

DHS - Medical Services

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

Publications

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

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Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020			2020-2021				
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
4KS Nursing Home Quality	2,000	0	1,000,000	0	1,000,000	0	0	0	0	0	0	0	0	0
642 Medicaid Expansion-Medical Svcs	62,280	1	76,128	1	114,142	2	77,520	1	77,520	1	77,520	1	77,520	1
648 Medicaid Exp-Prescription Drugs	3,184,746	0	4,553,782	0	4,553,782	0	8,983,674	0	8,983,674	0	9,543,457	0	9,543,457	0
648 Medicaid Exp-Hospital & Medical Services	21,178,918	0	92,510,440	0	92,510,440	0	22,459,186	0	22,459,186	0	23,858,642	0	23,858,642	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	0	0	0	0	0	0	0	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	0	0	0	0	0	0	0	0
896 Division of Medical Services	22,336,440	257	10,906,295	96	11,759,807	117	12,254,725	112	12,254,725	112	12,258,181	112	12,258,181	112
897 ARKIDS B Program	86,523,467	0	132,222,020	0	132,222,020	0	175,723,894	0	175,723,894	0	183,536,861	0	183,536,861	0
897 Hospital & Medical Services	5,664,703,817	0	5,621,210,549	0	6,573,710,120	0	6,591,340,908	0	6,591,340,908	0	6,767,064,033	0	6,767,064,033	0
897 Prescription Drugs	443,139,992	0	529,386,547	0	529,386,547	0	531,052,936	0	531,052,936	0	558,244,850	0	558,244,850	0
897 Private Nursing Home Care	668,275,280	0	724,715,275	0	724,715,275	0	822,224,125	0	822,224,125	0	868,647,976	0	868,647,976	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	27,414,526	0	29,876,011	0	29,876,011	0	31,985,957	0	31,985,957	0	33,904,229	0	33,904,229	0
898 Public Nursing Home Care	187,336,642	0	217,603,340	0	217,603,340	0	229,105,089	0	229,105,089	0	242,213,562	0	242,213,562	0
Total	7,124,158,108	258	7,366,310,387	97	8,319,701,484	119	8,427,308,014	113	8,427,308,014	113	8,701,449,311	113	8,701,449,311	113

Funding Sources		%		%		%		%		%		%	
General Revenue	4000010	1,094,359,764	15.4	1,244,792,212	16.9	1,306,570,879	16.9	1,306,570,879	16.9	1,371,953,693	17.1	1,371,953,693	17.1
Federal Revenue	4000020	5,494,391,955	77.1	5,674,032,183	77.0	5,887,204,957	76.2	5,887,204,957	76.2	6,019,417,522	75.2	6,019,417,522	75.2
Trust Fund	4000050	19,542,632	0.3	17,122,730	0.2	54,818,387	0.7	54,818,387	0.7	54,818,387	0.7	54,818,387	0.7
Performance Fund	4000055	0	0.0	154,269	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	58,014,297	0.8	33,362,670	0.5	55,240,218	0.7	55,240,218	0.7	55,127,235	0.7	55,127,235	0.7
General Improvement Fund	4000265	0	0.0	20,000,000	0.3	0	0.0	0	0.0	0	0.0	0	0.0
Hospital Assessment Fee	4000281	98,000,000	1.4	77,000,000	1.0	124,324,646	1.6	124,324,646	1.6	124,324,646	1.6	124,324,646	1.6
ICF/MR Provider Fee	4000282	12,462,164	0.2	8,645,967	0.1	9,487,045	0.1	9,487,045	0.1	9,487,045	0.1	9,487,045	0.1
Insurance Premium Tax	4000298	36,588,505	0.5	28,517,241	0.4	31,726,902	0.4	31,726,902	0.4	31,726,905	0.4	31,726,905	0.4
Quality Assurance Fee	4000395	85,118,940	1.2	73,357,135	1.0	83,104,843	1.1	83,104,843	1.1	83,104,843	1.0	83,104,843	1.0
Reimbursement	4000425	0	0.0	100,000	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement	4000495	14,818,734	0.2	52,107,070	0.7	31,361,859	0.4	31,361,859	0.4	31,966,781	0.4	31,966,781	0.4
Transfer from Medicaid Match	4000550	12,722,714	0.2	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2	12,868,843	0.2
Various Program Support	4000730	198,138,403	2.8	124,250,067	1.7	130,599,435	1.7	130,599,435	1.7	206,653,411	2.6	206,653,411	2.6
Total Funds		7,124,158,108	100.0	7,366,310,387	100.0	7,727,308,014	100.0	7,727,308,014	100.0	8,001,449,311	100.0	8,001,449,311	100.0

Excess Appropriation/(Funding)	0	0		700,000,000	700,000,000	700,000,000	700,000,000
Grand Total	7,124,158,108	7,366,310,387		8,427,308,014	8,427,308,014	8,701,449,311	8,701,449,311

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.

