

## **Table of Contents**

**State/Territory Name: KS**

**State Plan Amendment (SPA) #: 21-0015**

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



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**Financial Management Group**

December 8, 2021

Sarah Fertig, State Medicaid Director  
Kansas Department of Health and Environment  
Division of Health Care Finance  
Landon State Office Building  
900 SW Jackson, Room 900-N  
Topeka, KS 66612-1220

RE: Kansas SPA 21-0015

Dear Ms. Fertig:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 21-0015. This amendment increases Nursing Facility Rates for State Fiscal Year (SFY) 2022.

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) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of July 1, 2021. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please contact Fredrick Sebree at [Fredrick.sebree@cms.hhs.gov](mailto:Fredrick.sebree@cms.hhs.gov).

Sincerely,



Rory Howe  
Director

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

1. TRANSMITTAL NUMBER:  
KS 21-0015

2. STATE  
Kansas

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

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
July 1, 2021

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  
42 CFR 447.201, 42 CFR 442.10

7. FEDERAL BUDGET IMPACT  
a. FFY 2021 \$ 3,769,498  
b. FFY 2022 \$ 6,159,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.19D Part 1 Subpart C Exhibit C-1 Page 2-4  
Attachment 4.19D Part 1 Subpart C Exhibit C-1 Page 7-9  
Attachment 4.19D Part 1 Subpart C Exhibit C-1 Page 14-15  
Attachment 4.19D Part 1 Subpart C Exhibit C-2 Page 1-3, 3a, 5  
Attachment 4.19D Part 1 Subpart C Exhibit C-3 Page 1-3, 3a  
Attachment 4.19D Part 1 Subpart C Exhibit C-4 Page 1  
Attachment 4.19D Part 1 Subpart C Exhibit C-5 Page 1-3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*)  
Attachment 4.19D Part 1 Subpart C Exhibit C-1 Page 2-4  
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Attachment 4.19D Part 1 Subpart C Exhibit C-3 Page 1-3, 3a  
Attachment 4.19D Part 1 Subpart C Exhibit C-4 Page 1  
Attachment 4.19D Part 1 Subpart C Exhibit C-5 Page 1-3

10. SUBJECT OF AMENDMENT

Methods and Standard for Establishing Payment Rates: Nursing Facilities and Nursing Facilities for Mental Health

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:  
Sarah Fertig is the  
Governor's Designee

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME  
Sarah Fertig

14. TITLE  
State Medicaid Director

15. DATE SUBMITTED  
September 10, 2021

16. RETURN TO

Sarah Fertig, State Medicaid Director  
KDHE, Division of Health Care Finance  
Landon State Office Building  
900 SW Jackson, Room 900-N  
Topeka, KS 66612-1220

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED  
9/10/2021

18. DATE APPROVED  
December 8, 2021

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL  
7/1/2021

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME  
Rory Howe

22. TITLE  
Director, Financial Management Group

23. REMARKS

Methods and Standards for Establishing Payment Rates  
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cost report information from the old and new operators shall be combined to prepare a 12-month calendar year end cost report.

Projected Cost Reports:

The filing of projected cost reports are limited to: 1) newly constructed facilities; 2) existing facilities new to the Medicaid program; or 3) a provider re-entering the Medicaid program that has not actively participated or billed services for 24 months or more. The requirements are found in K.A.R. 129-10-17.

**2) Rate Determination**

Rates for Existing Nursing Facilities

Medicaid rates for Kansas NFs are determined using a prospective, facility-specific rate-setting system. The rate is determined from the base cost data submitted by the provider. The current base cost data is the combined calendar year cost data from each available report submitted by the current provider during 2017, 2018, and 2019.

If the current provider has not submitted a calendar year report during the base cost period, the cost data submitted by the previous provider for that same period will be used as the base cost data. Once the provider completes their first 24 months in the program, their first calendar year cost report will become the provider's base cost data.

The allowable expenses are divided into three cost centers. The cost centers are Operating, Indirect Health Care and Direct Health Care. They are defined in K.A.R. 129-10-18.

The allowable historic per diem cost is determined by dividing the allowable resident related expenses in each cost center by resident days. Before determining the per diem cost, each year's cost data is adjusted from the midpoint of that year to March 31, 2020. The resident days and inflation factors used in the rate determination will be explained in greater detail in the following sections.

The inflated allowable historic per diem cost for each cost center is then compared to the cost center upper payment limit. The allowable per diem rate is the lesser of the inflated allowable historic per diem cost in each cost center or the cost center upper payment limit. Each cost center has a separate upper payment limit. If each cost center

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upper payment limit is exceeded, the allowable per diem rate is the sum of the three cost center upper payment limits. There is also a separate upper payment limit for owner, related party, administrator, and co-administrator compensation. The upper payment limits will be explained in more detail in a separate section.

The case mix of the residents adjusts the Direct Health Care cost center. The reasoning behind a case mix payment system is that the characteristics of the residents in a facility should be considered in determining the payment rate. The idea is that certain resident characteristics can be used to predict future costs to care for residents with those same characteristics. For these reasons, it is desirable to use the case mix classification for each facility in adjusting provider rates.

