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State/Territory Name: Kentucky

State Plan Amendment (SPA) #: 13-017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

December 24, 2013

Lawrence Kissner, Commissioner
Department for Medicaid Services
275 East Main Street, 6WA
Frankfort, KY 40621-0001

Re: Kentucky State Plan Amendment 13-017

Dear Mr. Kissner:

We have reviewed the proposed Kentucky state plan amendment (SPA) 13-017, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on October 1, 2013. Kentucky SPA 13-017 revises benefits and reimbursement for physical, speech, and occupational therapies.

Based on the information provided, the Medicaid State Plan Amendment KY 13-017 was approved on December 20, 2013. The effective date of this amendment is January 1, 2014. Enclosed are the approved HCFA-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Alice Hogan at (404) 562-7432 or Alice.Hogan@cms.hhs.gov.

Sincerely,

//s//

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

**TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

1. TRANSMITTAL NUMBER:
13-017

2. STATE
Kentucky

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
January 1, 2014

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:
AFFORDABLE CARE ACT

7. FEDERAL BUDGET IMPACT:
a. FFY 2014 \$1.8 Million
b. FFY 2015 \$2.5 Million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Att. 3.1-A, Page 7.3.1 (c)
Att. 3.1-A, Page 7.4.4(b)
Att. 3.1-A, Page 7.4.4(c)
Att. 3.1-B, Page 25.1
Att. 3.1-B, Page 30
Att. 3.1-B, Page 31
Att. 4.19-B, Page 22

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):
Same
New
Same
Same
Same
New
New

10. SUBJECT OF AMENDMENT:

The purpose of this State Plan Amendment is to revise benefits and reimbursement for Physical, Occupational and Speech Therapy

11. 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: Review delegated to Commissioner, Department for Medicaid Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Lawrence Kissner

14. TITLE: Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: 10/01/13

16. RETURN TO:

Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
10/01/13

18. DATE APPROVED: 12/20/13

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
01/01/14

20. SIGNATURE OF REGIONAL OFFICIAL:
//s//

21. TYPED NAME:
Jackie Glaze

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children Health Opns

23. REMARKS:

Approved with the following changes as authorized by State Agency on emails dated 12/24/13:

Block # 8 changed to read: Atch 3.1-A pages 7.3.1(c), 7.4.4(b), 7.4.4(c), Atch 3.1-B pages 25.1, 30, 30.1; Atch 4.19-B page 22.

Block # 9 changed to read: Atch 3.1-A pages 7.3.1(c) (same), 7.4.4(b)(same), 7.4.4(c) (new), Atch 3.1-B pages 25.1(same), 30 (same), 30.1(new); Atch 4.19-B page 22(new).

7. D. Physical therapy, occupational therapy, or speech pathology and audiology services provided by a home health agency or medical rehabilitation facility

Physical therapy, occupational therapy, speech pathology services, or speech/hearing/language therapy services provided by a home health agency must be ordered by a physician, physician assistant or advanced registered nurse practitioner, be prior authorized, provided in accordance with an approved plan of treatment, which shall be developed by the appropriate qualified therapist and physician.

Occupational therapy, physical therapy and speech pathology services and speech/hearing/language therapy are limited to twenty visits per calendar year. Rehabilitative and habilitative services have a combined twenty visit limit per type of therapy. Additional visits may be granted based on medical necessity.

Audiology services are not provided under this component. Physical therapy, occupational therapy, speech pathology, or speech/hearing/language therapy services provided by a medical rehabilitation facility are not provided under this component.

Qualification of Providers

Providers performing physical, occupational or speech therapy must meet requirements defined in 42 C.F.R. 484.4. A qualified physical therapist assistant, occupational therapist assistant or speech therapy assistant must be under the direct supervision of a qualified physical, occupational or speech therapist.

11. Physical Therapy and Related Services – Other than Therapy Services Provided by Home Health Agencies for Rehabilitative and Habilitative Services

A. Outpatient Physical, Occupational and Speech Therapy

Physical therapy, occupational therapy, speech pathology services, or speech/hearing/language therapy services provided must be ordered by a physician, physician assistant or advanced registered nurse practitioner, be prior authorized, provided in accordance with an approved plan of treatment, which shall be developed by the appropriate qualified therapist and physician.

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B. Inpatient Physical, Occupational and Speech Therapy

Services shall be provided to inpatients of acute participating hospitals and skilled nursing facilities or to residents of intermediate care facilities for individuals with mental retardation or developmental disabilities under the following conditions:

Physical therapy, occupational therapy, speech pathology services, or speech/hearing/language therapy services provided must be ordered by a physician, physician assistant or advanced registered nurse practitioner, be prior authorized, provided in accordance with an approved plan of treatment, which shall be developed by the appropriate qualified therapist and physician.

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11. Physical Therapy and Related Services – Other than Therapy Services Provided by Home Health Agencies for Rehabilitative and Habilitative Services

C. Limitations

There is a limit of twenty (20) visits per calendar year combined for inpatient and outpatient physical therapy.

There is a limit of twenty (20) visits per calendar year combined for inpatient and outpatient occupational therapy

There is a limit of twenty (20) visits per calendar year combined for inpatient and outpatient speech therapy.

Rehabilitative and habilitative services have a combined twenty visit limit per type of therapy. If medical necessity requires additional visits, the provider must request additional visits via prior authorization guidelines in effect for recipient.

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND
SERVICES PROVIDED TO THE MEDICALLY NEEDY

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Reimbursement for Physical, Occupational and Speech Therapy - Outpatient

Reimbursement for physical, occupational, and speech therapy services are based on the Kentucky specific Medicaid fee schedule, which can be found at <http://chfs.ky.gov/dms/fee.htm>. The Medicaid fee schedule is based on the following methodology:

- Physician Base Fee is calculated based on 75% of the Medicare rate, as published by CMS on an annual basis.
- Other practitioners will be reimbursed based on a step down methodology calculated as a percentage of the physician rate of 75% of the Medicare rate. The step down includes:
 - 85% - Physical Therapist, Occupational Therapist, Speech Language Pathologist
 - 50% - Physical Therapy Assistant working under the supervision of a Physical Therapist if the Physical Therapist is the billing provider for the service, Occupational Therapy Assistant working under the supervision of an Occupational Therapist if the Occupational Therapist is the billing provider,