233,728	233,728	233,728
Professional Fees	5060010	431,191	755,132	555,132	555,132	555,132	555,132
Data Processing	5090012	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	0	0
Capital Outlay	5120011	23,972	0	0	0	0	0
Data Processing Services	5900044	363,457	499,600	299,600	299,600	299,600	299,600
Total		24,784,521	26,218,290	30,197,725	31,519,767	31,519,767	31,519,767
Funding Sources							
General Revenue	4000010	5,094,291	7,197,500		7,862,524	7,862,524	7,862,524
Federal Revenue	4000020	15,077,316	16,925,016		13,851,041	13,851,041	13,851,041
Merit Adjustment Fund	4000055	0	25,250		0	0	0
Inter-agency Fund Transfer	4000316	(1,124,591)	0		0	0	0
Various Program Support	4000730	5,737,505	2,070,524		6,000,000	6,000,000	6,000,000
Total Funding		24,784,521	26,218,290		27,713,565	27,713,565	27,713,565
Excess Appropriation/(Funding)		0	0		3,806,202	3,806,202	3,806,202
Grand Total		24,784,521	26,218,290		31,519,767	31,519,767	31,519,767

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Private Nursing Home Care Appropriation referenced on page 248

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, mental retardation, 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 Arkansas Code Annotated §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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and

Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Prescription Drugs Appropriation referenced on page 249

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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Hospital and Medical Services Appropriation referenced on page 250

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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

ARKIDS B Program Appropriation referenced on page 251

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 manufactures.

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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - Private Nursing Home Care

Funding Sources: PWD - Grants Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Private Nursing Home Care	5100004	625,476,236	682,112,888	692,112,888	726,218,533	726,218,533	726,218,533
Total		625,476,236	682,112,888	692,112,888	726,218,533	726,218,533	726,218,533
Funding Sources							
General Revenue	4000010	107,055,368	124,208,270		134,419,500	134,419,500	134,419,500
Federal Revenue	4000020	442,039,402	478,979,670		506,080,016	506,080,016	506,080,016
Miscellaneous Transfers	4000355	115,000	115,000		115,000	115,000	115,000
Quality Assurance Fee	4000395	76,237,823	78,791,076		75,604,017	75,604,017	75,604,017
Various Program Support	4000730	28,643	18,872		0	0	0
Total Funding		625,476,236	682,112,888		716,218,533	716,218,533	716,218,533
Excess Appropriation/(Funding)		0	0		10,000,000	10,000,000	10,000,000
Grand Total		625,476,236	682,112,888		726,218,533	726,218,533	726,218,533

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - Prescription Drugs

Funding Sources: PWD - Grants Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Prescription Drugs	5100004	421,388,422	433,889,916	433,889,916	467,370,558	467,370,558	467,370,558
Total		421,388,422	433,889,916	433,889,916	467,370,558	467,370,558	467,370,558
Funding Sources							
General Revenue	4000010	88,482,277	107,088,347		70,966,243	70,966,243	70,966,243
Federal Revenue	4000020	285,975,947	291,377,290		301,980,036	301,980,036	301,980,036
Trust Fund	4000050	0	0		175,185	175,185	175,185
Drug Rebates	4000200	46,661,399	35,424,279		54,249,094	54,249,094	54,249,094
Various Program Support	4000730	268,799	0		0	0	0
Total Funding		421,388,422	433,889,916		427,370,558	427,370,558	427,370,558
Excess Appropriation/(Funding)		0	0		40,000,000	40,000,000	40,000,000
Grand Total		421,388,422	433,889,916		467,370,558	467,370,558	467,370,558

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - Hospital and Medical Services

Funding Sources: PWD - Grants Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Hospital and Medical Services	5100004	4,827,309,826	5,731,081,193	6,480,004,382	6,729,382,816	6,729,382,816	6,729,382,816
Total		4,827,309,826	5,731,081,193	6,480,004,382	6,729,382,816	6,729,382,816	6,729,382,816
Funding Sources							
General Revenue	4000010	675,895,582	721,368,740		911,994,731	901,724,420	911,994,731
Federal Revenue	4000020	3,808,302,172	4,701,584,932		4,789,099,083	4,789,099,083	4,789,099,083
Trust Fund	4000050	12,300,000	39,104,889		44,718,000	44,718,000	44,718,000
General Improvement Fund	4000265	46,300,805	15,449,521		10,000,000	0	10,000,000
Hospital Assessment Fee	4000281	61,458,300	61,458,300		61,458,300	61,458,300	61,458,300
ICF/MR Provider Fee	4000282	5,707,399	6,948,226		5,041,130	5,041,130	5,041,130
Tobacco Settlement	4000495	20,259,321	0		0	0	0
Transfer from Medicaid Match	4000550	13,524,976	12,868,843		12,868,843	12,868,843	12,868,843
Various Program Support	4000730	183,561,271	172,297,742		189,473,040	189,473,040	189,473,040
Total Funding		4,827,309,826	5,731,081,193		6,024,653,127	6,004,382,816	6,024,653,127
Excess Appropriation/(Funding)		0	0		704,729,689	725,000,000	704,729,689
Grand Total		4,827,309,826	5,731,081,193		6,729,382,816	6,729,382,816	6,729,382,816