There are add-ons to the allowable per diem rate. The add-ons consist of the incentive factor, the real and personal property fee, and per diem pass-throughs to cover costs not included in the cost report data. The incentive factor and real and personal property fee are explained in separate sections of this exhibit. Pass-throughs are explained in separate subparts of Attachment 4.19D of the State Plan. The add-ons plus the allowable per diem rate equal the total per diem rate.

Rates for New Construction and New Facilities (New Enrollment Status)

The per diem rate for newly constructed nursing facilities, or new facilities to the Kansas Medical Assistance program shall be based on a projected cost report submitted in accordance with K.A.R. 129-10-17.

The cost information from the projected cost report and the first historic cost report covering the projected cost report period shall be adjusted to March 31, 2020. This adjustment will be based on the IHS Global Insight, National Skilled Nursing Facility Market Basket Without Capital Index (IHS Index). The IHS indices listed in the latest available quarterly publication will be used to adjust the reported cost data from the midpoint of the cost report period to March 31, 2020. The provider shall remain in new enrollment status until the base data is reestablished. During this time, the adjusted cost data shall be used to determine all rates for the provider. Any additional factor for inflation that is applied to cost data for established providers shall be applied to the adjusted cost data for each provider in new enrollment status.

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Rates for Facilities Recognized as a Change of Provider (Change of Provider Status)

The payment rate for the first 24 months of operation shall be based on the base cost data of the previous owner or provider. This base cost data shall include data from each calendar year cost report that was filed by the previous provider from 2017-2019. If base cost data is not available the most recent calendar year data for the previous provider shall be used. Beginning with the first day of the 25<sup>th</sup> month of operation the payment rate shall be based on the historical cost data for the first calendar year submitted by the new provider.

All data used to set rates for facilities recognized as a change-of-provider shall be adjusted to March 31, 2020. This adjustment will be based on the IHS Index. The IHS indices listed in the latest available quarterly publication will be used to adjust the reported cost data from the midpoint of the cost report period to March 31, 2020. The provider shall remain in change-of-provider status until the base data is reestablished. During this time, the adjusted cost data shall be used to determine all rates for the provider. Any additional factor for inflation that is applied to cost data for established providers shall be applied to the adjusted cost data for each provider in change of provider status.

Rates for Facilities Re-entering the Program (Reenrollment Status)

The per diem rate for each provider reentering the Medicaid program shall be determined from a projected cost report if the provider has not actively participated in the program by the submission of any current resident service billings to the program for 24 months or more. The per diem rate for all other providers reentering the program shall be determined from the base cost data filed with the agency or the most recent cost report filed preceding the base cost data period.

All cost data used to set rates for facilities reentering the program shall be adjusted to March 31, 2020. This adjustment will be based on the IHS Index. The IHS indices listed in the latest available quarterly publication will be used to adjust the reported cost data from the midpoint of the cost report period to March 31, 2020. The provider shall remain in reenrollment status until the base data is reestablished. During this time, the adjusted cost data shall be used to determine all rates for the provider. Any additional factor for inflation that is applied to cost data for established providers shall be applied to the adjusted cost data for each provider in reenrollment status.

**3) Quarterly Case Mix Index Calculation**

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cost report and the historic cost report covering the projected cost report period are based on the actual resident days for the period.

The second exception is for the first cost report filed by a new provider who assumes the rate of the previous provider. If the 85% minimum occupancy rule was applied to the previous provider's rate, it is also applied when the rate is assigned to the new provider. However, when the new provider files a historic cost report for any part of the first 12 months of operation, the rate determined from the cost report will be based on actual days and not be subject to the 85% minimum occupancy rule for the months in the first year of operation. The 85% minimum occupancy rule is then reapplied to the rate when the new provider reports resident days and costs for the 13th month of operation and after.

### 5) Inflation Factors

Inflation will be applied to the allowable reported costs from the calendar year cost report(s) used to determine the base cost data from the midpoint of each cost report period to March 31, 2020. The inflation will be based on the IHS Global Insight, CMS Nursing Home without Capital Market Basket index.

The IHS Global Insight, CMS Nursing Home without Capital Market Basket Indices listed in the latest available quarterly publication will be used to determine the inflation tables for the payment schedules processed during the payment rate period. This may require the use of forecasted factors in the inflation table. The inflation tables will not be revised until the next payment rate period.

The inflation factor will not be applied to the following costs:

- 1) Owner/Related Party Compensation
- 2) Interest Expense
- 3) Real and Personal Property Taxes

The inflation factor for the real and personal property fees will be based on the IHS index.

### 6) Upper Payment Limits

There are three types of upper payment limits that will be described. One is the owner/related party/administrator/co-administrator limit. The second is the real and personal property fee limit. The last type of limit is an upper payment limit for each cost

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center. The upper payment limits are in effect during the payment rate period unless otherwise specified by a State Plan amendment.

