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State/Territory Name: Kansas

State Plan Amendment (SPA) #: 20-0011

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
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group

September 20, 2020

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

RE: Kansas SPA 20-0011

Dear Ms. Fertig:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 20-0011. This amendment adds "unit" to "transfer" definition and "wing" is changed to "unit" in section 2.5400.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of July 1, 2020. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please contact Fredrick Sebree at Fredrick.sebree@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

For
Rory Howe
Acting Director

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

1. TRANSMITTAL NUMBER:
KS 20-0011

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
July 1, 2020

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 447 Subpart C

7. FEDERAL BUDGET IMPACT
a. FFY 2020 \$0
b. FFY 2021 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, Page 4
Attachment 4.19-A, Page 24

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-A, Page 4
Attachment 4.19-A, Page 24

10. SUBJECT OF AMENDMENT

The word "unit" is added to ee, "Transfer" definition, Section 1.0000 – Definitions. The word "wing" is changed to "unit" in Section 2.5400 – Payment for Transfers.

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:
Sarah Fertig is the
Governor's Designee

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME
Sarah Fertig

14. TITLE
State Medicaid Director

15. DATE SUBMITTED
July 14, 2020

16. 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 REGIONAL OFFICE USE ONLY

17. DATE RECEIVED
July 14, 2020

18. DATE APPROVED
9/20/20

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL
For

21. TYPED NAME
Rory Howe

22. Acting Director, FMG

23. REMARKS

Methods and Standards for Establishing Payment Rates - Inpatient Hospital Care

1.0000 continued

- z. "Readmission" means the subsequent admission of a recipient as an inpatient into a hospital within 15 days of discharge as an inpatient from the same or another hospital participating in the DRG reimbursement system.
- aa. "Recalibration" means the adjustment of all DRG weights to reflect changes in relative resource use associated with all existing DRG categories and/or the creation or elimination of DRG categories.
- bb. "Standard diagnosis related group (DRG) amount" means the amount computed by multiplying the group reimbursement rate for the general hospital by the diagnosis related group weight.
- cc. "State-operated hospital" means an establishment operated by the State of Kansas with an organized medical staff of physicians, with permanent facilities that include inpatient beds, with medical services, including physician services and continuous registered professional nursing services for not less than 24 hours of every day, and which provides diagnosis and treatment for nonrelated patients.
- dd. "Stay as an inpatient in a general hospital" means the period of time spent in a general hospital from admission to discharge.
- ee. "Transfer" means the movement of an individual receiving hospital inpatient services from one hospital to another hospital, or different units within the same hospital, for additional related inpatient care after admission to the previous hospital, hospitals, or hospital units.
- ff. "Transferring hospital" means the hospital which transfers a recipient to another hospital. There may be more than one transferring hospital for the same recipient until discharge.
- gg. "Critical Access Hospital": Hospitals that are certified as critical access hospitals by Medicare.
- hh. "Border city children's hospital" is defined as a comprehensive pediatric medical center with 200 beds or more, a level I pediatric trauma center, and at least a level IIIc intensive care nursery. The border city children's hospital must be located in a Kansas border city. A Kansas border city means those communities outside of the state of Kansas, but within a 50-mile range of the state border.
- ii. "Hospital located in a frontier county": A hospital located within a county where the population is fewer than 6.90 persons/sq. mi. The population density is taken from the 2010 Census.
- jj. "Hospital located in a rural county": A hospital located within a county where the population is 6.0 – 19.9 person/sq. mi. The population density is taken from the 2010 Census.
- kk. "Hospital located in a densely-settled rural county": A hospital located within a county where the population is 20.0 - 39.9 persons/sq. mi. The population density is taken from the 2010 Census.
- ll. "Large Hospital" is defined as any hospital in the State of Kansas with 500 or more available beds, as reported on the Medicare cost report, defined in Section 6.2000 B.
- mm. "State Institutional Alternatives (SIA)" are defined as facilities that provide inpatient psychiatric treatment and are authorized by the Kansas Department of Aging and Disability Services (KDADS) to serve as an alternative to placement in a state mental health institution.

Methods and Standards for Establishing Payment Rates – Inpatient Hospital Care

Section 2.5320 continued

Total Claim			
Payment	=	Standard DRG Payment	+ Outlier Payment
	=	\$11,995	+ \$2,354
	=	\$14,349	

2.5330 Simultaneous Cost and Day Outlier Payment

If a covered general hospital inpatient stay is determined to be both a cost outlier and a day outlier, the reimbursement will be the greater of the amounts computed for cost outlier and day outlier.

Example of Payment for Simultaneous Cost and Day Outlier:

Data

Total Claim Payment for Cost Outlier...\$14,308 (subsection 2.5310)

Total Claim Payment for Day Outlier.... \$14,349 (subsection 2.5320)

Analysis

The higher of the two amounts, \$14,349, will be the reimbursement amount for the claim which meets both cost outlier and day outlier criteria.

2.5340 Pay No More Than Charges

After the determination of the payment, including any applicable outliers, hospitals shall be paid the lesser of the Medicaid allowed amount and their allowed charges. Allowed charges are determined based upon which revenue codes are allowed as covered services.

2.5400 Payment for Transfers

When a recipient is transferred during a covered general hospital inpatient stay from one hospital to another hospital, or to a psychiatric or rehabilitation unit of the same hospital, the reimbursement to all hospitals involved in the transfer(s) will be computed as follows.

2.5410 Transferring Hospital(s)

The reimbursement to each transferring general hospital shall be the DRG daily rate for each covered day of stay. Total payment to each transferring hospital shall be no greater than the standard DRG amount, except where the transferring hospital is eligible for outlier payments.

2.5420 Discharging Hospital

The discharging general hospital shall be reimbursed the standard DRG amount. If the claim qualifies as an outlier, the discharging hospital shall be eligible for an outlier payment based solely on the length of stay at the discharging hospital.