



**Division of Medical Services**

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MEMORANDUM

TO: Interested Persons and Providers

FROM: Elizabeth Pitman, Director, Division of Medical Services

DATE: September 28, 2021

SUBJ: Outpatient Acute Crisis Unit (Rule-164)

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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](mailto: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 in writing, no later than October 30, 2021.

## NOTICE OF RULE MAKING

The Director of the Division of Medical Services of 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: §§ 25-10-129, 20-76-201, and 20-77-107.

### **Effective January 1, 2022:**

The Director of the Division of Medical Services (DMS) amends the Arkansas Medicaid Hospital Provider Manual to define the operation of Outpatient Acute Crisis Units (ACU). The Medicaid State Plan change is being submitted to expand ACUs into hospital outpatient settings and increase the rate for freestanding ACUs operated outside of a hospital. An ACU must ensure that ongoing assessment and observation; crisis intervention; psychiatric, substance, a co-occurring treatment; and initial referral mechanism services are available and provided. A hospital providing an ACU may also provide substance abuse detoxification with the unit. Substance abuse detoxification definitions are added to the manual. DMS adds that rates are based on eighty percent (80%) of the current daily rate for the Arkansas State Hospital as of 7/1/2021. Services are authorized for ninety-six (96) hours per encounter before the provider must initiate an extension of benefits request for a medical necessity approval for services beyond ninety-six (96) hours.

The proposed rule is available for review at the Department of Human Services (DHS) Office of Rules Promulgation, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. You may also access and download the proposed rule at <https://humanservices.arkansas.gov/do-business-with-dhs/proposed-rules/>. Public comments must be submitted in writing at the above address or at the following email address: [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov). All public comments must be received by DHS no later than **October 30, 2021**. 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 by remote access only through a Zoom webinar will be held on **October 13, 2021**, at **10:00** a.m. and public comments may be submitted at the hearing. Individuals can access this public hearing at <https://us02web.zoom.us/j/81675100914>. The webinar ID is 81675100914. If you would like the electronic link, "one-tap" mobile information, listening only dial-in phone numbers, or international phone numbers, please contact ORP at [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov).

If you need this material in a different format, such as large print, contact the Office of Rules Promulgation at 501-396-6428.

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. 4502035775

  
Elizabeth Pitman, Director  
Division of Medical Services

AMOUNT, DURATION AND SCOPE OF  
SERVICES PROVIDED

~~September~~ July 1,  
1999~~2021~~

CATEGORICALLY NEEDY

2.a. Outpatient Hospital Services (Continued)

**Augmentative Communication Device (ACD) Evaluation**

Effective for dates of service on or after September 1, 1999, Augmentative Communication Device (ACD) evaluation is covered for eligible Medicaid ~~recipients~~ clients of all ages. One ACD evaluation may be performed every three years based on medical necessity. The benefit limit may be extended for individuals under age 21.

**Outpatient Acute Crisis Units**

**Effective for dates of service on or after July 1, 2021, Outpatient Hospital Acute Crisis Units are covered for eligible Medicaid clients who are experiencing a psychiatry or substance use disorder, or both, crisis that does not meet the need for inpatient hospitalization. These units provide hospital diversion and step-down services in a safe environment with psychiatry and substance use disorder services available on-site, as well as on-call psychiatry available 24 hours per day. They must ensure the following services are available at a minimum:**

- A. ongoing assessment and observation;**
- B. crisis intervention;**
- C. psychiatric, substance, and co-occurring treatment; and**
- D. initiation of referral mechanisms for independent assessment and care planning.**

**Services are available for up to 96 hours per encounter. Providers must initiate an extension of benefits request for medical necessity approval prior to providing services beyond 96 hours.**

AMOUNT, DURATION AND SCOPE OF  
SERVICES PROVIDED

Revised: ~~September~~ July 1,  
1999~~2021~~

MEDICALLY NEEDY

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2.a. Outpatient Hospital Services (Continued)

Augmentative Communication Device (ACD) Evaluation

Effective for dates of service on or after September 1, 1999, Augmentative Communication Device (ACD) Evaluation is covered for eligible Medicaid recipients of all ages. One ACD evaluation may be performed every three years based on medical necessity. The benefit limit may be extended for individuals under age 21.