Through agency transformation, the appropriation is transferring from the Division of Medical Services. The Office of Long-Term Care was moved within DPSQA when the new division was created for FY2019 and this appropriation better fits the mission of DPSQA.

The Division is requesting to transfer the previously authorized amount of \$1,000,000 for FY20 and FY21.

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		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	2,000	1,000,000	1,000,000	0	0	0	0
Total		2,000	1,000,000	1,000,000	0	0	0	0
Funding Sources								
Trust Fund	4000050	2,000	1,000,000		0	0	0	0
Total Funding		2,000	1,000,000		0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		2,000	1,000,000		0	0	0	0

Program Transferring to the Division of Provider Services and Quality Assurance

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

This appropriation is funded by federal and tobacco settlement funds. 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 Supports Waiver

The Division is requesting \$77,520 in FY20 and FY21.

The Agency Request includes the following changes for both years:

- The Division is requesting to transfer 1 position to DMS - Administration to support the larger operations and better align resources. This reallocation will lower the appropriation by \$53,762 in Salary and Matching for FY20 and FY21. The division is requesting previously authorized on the remaining M&O commitments.

The Division's request to maintain appropriation above 10% of their FY18 Actual Expenditures includes the following justifications:

- The Division is requesting previous authorized appropriation for Operating Expenses, Professional Fees, and Conference & Travel Expenses to have flexibility to respond with changes in the program and match the Federal and Tobacco Settlement funding available.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program
Funding Sources: PTA - Medicaid Expansion Program Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	45,506	47,059	72,645	47,069	47,069	47,069	47,069	
#Positions		1	1	2	1	1	1	1	
Personal Services Matching	5010003	15,478	16,051	27,128	16,082	16,082	16,082	16,082	
Operating Expenses	5020002	179	11,018	12,369	12,369	12,369	12,369	12,369	
Conference & Travel Expenses	5050009	1,117	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	
Total		62,280	76,128	114,142	77,520	77,520	77,520	77,520	
Funding Sources									
Federal Revenue	4000020	31,140	38,064		38,760	38,760	38,760	38,760	
Tobacco Settlement	4000495	31,140	38,064		38,760	38,760	38,760	38,760	
Total Funding		62,280	76,128		77,520	77,520	77,520	77,520	
Excess Appropriation/(Funding)		0	0		0	0	0	0	
Grand Total		62,280	76,128		77,520	77,520	77,520	77,520	

Analysis of Budget Request

Appropriation: 648 - Tobacco-Delay Draw-Paying

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.

The Division is requesting \$8,983,674 in FY20 and \$9,543,457 in FY21.

The Agency Request includes the following changes for both years:

- The Division request an appropriation increase for Prescription Drugs of \$4,429,892 for FY20 and \$4,989,675 in FY21. The request is necessary to support program needs and align with Division goals and objectives.

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.

The Division is requesting \$22,459,186 in FY20 and \$23,858,642 in FY21.

The Agency Request includes the following changes for both years:

- The Division request an appropriation decrease for Hospital / Medical of \$70,051,254 for FY20 and \$68,651,798 for FY21. The request is necessary to support program needs and align with Division goals and objectives.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying
Funding Sources: PTD - Medicaid Expansion Program Account

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Medicaid Exp-Prescrip Drugs 5100004	\$3,184,746	\$4,553,782	\$4,553,782	\$8,983,674	\$8,983,674	\$9,543,457	\$9,543,457
Total	\$3,184,746	\$4,553,782	\$4,553,782	\$8,983,674	\$8,983,674	\$9,543,457	\$9,543,457
Funding Sources							
Federal Revenue 4000020	\$80,420	\$69,690		\$6,378,409	\$6,378,409	\$6,765,357	\$6,765,357
Tobacco Settlement 4000495	\$3,104,326	\$4,484,092		\$2,605,265	\$2,605,265	\$2,778,100	\$2,778,100
Total Funding	\$3,184,746	\$4,553,782		\$8,983,674	\$8,983,674	\$9,543,457	\$9,543,457
Excess Appropriation/(Funding)	\$0	\$0		\$0	\$0	\$0	\$0
Grand Total	\$3,184,746	\$4,553,782		\$8,983,674	\$8,983,674	\$9,543,457	\$9,543,457

