



Division of Medical Services

P.O. Box 1437, Slot S295, Little Rock, AR 72203-1437

P: 501.682.8292 F: 501.682.1197

MEMORANDUM

TO: Interested Persons and Providers

FROM: Elizabeth Pitman, Director, Division of Medical Services

DATE: July 12, 2024

SUBJ: Hospital Cost Settlement Reopening Process

As a part of the Arkansas Administrative Procedure Act process, attached for your review and comment are proposed rule revisions.

Public comments must be submitted in writing at the above address or at the following email address: ORP@dhs.arkansas.gov Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

If you have any comments, please submit those comments no later than August 12, 2024.

All DHS proposed rules, public notices, and recently finalized rules may also be viewed at: [Proposed Rules & Public Notices](#).

NOTICE OF RULEMAKING

The Department of Human Services announces for a public comment period of thirty (30) calendar days a notice of rulemaking for the following proposed rule under one or more of the following chapters, subchapters, or sections of the Arkansas Code: §§ 20-76-201, 20-77-107, and 25-10-129.

The Director of the Division of Medical Services amends the Arkansas Medicaid State Plan and Medicaid Hospital Provider Manual regarding the process for cost settlement reopening to ensure federal claiming can be completed within the same rules and timelines as Medicare. Requests must be in writing and must be received no later than three (3) years after the date of the determination or decision that is the subject of the reopening. The request must reflect a reimbursement impact that totals a cumulative amount of at least a \$10,000 increase due to new and material issues within the individual cost report. Each issue cited must be reviewed and determined as new and material to be counted in the cumulative total. Any cost reports reopened due to unforeseen and unavoidable events that are between two (2) and three (3) years after the Notice of Program Reimbursement was issued and which result in a payment above the interim payments will qualify for an exception under 45 CFR 95.19(a). There is no fiscal impact. The projected effective date is October 1, 2024.

The proposed rule is available for review at the Department of Human Services (DHS) Office of Policy and Rules, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. This notice also shall be posted at the local office of the Division of County Operations (DCO) of DHS in every county in the state.

You may also access and download the proposed rule at ar.gov/dhs-proposed-rules. Public comments must be submitted in writing at the above address or at the following email address: ORP@dhs.arkansas.gov. All public comments must be received by DHS no later than August 12, 2024. Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people. A public hearing will be held by remote access through Zoom. Public comments may be submitted at the hearing. The details for attending the Zoom hearing appear at ar.gov/dhszoom.

If you need this material in a different format, such as large print, contact the Office of Policy and Rules at (501) 320-6428. The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed, and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color, or national origin. 4502201653

Elizabeth Pitman, Director
Division of Medical Services

*TOC required***257.100 Cost Settlement Reopening Process****107-1-24**

The state will compute interim payments for providers and subsequently reconcile the interim payments with final payments for which providers are eligible based on billed claims. The interim payment methodology is not a prepayment prior to services being furnished but represents interim payments for services furnished that are subject to final reconciliation.

A medical facility administrator or an identified facility representative such as the cost report preparer, DHS representative, a Medicare Administrative Contractors (MAC) representative, or another relevant contract representative may request a hospital cost report reopening by writing to the **Reimbursement Unit of the Division of Medical Services**. The request must be received no later than three (3) years after the date of the determination (Notice of Program Reimbursement ("NPR") or Revised NPR) or the decision that is the subject of the reopening. The request must reflect a reimbursement impact that totals a cumulative amount of at least \$10,000 increase due to new and material issues within the individual cost report. Each issue cited must be reviewed and determined as new and material to be counted in the cumulative total.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

October 1, 2024

7. Cost Settlement Reopening Process

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Any cost reports reopened due to unforeseen and unavoidable events that are between two (2) and three (3) years after the NPR was issued and which result in a payment above the interim payments will qualify for an exception under 45 CFR 95.19(a).