

## KANSAS MEDICAID STATE PLAN

Attachment 4.19-A

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### Methods and Standards for Establishing Payment Rates – Inpatient Hospital Care

Effective with dates of service on and after January 1, 2010 through June 30, 2010, medical plan payments will reflect a 10 percent payment reduction. The payment reduction is not a reduction on the current rates, but is a reduction to the final Medicaid payment amount (net reimbursement amount). The payment reduction is applied to the net Medicaid payment amount after reductions for Medicare, other insurance, or any other third party liability payment.

The following points pertain to section 4.19A:

- The reduction will not apply to inpatient services provided by large Kansas public teaching hospitals and State operated psychiatric hospitals.
- Psychiatric Residential Treatment Facilities (PRTFs): The payment reduction will apply to PRTF reimbursement in a similar manner. The payment reduction is applied to the net Medicaid payment amount after reductions for Medicare, other insurance, or any other third party liability payment.

TN # 10-01 Approval Date NOV 17 Effective Date 01/01/10 Supersedes New

**OS Notification**

**State/Title/Plan Number: Kansas 10-001**

**Type of Action: SPA Approval**

**Required Date for State Notification: November 18, 2010**

**Fiscal Impact: FFY 2010 (\$7,445,420)  
FFY 2011 \$-0-**

**Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0**

**Number of Potential Newly Eligible People: 0**

**Eligibility Simplification: No**

**Provider Payment Increase: No**

**Delivery System Innovation: No**

**Number of People Losing Medicaid Eligibility: No**

**Reduces Benefits: No**

**Detail:** Effective for dates of service from January 1, 2010 through June 30, 2010, this amendment reduces inpatient hospital and psychiatric residential treatment facility payment rates by 10%. On July 1, 2010, payment rates are restored to the levels in effect as of December 31, 2009. Funding for these services comes from State general revenue and an approved hospital provider tax. Public process / public notice requirements were met. Tribal consultations were not required for this SPA. There are no tribal providers of inpatient hospital or PRTF services. The changes proposed in this SPA will not affect the provision of services to tribal members.

In regards to access to care requirements, the payment reductions were discussed with the provider associations at two separate meetings in the fall of 2009. The provider associations acknowledged the payment reductions were a direct result of the retracting economy and the State law requiring a balanced budget, and provided input to the State on how they would like the reductions structured. The State has been monitoring provider enrollment and no providers have terminated due to the payment reduction. The State established an indicator for capturing grievances for denied access to services. No grievances have been received. The State is continuing to monitor provider enrollment reports, phone calls, grievances, and other direct contacts from providers and beneficiaries to ensure access to care is available.

**Other Considerations:** This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor. This OSN has been reviewed in the context of the ARRA and approval of the OSN is not in violation of ARRA provisions.

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