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying
Funding Sources: PTD - Medicaid Expansion Program Account

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Medicaid Exp-Hosp/Med Svcs 5100004	\$21,178,918	\$92,510,440	\$92,510,440	\$22,459,186	\$22,459,186	\$23,858,642	\$23,858,642
Total	\$21,178,918	\$92,510,440	\$92,510,440	\$22,459,186	\$22,459,186	\$23,858,642	\$23,858,642
Funding Sources							
Federal Revenue 4000020	\$9,495,650	\$64,925,526		\$15,946,022	\$15,946,022	\$16,913,391	\$16,913,391
Tobacco Settlement 4000495	\$11,683,268	\$27,584,914		\$6,513,164	\$6,513,164	\$6,945,251	\$6,945,251
Total Funding	\$21,178,918	\$92,510,440		\$22,459,186	\$22,459,186	\$23,858,642	\$23,858,642
Excess Appropriation/(Funding)	\$0	\$0		\$0	\$0	\$0	\$0
Grand Total	\$21,178,918	\$92,510,440		\$22,459,186	\$22,459,186	\$23,858,642	\$23,858,642

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.

Through agency transformation, the appropriation is transferring from the Division of Medical Services. The Office of Long-Term Care was moved within DPSQA when the new division was created for FY2019 and this appropriation better fits the mission of DPSQA.

The Division is requesting to transfer the previously authorized amount of \$50,000 for FY20 and FY21.

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	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses 5900046	0	50,000	50,000	0	0	0	0
Total	0	50,000	50,000	0	0	0	0
Funding Sources							
Trust Fund 4000050	0	50,000		0	0	0	0
Total Funding	0	50,000		0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	0	50,000		0	0	0	0

Program Transferring to the Division of Provider Services and Quality Assurance

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).

Through agency transformation, the appropriation is transferring from the Division of Medical Services. The Office of Long-Term Care was moved within DPSQA when the new division was created for FY2019 and this appropriation better fits the mission of DPSQA.

The Division is requesting to transfer the previously authorized amount of \$100,000 for FY20 and FY21.

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	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses 5900046	0	100,000	100,000	0	0	0	0
Total	0	100,000	100,000	0	0	0	0
Funding Sources							
Reimbursement 4000425	0	100,000		0	0	0	0
Total Funding	0	100,000		0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	0	100,000		0	0	0	0

Program Transferring to the Division of Provider Services and Quality Assurance

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 six(6) 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.

The Division is requesting \$12,254,725 in FY20 and \$12,258,181 in FY21.

The Agency Request includes the following changes:

- Decrease in Salary and Match appropriation of (\$88,069) for FY20 and FY21 due to position reallocations and discontinuations.
- Transfer out (1) position to Division of Aging Adults and Behavioral Health Service
- Transfer in (4) positions from other divisions
- Intra division transfer (1) position from DMS Tobacco Settlement appropriation into DMS Admin Paying Account appropriation.
- Discontinuation of (9) positions be removed from appropriation DMS Admin Paying Account.
- Maintain previously authorized on remaining M&O items. The division did a major reorganization in FY19 with the creation of Division of Provider Services and Quality Assurance. The FY2018 actuals will not reflect the historical trend of the newly structured division.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Excess funded appropriation for extra help is necessary for the division to meet unanticipated staffing needs using available extra help positions. Because the Medicaid and CHIP programs are grant programs administered by the State and program needs are dependent on services provided to individuals enrolled in the program, the division must have flexibility in staffing options to meet changing conditions. In addition, Federal and state mandates may be passed by legislation subsequent to the submission and approval of this