Owner/Related Party/Administrator/Co-Administrator Limits:

Since salaries and other compensation of owners are not subject to the usual market constraints, specific limits are placed on the amounts reported. First, amounts paid to non-working owners and directors are not an allowable cost. Second, owners and related parties who perform resident related services are limited to a salary chart based on the Kansas Civil Service classifications and wages for comparable positions. Owners and related parties who provide resident related services on less than a full time basis have their compensation limited by the percent of their total work time to a standard work week. A standard work week is defined as 40 hours. The owners and related parties must be professionally qualified to perform services which require licensure or certification.

The compensation paid to owners and related parties shall be allocated to the appropriate cost center for the type of service performed. Each cost center has an expense line for owner/related party compensation. There is also a cost report schedule titled, "Statement of Owners and Related Parties." This schedule requires information concerning the percent of ownership (if over five percent), the time spent in the function, the compensation, and a description of the work performed for each owner and/or related party. Any salaries reported in excess of the Kansas Civil Service based salary chart are transferred to the Operating cost center where the excess is subject to the Owner/Related Party/Administrator/Co-Administrator per diem compensation limit.

The Schedule C is an array of non-owner administrator and co-administrator salaries. The schedule includes the calendar year 2019 historic cost reports in the database from all active nursing facility providers. The salary information in the array is not adjusted for inflation. The per diem data is calculated using an 85% minimum occupancy level for those providers in operation for more than 12 months with more than 60 beds. The Schedule C for the owner/related party/administrator/co-administrator per diem compensation limit is the first schedule run during the rate setting.

The Schedule C is used to set the per diem limitation for all non-owner administrator and co-administrator salaries and owner/related party compensation in excess of the civil service based salary limitation schedule. The per diem limit for a 50-bed or larger home is set at the 90th percentile on all salaries reported for non-owner



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administrators and co-administrators. A limitation table is then established for facilities with less than 50 beds. This table begins with a reasonable salary per diem for an administrator of a 15-bed or less facility. The per diem limit for a 15-bed or less facility is inflated based on the State of Kansas annual cost of living allowance for classified employees for the rate period. A linear relationship is then established between the compensation of the administrator of the 15-bed facility and the compensation of the administrator of a 50-bed facility. The linear relationship determines the per diem limit for the facilities between 15 and 50 beds.

The per diem limits apply to the non-owner administrators and co-administrators and the compensation paid to owners and related parties who perform an administrative function or consultant type of service. The per diem limit also applies to the salaries in excess of the civil service based salary chart in other cost centers that are transferred to the operating cost center.

Real and Personal Property Fee Limit

The property component of the reimbursement methodology consists of the real and personal property fee that is explained in more detail in a later section. The upper payment limit will be 105% of the median determined from a total resident day-weighted array of the property fees in effect April 1, 2021.

Cost Center Upper Payment Limits

The Schedule B computer run is an array of all per diem costs for each of the three cost centers-Operating, Indirect Health Care, and Direct Health Care. The schedule includes a per diem determined from the base cost data from all active nursing facility providers. Projected cost reports are excluded when calculating the limit.

The per diem expenses for the Operating cost center and the Indirect Health Care cost center less food and utilities are subject to the 85% minimum occupancy for facilities over 60 beds. All previous desk review and field audit adjustments are considered in the per diem expense calculations. The costs are adjusted by the owner/related party/administrator/co-administrator limit.

Prior to the Schedule B arrays, the cost data on certain expense lines is adjusted from the midpoint of the cost report period to March 31, 2020. This will bring the costs reported by the providers to a common point in time for comparisons. The inflation will be based

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The table below summarizes the incentive factor outcomes and per diem add-ons:

INCENTIVE OUTCOME	INCENTIVE FACTOR PER DIEM
CMI adjusted staffing ratio $\geq$ 75th percentile (5.8), or	\$3.00
CMI adjusted staffing $<$ 75th percentile but improved $\geq$ 10%	\$0.50
Staff retention rate $\geq$ 75th percentile, 68% or Staff retention rate $<$ 75th percentile but increased $\geq$ 10%	\$2.50
Contracted labor $<$ 10% of total direct health care labor costs	\$0.50
Medicaid occupancy $\geq$ 65%	\$0.75
Quality Measures $\geq$ 75 <sup>th</sup> percentile (670)	\$1.25
<b>Total Incentive Add-ons-Available</b>	<b>\$7.50</b>

Nursing Facility for Mental Health Quality and Efficiency Incentive Factor:

The Quality and Efficiency Incentive plan for Nursing Facilities for Mental Health (NFMH) will be established separately from NF. NFMH serve people who often do not need the NF level of care on a long term basis. There is a desire to provide incentive for NFMH to work cooperatively and in coordination with Community Mental Health Centers to facilitate the return of persons to the community.

The Quality and Efficiency Incentive Factor is a per diem add-on ranging from zero (\$0.00) to seven dollars and fifty cents (\$7.50). It is designed to encourage quality care, efficiency and cooperation with discharge planning. The incentive factor is determined by five outcome measures: case-mix adjusted nurse staffing ratio; operating expense; staff turnover rate; staff retention rate; and occupancy rate. Each provider is awarded points based on their outcomes measures and the total points for each provider determine the per diem incentive factor included in the provider’s rate calculation.

