

## **Table of Contents**

**State/Territory Name: KS**

**State Plan Amendment (SPA) #: 18-0001**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 East 12<sup>th</sup> Street, Suite 355  
Kansas City, Missouri 64106



**Division of Medicaid and Children's Health Operations**

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April 26, 2018

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

Dear Mr. Hamdorf:

On March 2, 2018, the Centers for Medicare & Medicaid Services (CMS) received Kansas' State Plan Amendment (SPA) transmittal #18-0001. This SPA is to remove Long Acting Reversible Contraceptives (LARC) from the Rural Health Centers (RHC) PPS rate and reimburse the LARC under FFS.

SPA #18-0001 was approved April 25, 2018, with an effective date of February 27, 2018, as requested by the state. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the Kansas State Plan.

If you have any questions regarding this amendment, please contact Karen Hatcher or Michala Walker at (816) 426-5925.

Sincerely, \_\_\_\_\_

4/26/2018

James G. Scott  
Associate Regional Administrator  
for Medicaid and Children's Health Operations

Sign

Enclosure

cc:  
Bobbie Graff-Hendrixson  
William Stelzner

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

1. TRANSMITTAL NUMBER:  
KS 18-001

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  
February 27, 2018

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 Part 491, Subpart A  
42 CFR 441.20

7. FEDERAL BUDGET IMPACT  
a. FFY 2018 \$773,260  
b. FFY 2019 \$1,325,589

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*)

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

10. SUBJECT OF AMENDMENT

Methods & Standards for Establishing Payment Rates Rural Health Clinics

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:  
Jonathan J. Hamdorf is the  
Governor's Designee

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME  
for Jonathan J. Hamdorf

14. TITLE  
Director, Division of Health Care Finance

15. DATE SUBMITTED  
March 2, 2018

16. RETURN TO

Jonathan J. Hamdorf, 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  
March 2, 2018

18. DATE APPROVED  
April 25, 2018

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL  
February 27, 2018

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

James G Scott

22. TITLE

Associate Regional Administrator  
for Medicaid and Children's Health Operations

23. 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. A 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. 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: (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.