budget resulting in an increased demand for extra help to fill staffing shortages.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	13,037,376	5,524,210	5,819,350	6,251,162	6,251,162	6,253,962	6,253,962
#Positions		257	96	117	112	112	112	112
Extra Help	5010001	110,422	115,367	201,892	201,892	201,892	201,892	201,892
#Extra Help		6	10	10	10	10	10	10
Personal Services Matching	5010003	4,167,144	1,786,375	1,984,828	2,047,934	2,047,934	2,048,590	2,048,590
Overtime	5010006	0	2,241	2,241	2,241	2,241	2,241	2,241
Operating Expenses	5020002	3,835,607	1,566,432	1,813,290	1,813,290	1,813,290	1,813,290	1,813,290
Conference & Travel Expenses	5050009	90,556	73,563	100,099	100,099	100,099	100,099	100,099
Professional Fees	5060010	506,180	338,507	338,507	338,507	338,507	338,507	338,507
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Data Processing Services	5900044	589,155	1,499,600	1,499,600	1,499,600	1,499,600	1,499,600	1,499,600
Total		22,336,440	10,906,295	11,759,807	12,254,725	12,254,725	12,258,181	12,258,181
Funding Sources								
General Revenue	4000010	5,868,175	2,182,425		2,337,188	2,337,188	2,337,880	2,337,880
Federal Revenue	4000020	14,364,102	6,080,203		5,962,121	5,962,121	5,963,890	5,963,890
Performance Fund	4000055	0	154,269		0	0	0	0
Various Program Support	4000730	2,104,163	2,489,398		3,955,416	3,955,416	3,956,411	3,956,411
Total Funding		22,336,440	10,906,295		12,254,725	12,254,725	12,258,181	12,258,181
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		22,336,440	10,906,295		12,254,725	12,254,725	12,258,181	12,258,181

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

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 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 Division is requesting \$822,224,125 in FY20 and \$868,647,976 in FY21.

The Agency Request includes the following changes:

- Private Nursing Home Care appropriation request increase of \$97,508,850 in FY20 and \$143,932,701 in FY21 for growth and to allow the division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

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.

The Division is requesting \$531,052,936 in FY20 and \$558,244,850 in FY21.

The Agency Request includes the following changes:

- Prescription Drugs appropriation request increase of \$1,666,389 in FY20 and \$28,858,303 in FY21 for growth and to allow the division the capability to respond to federal and/or state mandates.

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.

The Division is requesting \$6,591,340,908 in FY20 and \$6,767,064,033 in FY21.

The Agency Request includes the following changes:

- Hospital and Medical Services appropriation request increase of \$17,630,788 in FY20 and \$193,353,913 in FY21 for growth and to allow the division the capability to respond to federal and/or state mandates.

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.

The Division is requesting \$175,723,894 in FY20 and \$183,536,861 in FY21.

The Agency Request includes the following changes:

- ARKids B Program appropriation request increase of \$43,501,874 in FY20 and \$51,314,841 in FY21 for growth and to allow the division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

Summary of the Request - 897 - DHS-Grants Paying Account

In summary, the Division is requesting \$8,120,341,863 in FY20 and \$8,377,493,720 in FY21.

The Agency Request includes the following changes:

- All programs combined for appropriation increase request of \$160,307,901 in FY20 and \$417,456,758 in FY21 for growth and to allow the division the capability to respond to federal and/or state mandates.
- The division request an increase of General Revenue of \$63,779,160 in FY20 and \$124,521,724 in FY21 for expenditure growth and FMAP changes related to ARWorks and CHIP.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Private Nursing Home Care 5100004	\$668,275,280	\$724,715,275	\$724,715,275	\$822,224,125	\$822,224,125	\$868,647,976	\$868,647,976
Total	\$668,275,280	\$724,715,275	\$724,715,275	\$822,224,125	\$822,224,125	\$868,647,976	\$868,647,976
Funding Sources							
General Revenue 4000010	\$116,812,452	\$143,102,688		\$138,055,369	\$138,055,369	\$152,390,228	\$152,390,228
Federal Revenue 4000020	\$471,213,968	\$513,605,716		\$531,329,237	\$531,329,237	\$563,418,229	\$563,418,229
Quality Assurance Fee 4000395	\$80,205,988	\$68,006,871		\$80,995,657	\$80,995,657	\$80,995,657	\$80,995,657
Various Program Support 4000730	\$42,872	\$0		\$0	\$0	\$0	\$0
Total Funding	\$668,275,280	\$724,715,275		\$750,380,263	\$750,380,263	\$796,804,114	\$796,804,114
Excess Appropriation/(Funding)	\$0	\$0		\$71,843,862	\$71,843,862	\$71,843,862	\$71,843,862
Grand Total	\$668,275,280	\$724,715,275		\$822,224,125	\$822,224,125	\$868,647,976	\$868,647,976