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - ARKids B Program

Funding Sources: PWD - Grants Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
ARKids B Program	5100004	78,216,970	132,222,020	147,222,020	157,323,782	157,323,782	157,323,782
Total		78,216,970	132,222,020	147,222,020	157,323,782	157,323,782	157,323,782
Funding Sources							
General Revenue	4000010	15,960,645	6,730,101		2,000,000	2,000,000	2,000,000
Federal Revenue	4000020	62,256,325	125,491,919		140,323,782	140,323,782	140,323,782
Total Funding		78,216,970	132,222,020		142,323,782	142,323,782	142,323,782
Excess Appropriation/(Funding)		0	0		15,000,000	15,000,000	15,000,000
Grand Total		78,216,970	132,222,020		157,323,782	157,323,782	157,323,782

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Child and Family Life Institute Appropriation referenced on page 254

Arkansas Code Annotated §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).

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Infant Infirmary Appropriation referenced on page 255

The Infant Infirmary Nursing Home appropriation provides for services to infants with special needs. The facilities are licensed as Private Pediatric Intermediate Care Facilities for the Mentally Retarded (ICFs/MR). 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 developmental disabilities or ICF/MR 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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Public Nursing Home Care Appropriation referenced on page 256

The Public Nursing Home Care appropriation includes Title XIX Medicaid reimbursement for services provided in the six (6) Human Development Centers (Intermediate Care Facilities for the Mentally Retarded-ICFs/MR), the Arkansas Health Center and the thirty-one (31) 15 Bed or Less (ICFs/MR) 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 developmental disabilities or ICF/MR 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 the Mentally Retarded (ICFs/MR)(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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account - Child and Family Life Institute

Funding Sources: PWE - Grants Paying

Appropriation	2014-2015	2015-2016	2015-2016	2016-2017		
	Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Child & Family Life Inst 5100004	0	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
Funding Sources						
General Revenue 4000010	0	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
Excess Appropriation/(Funding)	0	0		0	0	0
Grand Total	0	2,100,000		2,100,000	2,100,000	2,100,000

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account - Infant Infirmary

Funding Sources: PWE - Grants Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Infant Infirmary	5100004	25,041,371	26,283,630	31,283,630	32,098,423	32,098,423	32,098,423
Total		25,041,371	26,283,630	31,283,630	32,098,423	32,098,423	32,098,423
Funding Sources							
General Revenue	4000010	5,150,660	5,217,301		7,280,615	7,280,615	7,280,615
Federal Revenue	4000020	17,700,573	18,456,365		19,147,746	19,147,746	19,147,746
Trust Fund	4000050	0	895,111		0	0	0
General Improvement Fund	4000265	0	540,000		0	0	0
ICF/MR Provider Fee	4000282	676,917	677,152		670,062	670,062	670,062
Quality Assurance Fee	4000395	0	497,701		0	0	0
Various Program Support	4000730	1,513,221	0		0	0	0
Total Funding		25,041,371	26,283,630		27,098,423	27,098,423	27,098,423
Excess Appropriation/(Funding)		0	0		5,000,000	5,000,000	5,000,000
Grand Total		25,041,371	26,283,630		32,098,423	32,098,423	32,098,423

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account - Public Nursing Home Care

Funding Sources: PWE - Grants Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Public Nursing Home Care	5100004	197,037,131	205,112,018	255,112,018	264,136,947	264,136,947	264,136,947
Total		197,037,131	205,112,018	255,112,018	264,136,947	264,136,947	264,136,947
Funding Sources							
General Revenue	4000010	5,180,260	3,331,009		46,376,075	46,376,075	46,376,075
Federal Revenue	4000020	139,304,615	144,029,659		151,309,167	151,309,167	151,309,167
ICF/MR Provider Fee	4000282	4,409,235	5,970,873		5,970,873	5,970,873	5,970,873
Quality Assurance Fee	4000395	0	2,563,946		0	0	0
Various Program Support	4000730	48,143,021	49,216,531		10,480,832	10,480,832	10,480,832
Total Funding		197,037,131	205,112,018		214,136,947	214,136,947	214,136,947
Excess Appropriation/(Funding)		0	0		50,000,000	50,000,000	50,000,000
Grand Total		197,037,131	205,112,018		264,136,947	264,136,947	264,136,947