

Table of Contents

State/Territory Name: Kansas

State Plan Amendment (SPA) KS: 22-0004

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 & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

March 15, 2022

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

RE: TN 22-0004

Dear Ms. Fertig:

We have reviewed the proposed Kansas State Plan Amendment (SPA) to Attachment 4.19-B, KS-22-0004, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on January 19, 2022. This State Plan Amendment is adding hospice attending physician service reimbursement rates to FQHC and RHC PPS.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Robert Bromwell at (410) 786-5914 or Robert.Bromwell@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

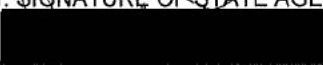
Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>22</u> — <u>0004</u>	2. STATE <u>KS</u>
	3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE January 1, 2022	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447 Subpart B	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2022</u> \$ <u>834,121</u> b. FFY <u>2023</u> \$ <u>982,118</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Att. 4.19-B #2.b. Page 8 Att. 4.19-B #2.c. Page 8	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Att. 4.19-B #2.b. Page 8 Att. 4.19-B #2.c. Page 8	

9. SUBJECT OF AMENDMENT
Add hospice attending physician service reimbursement rates to FQHC and RHC PPS rates. Section 132 of the Consolidated Appropriations Act, 2021 amended section 1834(o) of the Act and added a new section 1834(y) to the Act, to provide the authority for both FQHCs and RHCs, respectively, to receive payment for hospice attending physician services.

10. GOVERNOR'S REVIEW (Check One)

<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sarah Fertig is the Governor's Designee
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. 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
12. TYPED NAME Sarah Fertig	
13. TITLE State Medicaid Director	
14. DATE SUBMITTED January 19, 2022	

FOR CMS USE ONLY

16. DATE RECEIVED January 19, 2022	17. DATE APPROVED March 15, 2022
---------------------------------------	-------------------------------------

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2022	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion	21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review

22. REMARKS

Methods & Standards for Establishing Payment Rates

Rural Health Clinics

F. Adjustment for Laboratory

Effective July 1, 2002, clinical diagnostic lab services furnished by a clinic are no longer within the scope of RHC services under the Kansas Medicaid Program. An RHC that provides this service will be reimbursed on fee-for-service basis. Medicare implemented this change effective January 1, 2001. KDHE will retroactively adjust PPS rates effective 7/1/02 to exclude all expenses associated with laboratory services after receiving relevant date that facilitates identification of these expenditures.

G. Long Acting Reversible Contraceptives (LARC)

Effective February 27, 2018, LARCs insertion and removal visits will be paid at the RHC PPS encounter rate. The devices will be reimbursed as outlined on Attachment 4.19-B #12.a. Page 1.1, item number 6.

H. Hospice Care – Attending Physician Services

Effective January 1, 2022, an RHC can bill and receive payment under the RHC Prospective Payment System (PPS) when a designated attending physician employed by or working under contract with the RHC furnishes hospice attending physician services (as described in section 1812(d)(2)(A)(ii) of the Act) during a patient's hospice election.

I. Change in Scope of Services

To receive a PPS rate adjusted for a proposed increase or decrease in the scope of covered RHC services in a future fiscal year as compared to the current year, a provider shall be required to submit a proposal which should include enough information to facilitate an evaluation of the proposed change and its effect on the rate. At a minimum, this shall include a description of the change, budgeted expenditures, and change in total number of visits. Any rate change would be implemented on the first of the month following the KDHE decision.

IV. ALTERNATIVE PAYMENT METHODOLOGY – “REBASED PROSPECTIVE PAYMENT SYSTEM” (RPPS)

Under this methodology, RHCs shall be paid RPPS rates based on an average of the reasonable costs of providing covered RHC services during the base years, with no retroactive settlement.

A. Determination of RPPS Rate

1. Methodology – Determined by two most recent available cost reports of 2008, 2009, or 2010, as follows:
 - (i) Two Re-Base Years full Twelve-Month Periods: $(\text{RFY1 Cost-Based Rate} + \text{RFY2 Cost-Based Rate})/2$ and applied a trended MEI factor.

B. Payment Procedure for January 1, 2013 to September 30, 2013.

1. Prior to approval of this state plan, Medicaid has paid the RPPS rates calculated in IV.A.1.

C. Payment Rate Effective Each October 1 After September 30, 2013

1. The RPPS rates effective on the previous day (9/30 of the same year) shall be adjusted for the MEI index.

Methods & Standards for Establishing Payment Rates

Federally Qualified Health Centers

3. **If Neither Historic Nor Budgeted Data Available:** If neither is available, the payment rate shall be the average of the rates paid to other FQHCs in the same Metropolitan Statistical Area (MSA) as defined by the Department of Commerce, with an adjustment for dental services since they are not provided by all FQHCs.

F. Adjustment for Laboratory

Effective July 1, 2002, clinical diagnostic lab services furnished by a center are no longer within the scope of FQHC services under the Kansas Medicaid Program. An FQHC that provides this service will be reimbursed on fee-for-service basis. Medicare implemented this change effective January 1, 2001. KDHE will retroactively adjust PPS rates effective 7/1/02 to exclude all expenses associated with laboratory services after receiving relevant data that facilitates identification of these expenditures.

G. Long Acting Reversible Contraceptives (LARC)

Effective February 27, 2018, LARCs insertion and removal visits will be paid at the FQHC PPS encounter rate. The devices will be reimbursed as outlined on Attachment 4.19-B #12.a. Page 1.1, item number 6.

H. Hospice Care – Attending Physician Services

Effective January 1, 2022, an FQHC can bill and receive payment under the FQHC Prospective Payment System (PPS) when a designated attending physician employed by or working under contract with the FQHC furnishes hospice attending physician services (as described in section 1812(d)(2)(A)(ii) of the Act) during a patient’s hospice election.

I. Change in Scope of Services

To receive PPS rate adjusted for a proposed increase or decrease in the scope of covered FQHC & dental services in a future fiscal year as compared to the current year, a provider shall be required to submit a proposal which should include enough information to facilitate an evaluation of the proposed change and its effect on the rate. At a minimum, this shall include a description of the change, budgeted expenditure, and change in total number of visits. Any rate change would be implemented on the first of the month following the KDHE decision.

IV. ALTERNATIVE METHODOLOGY – REBASED PROSPECTIVE PAYMENT SYSTEM (RPPS)

Under this methodology, FQHCs shall be paid RPPS rates based on an average of the reasonable costs of providing covered FQHC services during the base years, with no retroactive settlement.

A. Determination of RPPS Rate

1. Methodology – Determined by cost reports as follows:
 - (i) Both Re-Base Years (2009 and 2010) full Twelve-Month Periods: $(RFY1 \text{ Cost-Based Rate} + RFY2 \text{ Cost-Based Rate})/2$ and applied a trended MEI factor.

B. Payment Procedure for January 1, 2013 to September 30, 2013.

1. Prior to approval of this state plan, Medicaid has paid the RPPS rates calculated in IV.A.1.

C. Payment Rate Effective Each October 1 After September 30, 2013

1. The RPPS rates effective on the previous day (9/30 of the same year) shall be adjusted for the MEI index.