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State/Territory Name: KS

State Plan Amendment (SPA) #: 23-0037

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

Financial Management Group

December 7, 2023

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 23-0037

Dear Ms. Fertig:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 23-0037. This amendment revises the ICF-IID levels of care structure and administrative per diem rates.

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) 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 October 1, 2023. 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,



Rory Howe
Director

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

1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 3 7</u>	2. STATE <u>KS</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE October 1, 2023
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5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2024</u> \$ <u>0</u> b. FFY <u>2025</u> \$ <u>0</u>
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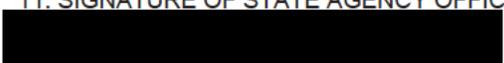
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19D Part II Subpart O Exhibit 0-1 Pages 2-3	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19D Part II Subpart O Exhibit 0-1 Pages 2-3
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9. SUBJECT OF AMENDMENT
The ICF-IID Levels of Care structure and administration per diem rates are being revised.

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:
Christine Osterlund is the Governor's Designee

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Christine Osterlund Interim Medicaid Director Deputy Secretary of Agency Integration and Medicaid KDHE, Division of Health Care Finance Landon State Office Building 900 SW Jackson, Room 900-N Topeka, KS 66612-1220
12. TYPED NAME Christine Osterlund	
13. TITLE Interim Medicaid Director	
14. DATE SUBMITTED October 10, 2023	

FOR CMS USE ONLY

16. DATE RECEIVED 10/10/2023	17. DATE APPROVED December 7, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL 10/1/2023	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, FMG

22. REMARKS

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II. Or, all other ICF-IID (nonstate) (class 2)

Levels of Care:

Annually, the level of functioning is calculated by screening all ICF-IID clients in Kansas using the Developmental Disabilities Profile (DDP), which rates clients on each of three indexes: adaptive functioning, maladaptive behavior, and health needs. Facility converted scores are obtained by performing the following calculations:

1. Each index score is divided by the highest score obtained in Kansas in a given year for the corresponding index.
2. The resulting scores for each index are added together and averaged.
3. The resulting number is multiplied by 100. (Thus, the maximum possible converted score is 300).

Using the above methodology, seven levels of facilities are identified based on the following converted DDP scores. Quarterly, the average converted DDP scores will be reviewed. Rate adjustments may be proposed at that time.

<u>LEVELS</u>	<u>CONVERTED DDP SCORES</u>
Level I	225-and up
Level II	200-224.99
Level III	175-199.99
Level IV	150-174.99
Level V	125-149.99
Level VI	100-124.99
Level VII	75-99.99

Direct service limits are based on facility size; divided into three groups: above 16 beds; 9 to 16 beds; and 4 to 8 beds; and level of functioning using the chart above.

Facility Size Number of Beds	Level I	Level II	Level III	Level IV	Level V	Level VI	Level VII
A. +16	\$224.65	\$197.06	\$172.86	\$164.71	\$156.98	\$149.64	\$142.65
B. 9-16	\$278.91	\$244.66	\$214.61	\$204.40	\$194.68	\$185.46	\$176.67
C. 4-8	\$324.11	\$284.30	\$249.39	\$237.42	\$226.04	\$215.24	\$204.98

Administrative per diem limits are based on the size of the facility, using the same classes as referred to above.

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A.	+16 beds	\$26.92
B.	9-16 beds	\$44.68
C.	4-8 beds	\$50.18

Ownership allowance is established by a property fee system, which is a continuation of the system used previously. The fee has been calculated by analyzing all facility costs, arranging them from high to low, placing them into five groups and adding “value factors”:

VALUE FACTOR

The per diem reimbursement for facility ownership is based on the historic cost of each facility. The value factor was to reward those with low ownership costs B mortgage interest, rent/lease expense, amortization and depreciation. The value factor calculations for ICF-IIDs may be found below and are the same as used in the Nursing Facility program (see Medicaid State Plan transmittal #87-43, effective 10-1-87, approved 2-5-88).

Calculation methodology for the value factor:

1) Property Allowance Calculation

The four line items of ownership cost-mortgage interest, rent/lease expense, amortization and depreciation-were added together and divided by client days to arrive at the ownership cost per client day for each provider.

2) Value Factor Calculation

For all providers, the property allowances were arrayed based on facility size and percentiles were established. These percentiles became the basis for establishing the property value factor. Five different percentile groupings were developed from each array as follows.

<u>Group No.</u>	<u>Percentile Ranking</u>	<u>Add-on Percent</u>
1	Zero through 25 th Percentile	45%
2	26 th through 50 th Percentile	15%
3	51 st through 75 th Percentile	7.5%
4	76 th through 85 th Percentile	5%
5	86 th through 100 th Percentile	-0-