Outpatient Acute Crisis Units

Effective for dates of service on or after July 1, 2021, Outpatient Hospital Acute Crisis Units are covered for eligible Medicaid clients who are experiencing a psychiatry or substance use disorder, or both, crisis that does not meet the need for inpatient hospitalization. These units provide hospital diversion and step-down services in a safe environment with psychiatry and substance use disorder services available on-site, as well as on-call psychiatry available 24 hours per day. They must ensure the following services are available at a minimum:

- A. ongoing assessment and observation;
- B. crisis intervention;
- C. psychiatric, substance, and co-occurring treatment; and
- D. initiation of referral mechanisms for independent assessment and care planning.

Services are available for up to 96 hours per encounter. Providers must initiate an extension of benefits request for medical necessity approval prior to providing services beyond 96 hours.

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

August-July 1, 2018-2021

2.a. **Outpatient Hospital Services (continued)**

(6) Border City University-Affiliated Pediatric Teaching Hospitals

Special consideration is given to border city university-affiliated pediatric teaching hospitals due to the higher costs typically associated with such hospitals. Effective for claims with dates of service on or after January 1, 2018, outpatient hospital facility services provided to patients under the age of 21 at border city university-affiliated pediatric teaching hospitals will be reimbursed based on reasonable costs with interim payments and a year-end cost settlement. The State will utilize cost data in a manner approved by CMS consistent with the method used for identifying cost for the private hospital access payments as outlined in this Attachment 4.19-B, Page 1a.

Arkansas Medicaid will use the lesser of the reasonable costs or customary charges to establish cost settlements. The cost settlements will be calculated using the methods and standards used by the Medicare Program.

A border city university-affiliated pediatric teaching hospital is defined as a hospital located within a bordering city (see Attachment 4.19-A page 3b) that submits to the Arkansas Medicaid Program a copy of a current and effective affiliation agreement with an accredited university, and documentation establishing that the hospital is university-affiliated, is licensed and designated as a pediatric hospital or pediatric primary hospital within its home state, maintains at least five different intern pediatric specialty training programs, and maintains at least one-hundred (100) operated beds dedicated exclusively for the treatment of patients under the age of 21.

**(7) Outpatient Acute Crisis Units**

**Outpatient Acute Crisis Units provide acute care hospital diversion and step-down services to Medicaid clients experiencing psychiatric or substance use disorder related crisis in a safe environment with psychiatry and substance use disorder services available on-site, as well as on-call psychiatry available 24 hours per day. Effective for dates of service on or after July 1, 2021, reimbursement for Acute Crisis Units are based on 80% of the current (7/1/2021) daily rate for the Arkansas State Hospital. No room and board costs, or other unallowable facility costs, are built into the daily rate.**



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

July-July 1, 2017-2021

13. Other diagnostic, screening, preventive and rehabilitative services, i.e., other than those provided elsewhere in this plan. (Continued)

Outpatient Behavioral Health Services

The fee schedule was set as of July 1, 2017 and is effective for services on or after this date. Rates for services provided under the Residential Community Reintegration Program are effective for dates of service on or after October 1, 2017. Except as noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of behavioral health services. The fee schedule can be accessed at <https://www.medicaid.state.ar.us/Provider/docs/fees.aspx>. Based on the information gained from the peer state analysis and the consideration of adjustment factors such as Bureau of Labor Statistics (BLS) along with Geographic Pricing Cost Index (GPCI) to account for economic differences, the state was able to select appropriate rates from fee schedules published by peer states. Once this rate information was filtered according to Arkansas requirements a “state average rate” was developed. This “state average rate” consisting of the mean from every peer state’s published rate for a given procedure served as the base rate for the service, which could then be adjusted by previous mentioned factors (BLS), (GPCI) etc.