Providers may earn up to two incentive points for their case mix adjusted nurse staffing ratio. They will receive two points if their case-mix adjusted staffing ratio equals or exceeds 3.88, which is 120% of the statewide NFMH median of 3.23. They will receive one point if the ratio is less than 120% of the NFMH median but greater than or equal to 3.55 which is 110% of the statewide NFMH median. Providers with staffing ratios below 110% of the NFMH median will receive no points for this incentive measure.

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NFMH providers may earn one point for low occupancy outcomes measures. If they have total occupancy less than 90% they will earn a point.

NFMH providers may earn one point for low operating expense outcomes measures. They will earn a point if their per diem operating expenses are below \$26.11, or 90% of the statewide median of \$29.01.

NFMH providers may earn up to two points for their turnover rate outcome measure. Providers with direct health care staff turnover equal to or below 41%, the 75<sup>th</sup> percentile statewide, will earn two points as long as contracted labor costs do not exceed 10% of the provider’s total direct health care labor costs. Providers with direct health care staff turnover greater than 41% but equal to or below 75%, the 50<sup>th</sup> percentile statewide, will earn one point as long as contracted labor costs do not exceed 10% of the provider’s total direct health care labor costs.

Finally, NFMH providers may earn up to two points for their retention rate outcome measure. Providers with staff retention rates at or above 76%, the 75<sup>th</sup> percentile statewide will earn two points. Providers with staff retention rates below 76%, but at or above 67%, the 50<sup>th</sup> percentile statewide will earn one point.

The table below summarizes the incentive factor outcomes and points:

QUALITY/EFFICIENCY OUTCOME	INCENTIVE POINTS
CMI adjusted staffing ratio >= 120% (3.88) of NF-MH median (3.23), or CMI adjusted staffing ratio between 110% (3.55) and 120%	2, or 1
Total occupancy <= 90%	1
Operating expenses < \$26.11, 90% of NF-MH median, \$29.01	1
Staff turnover rate <= 75th percentile, 41% Staff turnover rate <= 50th percentile, 75% Contracted labor < 10% of total direct health care labor costs	2, or 1
Staff retention >= 75th percentile, 76% Staff retention >= 50th percentile, 67%	2, or 1
Total Incentive Points Available	8

INFLATION TABLE  
EFFECTIVE 07/01/21

REPORT YEAR END (RYE)	MIDPOINT OF RYE	MIDPOINT OF RYE INDEX	MIDPOINT OF RATE PERIOD	MIDPOINT OF RATE PERIOD INDEX	HISTORICAL INFLATION FACTOR % *
12-16	06-16	1.044	03-20	1.148	9.962%
01-17	07-16	1.052	03-20	1.148	9.125%
02-17	08-16	1.052	03-20	1.148	9.125%
03-17	09-16	1.052	03-20	1.148	9.125%
04-17	10-16	1.057	03-20	1.148	8.609%
05-17	11-16	1.057	03-20	1.148	8.609%
06-17	12-16	1.057	03-20	1.148	8.609%
07-17	01-17	1.066	03-20	1.148	7.692%
08-17	02-17	1.066	03-20	1.148	7.692%
09-17	03-17	1.066	03-20	1.148	7.692%
10-17	04-17	1.074	03-20	1.148	6.890%
11-17	05-17	1.074	03-20	1.148	6.890%
12-17	06-17	1.074	03-20	1.148	6.890%
01-18	07-17	1.081	03-20	1.148	6.198%
02-18	08-17	1.081	03-20	1.148	6.198%
03-18	09-17	1.081	03-20	1.148	6.198%
04-18	10-17	1.086	03-20	1.148	5.709%
05-18	11-17	1.086	03-20	1.148	5.709%
06-18	12-17	1.086	03-20	1.148	5.709%
07-18	01-18	1.098	03-20	1.148	4.554%
08-18	02-18	1.098	03-20	1.148	4.554%
09-18	03-18	1.098	03-20	1.148	4.554%
10-18	04-18	1.105	03-20	1.148	3.891%
11-18	05-18	1.105	03-20	1.148	3.891%
12-18	06-18	1.105	03-20	1.148	3.891%
01-19	07-18	1.111	03-20	1.148	3.330%
02-19	08-18	1.111	03-20	1.148	3.330%
03-19	09-18	1.111	03-20	1.148	3.330%
04-19	10-18	1.118	03-20	1.148	2.683%
05-19	11-18	1.118	03-20	1.148	2.683%
06-19	12-18	1.118	03-20	1.148	2.683%
07-19	01-19	1.124	03-20	1.148	2.135%
08-19	02-19	1.124	03-20	1.148	2.135%
09-19	03-19	1.124	03-20	1.148	2.135%
10-19	04-19	1.131	03-20	1.148	1.503%
11-19	05-19	1.131	03-20	1.148	1.503%
12-19	06-19	1.131	03-20	1.148	1.503%
01-20	07-19	1.134	03-20	1.148	1.235%
02-20	08-19	1.134	03-20	1.148	1.235%
03-20	09-19	1.134	03-20	1.148	1.235%
04-20	10-19	1.138	03-20	1.148	0.879%
05-20	11-19	1.138	03-20	1.148	0.879%
06-20	12-19	1.138	03-20	1.148	0.879%

