

Statement of Necessity and Rule Summary Dental Rates Increase

Statement of Necessity

Act 1025 of 2025 requires the Division of Medical Services (DMS) to increase Medicaid reimbursement rates for oral and maxillofacial surgeons' dental services and anesthesia, pediatric dental services and anesthesia, and dental services for adults with special needs. These increases begin September 1, 2025.

Summary of Changes

Pursuant to Act 1025, DMS revises the Medicaid Dental Provider manual to reflect the rate increases. DMS also submits a corresponding Medicaid State Plan Amendment reflecting the changes.

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

September 1, 2025

4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and Treatment of
Conditions Found (Continued)

(17)(a) Dental Services, continued:

Beginning on or after September 1, 2025, reimbursement rates for oral and maxillofacial surgeons' dental services, including anesthesia; and pediatric dental services, including anesthesia; and dental services for adults with special needs, including anesthesia; and excluding orthodontic services, are set to sixty (60) percent of the fiftieth percentile for national fees as determined by the 2025 edition of the National Dental Advisory Service (NDAS) Comprehensive Fee Report adjusted for Arkansas. To derive Arkansas's adjustment factor of 0.8145, the State identified and averaged the zip code multipliers for Arkansas as published in the NDAS to reflect differences in the median rates for ZIP codes representing geographic areas within the state.

The rates were calculated per CDT service code:

Medicaid Rate for CDT Code X = (Arkansas Adjustment Factor, currently 0.8145) x 0.60 × (NDAS-Reported National 50th Percentile Fee for CDT Code X), as evidenced by:
Medicaid Rate for D0120 = 0.8145 x 0.60 × \$72 = \$35.19

The State compared the new rates for affected services side-by-side to the existing fee schedule rates.

The State will review and update rates annually by using the most recent NDAS Comprehensive Fee Report and an updated Arkansas Adjustment factor according to the methodology established on September 1, 2025:

Medicaid Rate for CDT Code X = (Arkansas Adjustment Factor, updated for the year) x 0.60 × (Most current published NDAS-Reported National 50th Percentile Fee for CDT Code X)

Rates for the agency's dental fee schedule were set as of September 1, 2025, and are effective for services provided on or after that date. The fee schedule is based on sixty (60) percent of the fiftieth percentile of national fees from the National Dental Advisory Service (NDAS) Comprehensive Fee Report, adjusted for Arkansas, as described above. The State has in place a public process, which complies with the requirements of Section 1902(a)(30)(A) of the Social Security Act.

The agency's fee schedule is available to providers and the public and is published on the Medicaid agency's website at: <https://humanservices.arkansas.gov/divisions-shared-services/medical-services/helpful-information-for-providers/fee-schedules/>

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers.

The adjustment will be redetermined annually, when the NDAS rate publication is reviewed and rates will be adjusted accordingly.

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

September 1, 2025

4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and Treatment of Conditions Found (Continued)

(17) Dental Services (Continued)

(b) Oral Surgeons (Continued)

Beginning on or after September 1, 2025, reimbursement rates for oral and maxillofacial surgeons' dental services, including anesthesia, are set to sixty percent (60%) of the fiftieth percentile for national fees as determined by the annual National Dental Advisory Service Comprehensive Fee Report adjusted for Arkansas. To derive Arkansas's adjustment factor of 0.8145, the State identified and averaged the zip code multipliers for Arkansas as published in the NDAS to reflect differences in the median rates for ZIP codes representing geographic areas within the state.

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

Revised: September 1, ~~2010~~2025

9. Clinic Services (Continued)

(5) End-Stage Renal Disease (ESRD) Facility Services

Reimbursement is made at the lower of: (a) the provider's actual charge for the service or (b) the allowable fee from the State's ESRD fee schedule based on reasonable charge.

The Medicaid maximum is based on the 50th percentile of the Arkansas Medicare facility rates in effect March 1, 1988. Rates will be reviewed annually.

After discussion with CMS, it was determined that the Arkansas Medicare 75th percentile is considered the norm for Arkansas Medicare reimbursement. Since the State reimburses at Arkansas Medicare's 50th percentile, the reimbursement rates will not exceed Arkansas Medicare on the aggregate.

Effective for claims with dates of service on or after July 1, 1992, the Title XIX maximum rates were decreased by 20%.

Effective for dates of service on and after October 1, 2004, the Arkansas Medicaid Program covers training in peritoneal self-dialysis for beneficiaries with end-stage renal disease.

Reimbursement for peritoneal self-dialysis and training has been established as follows.

The Arkansas Medicaid maximum allowable daily fee for training in continuous ambulatory peritoneal dialysis (CAPD) equals the maximum allowable daily fee (\$130) for a hemodialysis treatment plus \$12.00 per day. This is the same methodology used by Medicare to calculate their CAPD training reimbursement rate.

The Arkansas Medicaid maximum allowable daily fee for training in continuous cycling peritoneal dialysis (CCPD) equals the maximum allowable daily fee (\$130) for a hemodialysis treatment plus \$20.00 per day. This is the same methodology used by Medicare to calculate their CCPD training reimbursement rate.

~~10. Dental Services~~

~~Refer to Attachment 4.19-B, Item 4.b.(18).~~

~~The agency's rates were set as of November 21, 2007 and are effective for services on or after that date. All rates are published on the agency's website (www.medicaid.state.ar.us). Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of dental services. Reimbursement rate maximums are calculated at 95% of the 2007 Delta Dental Plan of Arkansas Inc.'s Premier rates. Upon CMS approval, the reimbursement rates calculated under this method will be submitted to the United States District Court for the Eastern District of Arkansas (case of Arkansas Medical Society v. Reynolds) for its approval.~~

~~**Dentures—Based on contract price established through competitive bidding.**~~

~~Medicaid dental rates will be adjusted as follows. The Division of Medical Services and the Arkansas State Dental Association shall meet on two year cycles beginning January 1, 2007, to evaluate the dental rates considering the factors set out in 42 U.S.C. Section 1396a(a)(30)(A) and shall review Delta Dental's then current Premier rates, identify rate adjustment to be made, and agree on the implementation methodology and date.~~

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

September 1, 2025

10. Dental Services

Refer to Attachment 4.19-B, Item 4.b. (17a).

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

Revised: September 1, ~~2010~~, 2025

12. Prescribed drugs, dentures, prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist (Continued)

b. Dentures

Refer to Attachment 4.19-B, Item 10.

Based on contract price established through competitive bidding.

c. Prosthetic Devices

- (1) Eye Prostheses - Refer to Attachment 4.19-B, Item 4.b.(13).
- (2) Hearing Aids - Refer to Attachment 4.19-B, Item 4.b.(12).
- (3) Ear Molds - Refer to Attachment 4.19-B, Item 4.b.(14).
- (4) Pacemakers and Internal Surgical Prostheses - Reimbursed at 80% of invoice price.
- (5) Hyperalimentation - Reimbursement according to the lower of the amount billed or the Title XIX maximum charge allowed.