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Prescription Drugs	5100004	\$443,139,992	\$529,386,547	\$529,386,547	\$531,052,936	\$531,052,936	\$558,244,850	\$558,244,850
Total		\$443,139,992	\$529,386,547	\$529,386,547	\$531,052,936	\$531,052,936	\$558,244,850	\$558,244,850
Funding Sources								
General Revenue	4000010	\$81,675,902	\$164,828,988		\$121,232,665	\$121,232,665	\$131,439,559	\$131,439,559
Federal Revenue	4000020	\$303,449,793	\$331,194,889		\$315,310,228	\$315,310,228	\$332,408,231	\$332,408,231
Drug Rebates	4000200	\$58,014,297	\$33,362,670		\$55,240,218	\$55,240,218	\$55,127,235	\$55,127,235
Total Funding		\$443,139,992	\$529,386,547		\$491,783,111	\$491,783,111	\$518,975,025	\$518,975,025
Excess Appropriation/(Funding)		\$0	\$0		\$39,269,825	\$39,269,825	\$39,269,825	\$39,269,825
Grand Total		\$443,139,992	\$529,386,547		\$531,052,936	\$531,052,936	\$558,244,850	\$558,244,850

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Hospital and Medical Services 5100004	\$5,664,703,817	\$5,621,210,549	\$6,573,710,120	\$6,591,340,908	\$6,591,340,908	\$6,767,064,033	\$6,767,064,033
Total	\$5,664,703,817	\$5,621,210,549	\$6,573,710,120	\$6,591,340,908	\$6,591,340,908	\$6,767,064,033	\$6,767,064,033
Funding Sources							
General Revenue 4000010	\$884,192,261	\$922,213,060		\$1,022,440,624	\$1,022,440,624	\$1,038,020,282	\$1,038,020,282
Federal Revenue 4000020	\$4,457,610,287	\$4,450,507,459		\$4,677,490,180	\$4,677,490,180	\$4,761,580,663	\$4,761,580,663
Trust Fund 4000050	\$19,540,632	\$11,433,951		\$54,818,387	\$54,818,387	\$54,818,387	\$54,818,387
General Improvement Fund 4000265	\$0	\$20,000,000		\$0	\$0	\$0	\$0
Hospital Assessment Fee 4000281	\$98,000,000	\$77,000,000		\$119,370,069	\$119,370,069	\$119,370,069	\$119,370,069
ICF/MR Provider Fee 4000282	\$5,768,205	\$8,645,967		\$8,600,000	\$8,600,000	\$8,600,000	\$8,600,000
Insurance Premium Tax 4000298	\$36,588,505	\$28,517,241		\$31,726,902	\$31,726,902	\$31,726,905	\$31,726,905
Tobacco Settlement 4000495	\$0	\$20,000,000		\$22,204,670	\$22,204,670	\$22,204,670	\$22,204,670
Transfer from Medicaid Match 4000550	\$12,722,714	\$12,868,843		\$12,868,843	\$12,868,843	\$12,868,843	\$12,868,843
Various Program Support 4000730	\$150,281,213	\$70,024,028		\$72,869,143	\$72,869,143	\$148,922,124	\$148,922,124
Total Funding	\$5,664,703,817	\$5,621,210,549		\$6,022,388,818	\$6,022,388,818	\$6,198,111,943	\$6,198,111,943
Excess Appropriation/(Funding)	\$0	\$0		\$568,952,090	\$568,952,090	\$568,952,090	\$568,952,090
Grand Total	\$5,664,703,817	\$5,621,210,549		\$6,591,340,908	\$6,591,340,908	\$6,767,064,033	\$6,767,064,033

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
ARKids B Program 5100004	\$86,523,467	\$132,222,020	\$132,222,020	\$175,723,894	\$175,723,894	\$183,536,861	\$183,536,861
Total	\$86,523,467	\$132,222,020	\$132,222,020	\$175,723,894	\$175,723,894	\$183,536,861	\$183,536,861
Funding Sources							
General Revenue 4000010	\$0	\$0		\$12,195,238	\$12,195,238	\$32,816,391	\$32,816,391
Federal Revenue 4000020	\$86,523,467	\$132,222,020		\$163,528,656	\$163,528,656	\$150,720,470	\$150,720,470
Total Funding	\$86,523,467	\$132,222,020		\$175,723,894	\$175,723,894	\$183,536,861	\$183,536,861
Excess Appropriation/(Funding)	\$0	\$0		\$0	\$0	\$0	\$0
Grand Total	\$86,523,467	\$132,222,020		\$175,723,894	\$175,723,894	\$183,536,861	\$183,536,861

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Child and Family Life Institute Appropriation

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 Division is requesting \$2,100,000 in FY20 and FY21 to maintain appropriation as previously authorized.