\* = (Midpoint of rate period index / Midpoint of rye index) -1

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D

Part I

Subpart C

Exhibit C-2

Page 2

COST CENTER LIMITATIONS EFFECTIVE 07/01/21

<u>COST CENTER</u>	<u>UPPER LIMIT</u>
Operating	\$41.43
Indirect Health Care	\$56.30
Direct Health Care	\$134.32
Real and Personal Property Fee	\$10.16

\* = Base limit for a facility average case mix index of 1.0419

QUALITY AND EFFICIENCY INCENTIVE FACTOR EFFECTIVE 07/01/21

NF ONLY

INCENTIVE OUTCOME	INCENTIVE AMOUNTS
1) CMI adjusted staffing ratio >= 75th percentile (5.8), or CMI adjusted staffing < 75th percentile but improved >= 10%	\$3.00 \$0.50
2) Staff retention rate >= 75th percentile, 68% or Staff retention rate < 75th percentile but increased >= 10% Contracted labor < 10% of total direct health care labor costs	\$2.50 \$0.50
3) Medicaid occupancy >= 65%	\$0.75
4) Quality Measures >= 75th percentile (670)	\$1.25
Total Incentive Available	\$7.50

NF-MH ONLY

	QUALITY/EFFICIENCY OUTCOME	INCENTIVE POINTS
1	CMI adjusted staffing ratio >= 120% (3.88) of NF-MH median (3.23), or CMI adjusted staffing ratio between 110% (3.55) and 120%	2, or 1
2	Total occupancy <= 90%	1
3	Operating expenses < \$26.11, 90% of NF-MH median, \$29.01	1
4	Staff turnover rate <= 75th percentile, 41% Staff turnover rate <= 50th percentile, 75% Contracted labor < 10% of total direct health care labor costs	2, or 1
5	Staff retention >= 75th percentile, 76% Staff retention >= 50th percentile, 67%	2, or 1
	Total Incentive Points Available	8

Total Incentive Points:

Tier 1: 6-8 points

Tier 2: 5 points

Tier 3: 4 points

Tier 4: 0-3 points

Incentive Factor Per Diem:

\$7.50

\$5.00

\$2.50

\$0.00

OWNER/ADMINISTRATOR LIMITATION TABLE EFFECTIVE 07/01/21

<u>Number of Beds</u>	<u>Total Bed Days</u>	<u>Maximum Owner/Admin Compensation</u>	<u>Limit PPD</u>	<u>FY</u>	<u>Amount</u>	<u>Cost of Living State Emp.</u>
15	5,475	\$24,103	\$4.40	76	10,000	----
16	5,840	27,273	\$4.67	77	10,280	2.800%
17	6,205	30,443	\$4.91	78	10,537	2.500%
18	6,570	33,613	\$5.12	79	11,301	7.250%
19	6,935	36,783	\$5.30	80	11,781	4.250%
20	7,300	39,953	\$5.47	81	12,617	7.100%
21	7,665	43,123	\$5.63	82	13,248	5.000%
22	8,030	46,293	\$5.77	83	14,109	6.500%
23	8,395	49,463	\$5.89	84	14,426	2.250%
24	8,760	52,633	\$6.01	85	15,147	5.000%
25	9,125	55,803	\$6.12	86	15,933	5.190%
26	9,490	58,973	\$6.21	87	16,411	3.000%
27	9,855	62,143	\$6.31	88	16,575	1.000%
28	10,220	65,313	\$6.39	89	17,238	4.000%
29	10,585	68,483	\$6.47	90	17,755	3.000%
30	10,950	71,653	\$6.54	91	18,021	1.500%
31	11,315	74,823	\$6.61	92	18,021	0.000%
32	11,680	77,993	\$6.68	93	18,111	0.500%
33	12,045	81,163	\$6.74	94	18,202	0.500%
34	12,410	84,333	\$6.80	95	18,407	1.125%
35	12,775	87,503	\$6.85	96	18,591	1.000%
36	13,140	90,673	\$6.90	97	18,591	0.000%
37	13,505	93,843	\$6.95	98	18,777	1.000%
38	13,870	97,013	\$6.99	99	19,059	1.500%
39	14,235	100,183	\$7.04	00	19,250	1.000%
40	14,600	103,353	\$7.08	01	19,250	0.000%
41	14,965	106,523	\$7.12	02	19,683	2.250%
42	15,330	109,693	\$7.16	03	19,683	0.000%
43	15,695	112,863	\$7.19	04	19,978	1.500%
44	16,060	116,033	\$7.22	05	20,577	3.000%
45	16,425	119,203	\$7.26	06	20,834	1.250%
46	16,790	122,373	\$7.29	07	21,355	2.500%
47	17,155	125,543	\$7.32	08	21,782	2.000%
48	17,520	128,713	\$7.35	09	22,327	2.500%
49	17,885	131,883	\$7.37	10-18	22,327	0.000%
50	18,250	135,053	\$7.40	19	22,941	2.750%
				20	23,515	2.500%
				21	24,103	2.500%



