

## What are Episodes of Care PAP Reports?

An Episode of Care (EOC) is the retrospective bundle of Arkansas Medicaid-covered health care services provided to perform a specific procedure or treat an ailment/condition for a given length of time. For each financial EOC, providers submit claims and will continue to be reimbursed per established fee schedules. A Principal Accountable Provider (PAP) is identified for each EOC through claims data. PAPs are defined as providers who have the greatest potential to influence treatment decisions, cost, and quality of care within each type of EOC. PAPs share in savings or excess costs of a financial EOC determined by the average adjusted cost per valid episode and performance on quality/outcome measures as compared to peers.

## Who Receives this Report?

The performance period and/or reconciliation period has concluded for at least one episode of care. You have been identified as a Principal Accountable Provider (PAP) and will receive a financial incentive payment, recovery or adjustment. Financial episode incentives, gain or risk sharing, are based on your average episode cost and quality over the 12-month performance period.

PAPs are given incentives after the conclusion of a performance period. A positive incentive (gain share) payment is given for high-quality, cost-effective care. PAPs are assessed a negative incentive (risk share) recovery for unnecessarily high-cost care. Performance reports are reconciled one year later and adjustments to performance incentives are paid or recovered as needed.

## For Additional Information

The Arkansas Healthcare Payment Improvement Initiative website at [www.paymentinitiative.org](http://www.paymentinitiative.org) provides many resources including: episode-specific information, a PAP Report glossary and a guide to understanding the report.

We appreciate the participation of all providers as we seek to transform health care across Arkansas by improving population health, patients' experience of care, and clinical cost-effectiveness.

**If you have any questions or concerns,  
please contact the AHCPII help desk at:  
866-322-4696, 501-301-8311 or  
[arkpii@dx.com](mailto:arkpii@dx.com)**



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**Building a healthier future for all Arkansans**

[www.paymentinitiative.org](http://www.paymentinitiative.org)

## Episodes of Care

*Performance Payment and  
Reconciliation Reports*



Health Care Innovation  
Division of Medical Services  
Arkansas Department of Human Services  
Post Office Box 1437, Slot S425  
Little Rock, AR 72203

## Report Types and their possible Financial Consequence

There are two financial episode report types: performance and reconciliation. Principal Accountable Provider (PAP) Performance Reports detail a PAP's performance in terms of both cost and quality. Reconciliation reports make any necessary adjustments to the initial performance report determination. PAP Reports may be found on the provider portal at :  
<https://secure.ahin-net.com/ahin/logon.jsp>.

*Performance Year Payment* – A positive incentive (gain share) determination and payment to the Principal Accountable Provider (PAP). (Performance Year Payments are subject to Reconciliation one year later).

*Performance Year Recovery* – A negative incentive (risk share) determination and recovery of unnecessary costs from the Principal Accountable Provider (PAP). (Performance Year Payments are subject to Reconciliation one year later).

*Reconciliation Payment* – A final positive adjustment determination and payment to the Principal Accountable Provider (PAP). This positive incentive is either an additional gain share or a reduced risk share amount compared to the performance year report.

*Reconciliation Recovery* – A final negative adjustment determination and recovery from the Principal Accountable Provider (PAP). This negative incentive is either a decrease in gain share or an increase in risk share compared to the performance year report.

## Performance or Reconciliation Payment

If you are receiving a positive incentive (gain share) payment, DMS payment to you will accompany and appear in the Financial Items section of your next remittance advice.

## Performance or Reconciliation Recovery

DMS will recover any funds owed in one of three ways:

1. DMS, by default, will withhold the amount from future remittances until the debt is settled.
2. You may pay by check, made payable to 'Division of Medical Services'. Please enclose a copy of the enclosed Incentive notice and include your billing provider identification number to ensure that DMS properly credits your account. Also, your check must be received within 30 days at the following address:  
  
DHS Office of Finance and Administration  
Accounts Receivable Unit  
PO Box 8181 Slot WG2  
Little Rock AR 72203
3. You may request a payment arrangement. If you are interested in making payment arrangements, please contact Dawn Harrell in Accounts Receivable by email at [dawn.harrell@dhs.arkansas.gov](mailto:dawn.harrell@dhs.arkansas.gov) or by telephone at 501.320.6523.

If you wish to dispute a negative determination, you may request a reconsideration, an appeal or both. You will receive a separate **Notice of Recovery** letter containing information about the pending automatic recovery. The recovery of a negative incentive (risk share) does not preclude other legal or administrative action which may be taken.

## If you want to file an Administrative Reconsideration or Appeal:

Note: Please refer to the *Arkansas Medicaid Provider Manual* §160 for more information on the *Administrative Reconsideration and Appeals* process at <https://www.medicaid.state.ar.us/Provider/docs/episode.aspx>.

To request a reconsideration, please submit, along with the incentive notice, a letter and supporting documentation specifying detailed information and rationale for your request. If you request a reconsideration and/or appeal, payment will not be required until 30 days after you receive a Notice of Determination of your request for reconsideration.

For a reconsideration, please mail notice and supporting documentation to:

**Department of Human Services  
ATTN: EOC Reconsideration  
PO Box 1437, Slot S425  
Little Rock AR 72203**

For an appeal, please mail notice and supporting documentation to:

**Arkansas Department of Health  
ATTN: Office of Medicaid Appeals  
4815 W Markham St Slot 31  
Little Rock AR 72205**