

Table of Contents

State Territory Name: Kentucky

State Plan Amendment (SPA) #: 24-0005

This file contains the following documents in the order

listed:1) Approval Letter

2) CMS 179 Form/Summary Form (with 179-like data)

3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

April 12, 2024

Lisa Lee
Commissioner
Department for Medicaid Services
275 East Main Street, 6-WA
Frankfort, Kentucky 40621

RE: Kentucky State Plan Amendment (SPA) 24-0005

Dear Commissioner Lee:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 24-0005. This SPA establishes an emergency interim payment methodology for inpatient and outpatient hospitals, and dialysis services affected by the Change Healthcare cybersecurity incident.

We conducted our review of your submittal according to the statutory requirements in Title XIX of the Social Security Act and considering the flexibilities described in the March 15, 2024 Change Healthcare Cybersecurity Incident – CMS Response and State Flexibilities CMCS Informational Bulletin (CIB). We hereby inform you that Medicaid State plan amendment 24-0005 is approved effective February 21, 2024. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please contact Debi Benson at Deborah.Benson@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

Rory Howe

Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 4 — 0 0 0 5

2. STATE

KY

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

2/21/2024

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 433.316 and 433.320
42 CFR part 433, subpart F

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 0
b. FFY _____ \$ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Page 8
Attachment 4.19-D Page 14
Supplement 1 to Attachment 4.19-B Page 4

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

New

9. SUBJECT OF AMENDMENT

Fee-for-Service Interim Payments for providers affected by Change Healthcare cybersecurity incident.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

15. RETURN TO

Lisa Lee
275 E. Main St.
Frankfort, KY 40601

12. TYPED NAME

Lisa Lee

13. TITLE

Commissioner

14. DATE SUBMITTED

3/29/2024

FOR CMS USE ONLY

16. DATE RECEIVED March 29, 2024

17. DATE APPROVED
April 12, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

February 21, 2024

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

Effective retroactively to February 21st, 2024, and effective for affected services provided through June 30, 2024, all Inpatient Hospital Providers that are providing inpatient services are eligible to receive interim payments for FFS (Fee for Service) Claim types in amounts representative of up to thirty days (30) of claims payments for FFS that are not otherwise paid as a result of the Change Healthcare cybersecurity incident. The average 30-day payment is based on the total claims for FFS paid to the Kentucky Medicaid provider, inclusive of all Medicaid base payments for FFS claims made under the Medicaid State Plan, between August 1, 2023, and October 31, 2023, divided by three (3). The payment will be made for services provided through June 30, 2024, on a formal request only basis from the provider. This is not an advanced payment or prepayment prior to services furnished by providers, this is an interim payment based on services provided but the rendering provider is unable to submit the appropriate claim(s) due to the cybersecurity incident. These payments will be reconciled to the final payment amount the provider was eligible to receive under the Medicaid State Plan for FFS claims during the timeframe for which it was receiving interim payments under this provision. The reconciliation will be completed within 60 days following the last day of the quarter in which the state is able to again process payments for claims *following the resolution of the Change Healthcare cybersecurity incident. If the reconciliation results in discovery of an overpayment to the provider, the state will attempt to recoup the overpayment amounts within 60 days and will return the federal share within the timeframe specified in 42 CFR 433.316 and 433.320 regardless of whether the state actually recoups the overpayment amount from the provider, unless an exception applies under 42 CFR part 433, subpart F. If the reconciliation results in an underpayment to the provider, the state will make an additional payment to the provider in the amount of the underpayment within 60 days. The state will follow all applicable Program Integrity requirements relating to interim payments to providers and the associated reconciliation process. The state will ensure that the Individual, Group and Entity Provider Types receiving payments under this interim methodology for FFS will continue to furnish medical and professional care to Medicaid beneficiaries during the interim payment period and that access to services is not limited.*

Effective retroactively to February 21st, 2024, and effective for affected services provided through June 30, 2024, all Outpatient Hospital Providers and clinics that are providing outpatient care services and clinic services, including kidney dialysis are eligible to receive interim payments for FFS (Fee for Service) Claim types in amounts representative of up to thirty days (30) of claims payments for FFS that are not otherwise paid as a result of the Change Healthcare cybersecurity incident. The average 30-day payment is based on the total claims for FFS paid to the Kentucky Medicaid provider, inclusive of all Medicaid base payments for FFS claims made under the Medicaid State Plan, between August 1, 2023, and October 31, 2023, divided by three (3). The payment will be made for services provided through June 30, 2024, on a formal request only basis from the provider. This is not an advanced payment or prepayment prior to services furnished by providers, this is an interim payment based on services provided but the rendering provider is unable to submit the appropriate claim(s) due to the cybersecurity incident. These payments will be reconciled to the final payment amount the provider was eligible to receive under the Medicaid State Plan for FFS claims during the timeframe for which it was receiving interim payments under this provision. The reconciliation will be completed within 60 days following the last day of the quarter in which the state is able to again process payments for claims *following the resolution of the Change Healthcare cybersecurity incident. If the reconciliation results in discovery of an overpayment to the provider, the state will attempt to recoup the overpayment amounts within 60 days and will return the federal share within the timeframe specified in 42 CFR 433.316 and 433.320 regardless of whether the state actually recoups the overpayment amount from the provider, unless an exception applies under 42 CFR part 433, subpart F.* If the reconciliation results in an underpayment to the provider, the state will make an additional payment to the provider in the amount of the underpayment within 60 days. The state will follow all applicable Program Integrity requirements relating to interim payments to providers and the associated reconciliation process. The state will ensure that the Individual, Group and Entity Provider Types receiving payments under this interim methodology for FFS will continue to furnish medical and professional care to Medicaid beneficiaries during the interim payment period and that access to services is not limited.

Effective retroactively to February 21st, 2024, and effective for affected services provided through June 30, 2024, all Long Term Care providers that are providing long term care services are eligible to receive interim payments for FFS (Fee for Service) Claim types in amounts representative of up to thirty days (30) of claims payments for FFS that are not otherwise paid as a result of the Change Healthcare cybersecurity incident. The average 30-day payment is based on the total claims for FFS paid to the Kentucky Medicaid provider, inclusive of all Medicaid base payments for FFS claims made under the Medicaid State Plan, between August 1, 2023, and October 31, 2023, divided by three (3). The payment will be made for services provided through June 30, 2024, on a formal request only basis from the provider. This is not an advanced payment or prepayment prior to services furnished by providers, this is an interim payment based on services provided but the rendering provider is unable to submit the appropriate claim(s) due to the cybersecurity incident. These payments will be reconciled to the final payment amount the provider was eligible to receive under the Medicaid State Plan for FFS claims during the timeframe for which it was receiving interim payments under this provision. The reconciliation will be completed within 60 days following the last day of the quarter in which the state is able to again process payments for claims *following the resolution of the Change Healthcare cybersecurity incident. If the reconciliation results in discovery of an overpayment to the provider, the state will attempt to recoup the overpayment amounts within 60 days and will return the federal share within the timeframe specified in 42 CFR 433.316 and 433.320 regardless of whether the state actually recoups the overpayment amount from the provider, unless an exception applies under 42 CFR part 433, subpart F. If the reconciliation results in an underpayment to the provider, the state will make an additional payment to the provider in the amount of the underpayment within 60 days. The state will follow all applicable Program Integrity requirements relating to interim payments to providers and the associated reconciliation process. The state will ensure that the Individual, Group and Entity Provider Types receiving payments under this interim methodology for FFS will continue to furnish medical and professional care to Medicaid beneficiaries during the interim payment period and that access to services is not limited.*