KANSAS MEDICAID STATE PLAN

Attachment 4.19-D

Part I

Subpart C

Exhibit C-3

Page 1

COMPILATION OF COST CENTER LIMITATIONS  
EFFECTIVE 07/01/21

	***BEFORE INFLATION***					***AFTER INFLATION***				
	OPER	IDHC	DHC	RPPF	TOTAL	OPER	IDHC	DHC	RPPF	TOTAL
MEDIAN	36.31	47.07	99.30	9.68	192.35	37.66	48.96	103.32	9.68	199.62
MEAN	40.42	51.14	103.54	13.86	208.96	40.89	52.25	107.59	13.86	214.59
WTMN	39.71	50.23	102.29	13.91	206.13	39.83	51.02	106.27	13.91	211.03
# OF PROV	311					311				

COMPILATION OF ADMINISTRATOR, CO-ADMIN OWNER EXPENSE - O/A LIMIT  
EFFECTIVE 07/01/21

	ADMINISTRATOR		CO-ADMINISTRATOR		TOTAL ADMN & CO-ADMN		OWNER	
	TOTAL	PRD	TOTAL	PRD	TOTAL	PRD	TOTAL	PRD
HIGH	238,449	42.39	98,943	6.90	238,449	17.22	345,476	10.58
99th	178,762	13.96	98,943	6.90	179,300	11.67	345,476	10.58
95th	139,924	9.15	98,943	6.90	144,110	8.55	269,532	10.26
90th	124,213	7.48	98,943	6.90	124,484	7.40	153,298	8.69
85th	116,292	6.98	98,943	6.90	116,437	6.89	131,756	7.43
80th	108,435	6.56	16,982	2.00	108,435	6.56	114,675	5.07
75th	104,523	6.33	16,982	2.00	104,300	6.26	105,805	4.71
70th	99,753	5.98	16,982	2.00	100,048	5.96	100,478	3.63
65th	93,955	5.60	16,982	2.00	93,955	5.60	80,076	2.90
60th	89,990	5.30	93,419	1.79	90,418	5.30	59,244	2.26
55th	87,274	5.14	93,419	1.79	87,326	5.12	56,224	1.96
50th	85,055	4.82	93,419	1.79	85,104	4.90	49,065	1.80
40th	78,362	4.34	16,439	0.34	78,962	4.35	37,783	1.80
30th	72,837	3.70	16,439	0.34	73,172	3.74	33,861	1.76
20th	64,204	3.04	9,693	0.26	64,204	3.04	22,317	1.52
10th	48,232	2.50	9,693	0.26	49,230	2.54	21,823	1.42
1st	0	0.00	9,693	0.26	20,173	1.43	6,710	0.52
LOW	0	0.00	9,693	0.26	14,436	1.09	6,710	0.52
MEAN	86,427	5.14	47,095	6.90	87,002	4.92	77,756	3.44
WTMN	77,160	4.36	47,313	1.46	78,142	4.34	70,661	3.21
# of Prov	309		5		309		35	

COMPILATION OF NF  
INCENTIVE POINTS AWARDED  
EFF. 07/01/2021

NURSING FACILITY

INCENTIVE AWARDED	# OF PROVIDERS	PERCENTAGE
\$0.00	57	18.5%
\$0.50	25	8.1%
\$0.75	36	11.7%
\$1.00	1	0.3%
\$1.25	53	17.2%
\$1.75	15	4.9%
\$2.00	10	3.2%
\$2.25	1	0.3%
\$2.50	15	4.9%
\$3.00	35	11.4%
\$3.25	7	2.3%
\$3.50	3	1.0%
\$3.75	14	4.5%
\$4.25	7	2.3%
\$4.50	4	1.3%
\$4.75	1	0.3%
\$5.00	5	1.6%
\$5.50	10	3.2%
\$6.25	3	1.0%
\$6.75	5	1.6%
\$7.50	1	0.3%

TOTALS 308 100.0%

PEAK INCENTIVE AWARDED	# OF PROVIDERS	PERCENTAGE
\$0.00	215	69.8%
\$0.50	36	11.7%
\$1.00	0	0.0%
\$1.50	35	11.4%
\$2.00	8	2.6%
\$2.50	9	2.9%
\$3.00	5	1.6%

TOTALS 308 100.0%

KANSAS MEDICAID STATE PLAN

Attachment 4.19D

Part 1

Subpart C

Exhibit C-4

Page 1

June 3, 2021

«ADMIN NAME», Administrator  
«FAC\_NAME»  
«FAC\_ADDRES»  
«CITY», KS «ZIP»

Provider #: 104«PROV\_NUM»01  
HP Enterprise Services Provider #: «EDS\_PROV\_N»

Dear «ADMIN NAME»:

The per diem rate shown on the enclosed Case Mix Payment Schedule for state fiscal year 2022 (FY22) has been forwarded to the Managed Care Organizations (MCOs) for processing of future reimbursement payments. The rate will become effective July 1, 2021.

