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State/Territory Name: Kansas

State Plan Amendment (SPA) KS: 22-0035

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

November 23, 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 22-0035

Dear Ms. Fertig:

We have reviewed the proposed Kansas State Plan Amendment (SPA) to Attachment 4.19-B, KS-22-0035, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on October 19th, 2022. This State Plan Amendment is a technical correction to SPA 22-0018 to correct the location of PADS for the reimbursement of LARC devices at Rural Health Centers (RHC) and Federally Qualified Health Centers (FQHC).

Based upon the information provided by the State, we have approved the amendment with an effective date of October 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

22 — 0035

2. STATE

KS

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

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

4. PROPOSED EFFECTIVE DATE

October 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 0
b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, #2.b. Page 8
Attachment 4.19-B, #2.c. Page 8

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)

Attachment 4.19-B, #2.b. Page 8
Attachment 4.19-B, #2.c. Page 8

9. SUBJECT OF AMENDMENT

With the approval of SPA KS-22-0018, a technical SPA is needed to correct the location of PADS for the reimbursement of LARC devices at Rural Health Centers (RHC) and Federally Qualified Health Centers (FQHC).

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:
Sarah Fertig is the
Governor's Designee

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Sarah Fertig

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
October 19, 2022

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

FOR CMS USE ONLY

16. DATE RECEIVED
October 19, 2022

17. DATE APPROVED
November 23, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 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

KANSAS MEDICAID STATE PLAN

Attachment 4.19-B
#2. b., Page 8

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., Prescribed Drugs, Methods and Standards for Establishing Payment Rates, Physician Administered Drugs (PADS).

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)

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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 Cost-Based Rate + 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.