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.

The Division is requesting \$31,985,957 in FY20 and \$33,904,229 in FY21.

The Agency Request includes the following changes:

- Infant Infirmery appropriation request increase of \$2,109,946 in FY20 and \$4,028,218 in FY21 for growth and to allow the division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

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.

The Division is requesting \$229,105,089 in FY20 and \$242,213,562 in FY21.

The Agency Request includes the following changes:

- Public Nursing Home Care appropriation request increase of \$11,501,749 in FY20 and \$24,610,222 in FY21 for growth and to allow the division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request.

Summary of the Request - 898 - DHS-Grants Paying Account

In summary, the Division is requesting \$263,191,046 in FY20 and \$278,217,791 in FY21.

The Agency Request includes the following changes:

- All programs combined for appropriation increase request of \$13,611,695 in FY20 and \$28,638,440 in FY21 for growth and to allow the division the capability to respond to federal and/or state mandates.
- The division request an decrease of General Revenue of (\$2,155,256) in FY20 and increase of \$2,484,302 in FY21.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	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
Funding Sources							
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: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Infant Infirmary	5100004	\$27,414,526	\$29,876,011	\$29,876,011	\$31,985,957	\$31,985,957	\$33,904,229	\$33,904,229
Total		\$27,414,526	\$29,876,011	\$29,876,011	\$31,985,957	\$31,985,957	\$33,904,229	\$33,904,229
Funding Sources								
General Revenue	4000010	\$5,217,301	\$5,706,651		\$5,931,534	\$5,931,534	\$6,523,807	\$6,523,807
Federal Revenue	4000020	\$19,346,038	\$21,173,129		\$21,857,632	\$21,857,632	\$23,183,631	\$23,183,631
ICF/MR Provider Fee	4000282	\$770,311	\$0		\$887,045	\$887,045	\$887,045	\$887,045
Quality Assurance Fee	4000395	\$2,066,625	\$2,996,231		\$2,109,186	\$2,109,186	\$2,109,186	\$2,109,186
Various Program Support	4000730	\$14,251	\$0		\$0	\$0	\$0	\$0
Total Funding		\$27,414,526	\$29,876,011		\$30,785,397	\$30,785,397	\$32,703,669	\$32,703,669
Excess Appropriation/(Funding)		\$0	\$0		\$1,200,560	\$1,200,560	\$1,200,560	\$1,200,560
Grand Total		\$27,414,526	\$29,876,011		\$31,985,957	\$31,985,957	\$33,904,229	\$33,904,229

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Public Nursing Home Care 5100004	\$187,336,642	\$217,603,340	\$217,603,340	\$229,105,089	\$229,105,089	\$242,213,562	\$242,213,562
Total	\$187,336,642	\$217,603,340	\$217,603,340	\$229,105,089	\$229,105,089	\$242,213,562	\$242,213,562
Funding Sources							
General Revenue 4000010	\$593,673	\$4,658,400		\$2,278,261	\$2,278,261	\$6,325,546	\$6,325,546
Federal Revenue 4000020	\$132,277,090	\$154,215,487		\$149,363,712	\$149,363,712	\$158,424,900	\$158,424,900
Trust Fund 4000050	\$0	\$4,638,779		\$0	\$0	\$0	\$0
Hospital Assessment Fee 4000281	\$0	\$0		\$4,954,577	\$4,954,577	\$4,954,577	\$4,954,577
ICF/MR Provider Fee 4000282	\$5,923,648	\$0		\$0	\$0	\$0	\$0
Quality Assurance Fee 4000395	\$2,846,327	\$2,354,033		\$0	\$0	\$0	\$0
Various Program Support 4000730	\$45,695,904	\$51,736,641		\$53,774,876	\$53,774,876	\$53,774,876	\$53,774,876
Total Funding	\$187,336,642	\$217,603,340		\$210,371,426	\$210,371,426	\$223,479,899	\$223,479,899
Excess Appropriation/(Funding)	\$0	\$0		\$18,733,663	\$18,733,663	\$18,733,663	\$18,733,663
Grand Total	\$187,336,642	\$217,603,340		\$229,105,089	\$229,105,089	\$242,213,562	\$242,213,562