The Kansas Department for Aging and Disability Services (KDADS), administers the Medicaid nursing facility services payment program on behalf of Kansas Department of Health and Environment. The rate was calculated by applying the applicable Medicaid program policies and regulations, to the cost reports (Form MS 2004) data shown on the enclosed payment schedule.

Also enclosed may be an audit adjustment sheet showing adjustments made during the desk review of the 2020 calendar year end cost report. This information is intended to assist you with preparation of future cost reports.

If you do not agree with this action, you have the right to request a fair hearing appeal in accordance with K.A.R. 30-7-64 et seq. The request for fair hearing shall be in writing and delivered to or mailed to the agency so that it is received by the **Office of Administrative Hearings, 1020 S. Kansas Ave., Topeka, KS 66612-1311** within 30 days from the date of this letter. (Pursuant to K.S.A. 77-531, an additional three days shall be allowed if you received this letter by mail). Failure to timely request or pursue such an appeal may adversely affect your rights.

If you have questions about the adjustments, please contact Shirley Chung at (785) 296-6457 or email at [Shirley.Chung@ks.gov](mailto:Shirley.Chung@ks.gov). For questions on the Medicaid Rate, please contact Trescia Power at (785) 207-2375 or email at [Trescia.Power@ks.gov](mailto:Trescia.Power@ks.gov) or Steven Hime at (785) 296-2535 or email at [Steven.Hime@ks.gov](mailto:Steven.Hime@ks.gov).

Sincerely,  
Trescia Power  
Program Finance Oversight Manager  
Kansas Department for Aging and Disability Services

# Kansas Medicaid / MediKan

Case Mix Schedule  
1st - 2nd QTR 2022 ANNUAL

## Current Provider Information

Provider Number:	HP Enterprises Provider Number:	1st QTR Medicaid CMI:	0 8825
Facility Name:	Area/County:	2nd QTR Medicaid CMI:	0 8831
Address:		Average Medicaid CMI:	0 8828 (a)
City/State/Zip:			
Administrator:			

## Cost Report Statistics

Calendar Year Cost Reports Used For Base Data:	12/31/2017	12/31/2018	12/31/2019	
Inflation Factor:	6.890%	3 891%	1.503%	
Facility Cost Report Period CMI:	0.8374	0 8945	0.9190	
Statewide Average CMI:	1.0302	1 0416	1.0539	1 0419 [b]
NF Or NF/MH Beds:	36	36	30	
Bed Days Available:	13,140	13,140	12,222	
Inpatient Days:	10,840	10,763	9,970	
Occupancy Rate:	82.5%	91.9%	81 6%	
Medicaid Days:	7,302	7,434	7,035	
Calc Days If Appl:	11,169	11,169	10,389	

## Calculation of Combined Base Year Reimbursement Rate

<b>Operating</b>				
Total Reported Costs:	\$1,035,363	\$875,046	\$812,971	
Cost Report Adjustments:	(\$415,871)	\$0	\$0	
O/A Limit Adjustment:	\$0	(\$34,142)	(\$40,070)	
Total Adjusted Costs:	\$619,492	\$840,904	\$772,901	
Total Inflated Adjusted Costs:	\$662,175	\$874,952	\$785,120	
Total Combined Base Cost:				\$2,322,247
Days Used In Division Oper:	10,840	10,763	9,970	31,573
				73.55 Oper Per Diem
				41.43 Oper Per Diem Cost Limitation
				41.43 Oper Per Diem Rate (1)

<b>Indirect Health Care</b>				
Total Reported Costs:	\$722,607	\$643,882	\$555,869	
Cost Report Adjustments:	\$2,612	\$0	\$0	
Total Adjusted Costs:	\$725,219	\$643,882	\$555,869	
Total Inflated Adjusted Costs:	\$775,187	\$668,935	\$564,224	
Total Combined Base Cost:				\$2,008,346
Days Used In Division IDHC:	10,840	10,763	9,970	31,573
				63.61 DHC Per Diem
				56.30 DHC Per Diem Cost Limitation
				56.30 IDHC Per Diem Rate (2)

<b>Direct Health Care</b>				
Total Reported Costs:	\$1,153,135	\$1,245,295	\$1,292,198	
Cost Report Adjustments:	\$0	\$0	\$0	
Total Adjusted Costs:	\$1,153,135	\$1,245,295	\$1,292,198	
Total Inflated Adjusted Costs:	\$1,232,586	\$1,293,749	\$1,311,620	
Total CMI Adjusted Costs:	\$1,516,372	\$1,506,505	\$1,504,153	
Total Combined Base Cost:				\$4,527,030
Days Used In Division DHC:	10,840	10,763	9,970	31,573
				143.38 Case Mix Adjusted DHC Per Diem
				134.32 DHC Per Diem Cost Limitation
				134.32 Allowable DHC Per Diem Cost [c]
				[c]*(a)/(b) 113.81 Medicaid Acuity Adjustment (3)

