

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



Center for Medicaid and State Operations, CMSO

Andy Allison, PhD.
Executive Director
Kansas Health Policy Authority
Landon State Office Building
900 SW Jackson, Room 900N
Topeka, Kansas 66612-1220

OCT - 6 2009

RE: KS 09-004:

Dear Dr. Allison:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-004. Effective October 1, 2009, this amendment modifies the payment methodology for inpatient hospital services. Specific changes implemented with this amendment include: updating the Medicaid peer group rates and DRG weights using base data for the 18 month period ending December 31, 2008, modifying the methodology for inflating base period routine costs, specifying that the cost to charge ratio used for out-of-state hospitals will be the statewide average ratio, clarifying that critical access hospital payments will be settled to cost, and updating the budget neutrality factor to ensure that overall inpatient hospital payments do not increase over SFY 2009.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 09-004 is approved effective October 1, 2009. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tim Weidler at (816) 426-6429.

Sincerely,

A handwritten signature in black ink that reads "Cindy Mann". The signature is written in a cursive style with a large initial "C".

Cindy Mann

Director

Center for Medicaid and State Operations (CMSO)

Enclosures