Acute Crisis Units

The fee schedule was set as of July 1, 2017 and is effective for services provided on or after this date. Except as noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of behavioral health services. The fee schedule can be accessed at <https://www.medicaid.state.ar.us/Provider/docs/fees.aspx>. Effective for dates of service on or after July 1, 2017, reimbursement for Acute Crisis Unit is based on prospective rate of \$350.00 per day with no cost settlement and no budget submission necessary for all certified Acute Crisis Unit providers. ~~No room and board costs, or other unallowable facility costs, are built into the daily rate.~~ Based on the information gained from the peer state analysis and the consideration of adjustment factors such as Bureau of Labor Statistics (BLS) along with Geographic Pricing Cost Index (GPCI) to account for economic differences, the state was able to select appropriate rates from fee schedules published by peer states. Once this rate information was filtered according to Arkansas requirements a “state average rate” was developed. This “state average rate” consisting of the mean from every peer state’s published rate for a given procedure served as the base rate for the service, which could then be adjusted by previous mentioned factors (BLS), (GPCI) etc. **Effective for dates of service on or after July 1, 2021, reimbursement for Acute Crisis Unit is based on 80% of the current (7/1/2021) daily rate for the Arkansas State Hospital. No room and board costs, or other unallowable facility costs, are built into the daily rate.**

Each provider furnishing this service must keep any records necessary to disclose the extent of services the provider furnishes to beneficiaries and, on request, furnish the Medicaid agency any information maintained and any information regarding payments claimed by the provider for furnishing this service. The Division of Provider Services and Quality Assurance (DPSQA), in conjunction with the State’s contracted review entity, will provide ongoing monitoring to assure that services provided under the bundled rate are of the type, quantity and intensity of services required to meet the medical need of beneficiaries.

**TOC required****218.400**      **Outpatient Acute Crisis Units****1-1-242**

Medicaid covers Outpatient Acute Crisis Units for all ages of clients who have the ability to benefit from care within the setting. Request for Extension of Benefits based upon medical necessity must be obtained for services extending beyond 96 hours.

**View billing Instructions for Acute Crisis Unit reimbursement.**

- A. Acute Crisis Units can provide brief crisis treatment services to persons ~~over the age of 18~~nineteen (19) years of age or older, who are experiencing a psychiatry- and/or substance abuse-related crisis and may pose an escalated risk of harm to self or others. Acute Crisis Units provide hospital diversion and step-down services in a safe environment, ~~with psychiatry and/or substance abuse services on-site at all times as well as on-call psychiatry available 24 hours a day.~~ These units provide hospital diversion and step-down services in a safe environment with psychiatry and substance use disorder services available on-site, as well as on-call psychiatry available 24 hours per day.
- B. A Hospital that is operating an Acute Crisis Unit must ensure that, at a minimum, the following services are available ~~to be provided~~:
- Ongoing assessment and observation;
  - Crisis intervention;
  - Psychiatric, substance, and co-occurring treatment; and
  - ~~Initiate +R~~eferral mechanisms for independent assessment and care planning as needed.
- C. A Hospital that is operating an Acute Crisis Unit can also provide Substance Abuse Detoxification within the Acute Crisis Unit. Substance Abuse Detoxification is a set of interventions aimed at managing acute intoxication and withdrawal from alcohol or other drugs. Services help stabilize beneficiaries by clearing toxins from the beneficiary's body. Services are short-term and may be provided in a crisis unit, inpatient, or outpatient setting, and may include evaluation, observation, medical monitoring, and addiction treatment. Detoxification seeks to minimize the physical harm caused by the abuse of substances and prepares the beneficiary for ongoing treatment.