<b>Real and Personal Property Fee</b>	208.82 Real and Personal Property Fee
	0.00 Inflation (0.000%)
	0.00 RPPF Rebase Add On
	208.82 RPPF Before Limit
	10.16 RPPF Limitation
	10.16 Allowable RPPF (4)

## Calculation of Medicaid Rate

Operating, DHC, And DHC Rates and RPPF (1) +(2) + (3) +(4):	221.70
Incentive Factor	0.00
PEAK 2 0	0.00
Bed Tax Adjustment	2.62
DME Adjustment	0.00
Minimum Wage Adjustment	0.00
<b>Total Medicaid Rate Effective</b>	<b>07/01/2021 224.32</b>

KANSAS MEDICAID  
QUALITY AND EFFICIENCY OUTCOMES INCENTIVE FACTOR

Provider Number:  
HP Enterprise Services Provider Number:

Facility Name:

Rate Effective Date: 07/01/21

	<u>Incentive Possible</u>	<u>Facility Stats</u>	<u>Incentive Awarded</u>
1. Case Mix Adjusted Nurse Staff Ratio			
Tier 1: At or Above the NF 75th Percentile (5.8)	\$ 3.00		\$ 3.00
Tier 2: Below the NF 75th Percentile but Improved At or Above 10%	\$ 0.50		\$ 0.00
Cost Report Year Data:		6.04 12/31/2020	
2. Staff Retention			
Tier 1: At or Below the NF 75th Percentile (68%)	\$ 2.50		\$ 2.50
Tier 2: Above the NF 75th Percentile but Reduced At or Above 10% And Contract Nursing Labor Less than 10% of total DHC Labor Costs (Contract Labor 0%)	\$ 0.50	82%	\$ 0.00
Cost Report Year Data:		12/31/2020	
3. Occupancy Rate			
Medicaid Occupancy At or Above 60%	\$ 0.75		\$ 0.00
Cost Report Year Data:		55% 12/31/2020	
4. Quality Measures			
Score At or Above 75th Percentile (670)	\$ 1.25	460	\$ 0.00
 Total Incentive before Survey Adjustment			 \$ 5.50
100%			(\$ 5.50)
<b>Final Incentive Awarded</b>			<b>\$ 0.00</b>
 Peak 2.0 Incentive	 \$ 3.00		 \$ 1.50
Peak 2.0 Survey Adjustment and Reduction		100%	(\$ 1.50)
<b>Final PEAK 2.0 Incentive Awarded</b>			<b>\$ 0.00</b>

KANSAS MEDICAID  
QUALITY AND EFFICIENCY OUTCOMES INCENTIVE FACTOR

Provider Number:  
HP Enterprise Services Provider Number:

Facility Name:

Rate Effective Date: 07/01/21

	<u>Incentive Possible</u>	<u>Facility Stats</u>	<u>Incentive Awarded</u>
1. Case Mix Adjusted Nurse Staff Ratio			
Tier 1: At or Above 120% of NF-MH Median (3.88)	2		2
Tier 2: At or Above 110% of NF-MH Median of (3.55) (NF-MH Median is 3.23 for an Average Statewide CMI of 1.0706)	1		0
Cost Report Year Data:		5.53 12/31/2020	
2. Operating Expense			
At or Below 90% of NF-MH Median (\$26.11)	1	\$35.05	0
Cost Report Year Data:		12/31/2020	
3. Staff Turnover			
Tier 1: At or Below the NF-MH 75th Percentile (41%)	2		2
Tier 2: At or Below the NF-MH 75th Percentile (75%) And Contract Nursing Labor Less than 10% of Total DHC Labor Costs (0.00%)	1		0
Cost Report Year Data:		28% 12/31/2020	
4. Staff Retention			
Tier 1: At or Below the NF-MH 75th Percentile (76%)	2		0
Tier 2: At or Below the NF-MH 75th Percentile (67%)	1		1
Cost Report Year Data:		70% 12/31/2020	
5. Occupancy Rate			
Total Occupancy At or Below 90%	1		1
Cost Report Year Data:		72% 12/31/2020	

<b>Total Points Awarded</b>		<b>6</b>
Incentive Before Survey Adjustment		\$7.50
Survey Adjustment and Reduction	0%	(\$0.00)
<b>Final Incentive</b>		<b>\$7.50</b>

Scoring:

<u>Points</u>	<u>Per Diem</u>
6 - 8	\$7.50
5	\$5.00
4	\$2.50
0 - 3	\$0.00

<b>PEAK 2.0 Incentive</b>		<b>\$0.00</b>
Survey Adjustment and Reduction	0%	\$0.00
<b>Total PEAK 2.0 Incentive</b>		<b>\$0.00</b>