State Demonstrations Group

John Hamdorf
State Medicaid Director
Kansas Department of Health and Environment
Division of HealthCare Finance
1000 SW Jackson
Topeka, KS 66612

Dear Mr. Hamdorf:

I am writing to inform you that the Centers for Medicare & Medicaid Services (CMS) has made the technical corrections to the Special Terms and Conditions (STCs) for Kansas’ section 1115(a) demonstration (11-W-00283/7) as requested by the state.

The technical correction updates the uniform percentage of eligible uncompensated costs for demonstration year five in Attachment J to the STCs. Attachment J sets forth the uniform percentage of eligible uncompensated costs that shall be reimbursed under the Health Care Access Improvement Program Pool described in Section XI, STC 66. The approved uniform percentage of eligible uncompensated costs for demonstration year five has been incorporated into Attachment J to the STCs.

This approval does not alter any of the requirements specified in the STCs of the demonstration. A copy of updated Attachment J is enclosed.

If you have any questions, please contact your project officer, Mr. Michael Trieger. Mr. Trieger can be reached at (410) 786-0745, or by email at Michael.Trieger1@cms.hhs.gov.

We look forward to continuing to partner with you and your staff on the KanCare section 1115 demonstration.

Sincerely,

[Signature]

Angela Garner
Director
Division of System Reform Demonstrations

Enclosure: Attachment J
cc: James Scott, Associate Regional Administrator, CMS Kansas City Region VII
    Michala Walker, Kansas State Lead, CMS Kansas City Region
ATTACHMENT J
REVISED
UC Pool Uniform Percentages

The table below provides the uniform percentages for the UC HCAIP Pool (STC 66). Should the state elect to revise the uniform percentages for DY 1 and the inpatient net patient revenue threshold, the state must submit a revised Attachment J by April 30, 2013. The state must submit a revised version of this attachment to CMS by February 28th of DY 2 through 5 for review and approval.

<table>
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<th></th>
<th>DY 1</th>
<th>DY 2</th>
<th>DY 3</th>
<th>DY 4</th>
<th>DY 5</th>
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<tr>
<td>Uniform Percentage</td>
<td>18.55%</td>
<td>14.65%</td>
<td>12.67%</td>
<td>11.13%</td>
<td>10.94%</td>
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<td>Specialty Service Uniform Percentage</td>
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<td>Tri-Level NICU Services Uniform Percentage</td>
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<tr>
<td>Tri-Specialty Uniform Percentage</td>
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<td>Tri-Specialty Inpatient Net Patient Revenue Threshold</td>
<td>$250,000,000</td>
<td>$300,000,000</td>
<td>$300,000,000</td>
<td>$300,000,000</td>
<td>$300,000,000</td>
<td>$300,000,000</td>
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</tbody>
</table>

*There was an error in the original calculations so the percentage was increased.