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State/Territory Name: KS

State Plan Amendment (SPA) #: 24-0017

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 S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

December 18, 2024

Christine Osterlund, 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: TN 24-0017

Dear Ms. Osterlund:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Kansas state plan amendment (SPA) to Attachment 4.19-D 24-0017, which was submitted to CMS on September 25, 2024. This plan amendment updates the nursing facility rates for state fiscal year 2025.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Fred Sebree via email at Fredrick.Sebree@cms.hhs.gov.

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

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

1. TRANSMITTAL NUMBER <u>2 4 — 0 0 1 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
July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447.201, 42 CFR 442.10

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 \$ 189,790
b. FFY 2025 \$ 571,494

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19D Part 1 Subpart C Exhibit C-1 Pages 2-4, 7-9, 14, 15, 18
Attachment 4.19D Part 1 Subpart C Exhibit C-2 Pages 1-3, 3a, 5
Attachment 4.19D Part 1 Subpart C Exhibit C-3 Pages 1-3, 3a
Attachment 4.19D Part 1 Subpart C Exhibit C-4 Page 1
Attachment 4.19D Part 1 Subpart C Exhibit C-5 Pages 1-3

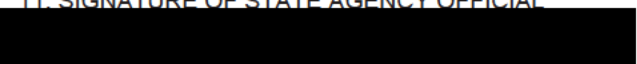
8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Att. 4.19D Part 1 Subpart C Exhibit C-1 Pages 2-4, 7-9, 14, 15, 18; Att. 4.19D Part 1 Subpart C Exhibit C-2 Pages 1-3, 3a, 5; Att. 4.19D Part 1 Subpart C Exhibit C-3 Pages 1-3, 3a; Att. 4.19D Part 1 Subpart C Exhibit C-4 Page 1; Att. 4.19D Part 1; Subpart C Exhibit C-5 Pages 1-3

9. SUBJECT OF AMENDMENT
Methods and Standard for Establishing Payment Rates: Nursing Facilities and Nursing Facilities for Mental Health, SFY 2025

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


12. TYPED NAME
Christine Osterlund

13. TITLE
Medicaid Director


14. DATE SUBMITTED
September 25, 2024

15. RETURN TO
Christine Osterlund
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

FOR CMS USE ONLY

16. DATE RECEIVED <u>9/25/2024</u>	17. DATE APPROVED <u>December 18, 2024</u>
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL <u>7/1/2024</u>	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL <u>Rory Howe</u>	21. TITLE OF APPROVING OFFICIAL <u>Director, FMG</u>

22. REMARKS

Methods and Standards for Establishing Payment Rates
Nursing Facilities and Nursing Facilities-Mental Health

Narrative Explanation of Nursing Facility Reimbursement Formula

cost report information from the old and new operators shall be combined to prepare a 12-month calendar year end cost report.

Projected Cost Reports:

The filing of projected cost reports are limited to: 1) newly constructed facilities; 2) existing facilities new to the Medicaid program; or 3) a provider re-entering the Medicaid program that has not actively participated or billed services for 24 months or more. The requirements are found in K.A.R. 129-10-17.

2) Rate Determination

Rates for Existing Nursing Facilities

Medicaid rates for Kansas NFs are determined using a prospective, facility-specific rate-setting system. The rate is determined from the base cost data submitted by the provider. The current base cost data is the combined calendar year cost data from each available report submitted by the current provider during 2021, 2022, and 2023.

If the current provider has not submitted a calendar year report during the base cost period, the cost data submitted by the previous provider for that same period will be used as the base cost data. Once the provider completes their first 24 months in the program, their first calendar year cost report will become the provider's base cost data.

The allowable expenses are divided into three cost centers. The cost centers are Operating, Indirect Health Care and Direct Health Care. They are defined in K.A.R. 129-10-18.

The allowable historic per diem cost is determined by dividing the allowable resident related expenses in each cost center by resident days. Before determining the per diem cost, each year's cost data is adjusted from the midpoint of that year to December 31, 2023. The resident days and inflation factors used in the rate determination will be explained in greater detail in the following sections.

The inflated allowable historic per diem cost for each cost center is then compared to the cost center upper payment limit. The allowable per diem rate is the lesser of the inflated allowable historic per diem cost in each cost center or the cost center upper payment limit. Each cost center has a separate upper payment limit. If each cost center

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upper payment limit is exceeded, the allowable per diem rate is the sum of the three cost center upper payment limits. There is also a separate upper payment limit for owner, related party, administrator, and co-administrator compensation. The upper payment limits will be explained in more detail in a separate section.

The case mix of the residents adjusts the Direct Health Care cost center. The reasoning behind a case mix payment system is that the characteristics of the residents in a facility should be considered in determining the payment rate. The idea is that certain resident characteristics can be used to predict future costs to care for residents with those same characteristics. For these reasons, it is desirable to use the case mix classification for each facility in adjusting provider rates.

There are add-ons to the allowable per diem rate. The add-ons consist of the incentive factor, the real and personal property fee, and per diem pass-throughs to cover costs not included in the cost report data. The incentive factor and real and personal property fee are explained in separate sections of this exhibit. Pass-throughs are explained in separate subparts of Attachment 4.19D of the State Plan. The add-ons plus the allowable per diem rate equal the total per diem rate.

Rates for New Construction and New Facilities (New Enrollment Status)

The per diem rate for newly constructed nursing facilities, or new facilities to the Kansas Medical Assistance program shall be based on a projected cost report submitted in accordance with K.A.R. 129-10-17.

The cost information from the projected cost report and the first historic cost report covering the projected cost report period shall be adjusted to December 31, 2024. This adjustment will be based on the S&P Global Market Intelligence, National Skilled Nursing Facility Market Basket Without Capital Index (S&P Index). The S&P indices listed in the latest available quarterly publication will be used to adjust the reported cost data from the midpoint of the cost report period to December 31, 2024. The provider shall remain in new enrollment status until the base data is reestablished. During this time, the adjusted cost data shall be used to determine all rates for the provider. Any additional factor for inflation that is applied to cost data for established providers shall be applied to the adjusted cost data for each provider in new enrollment status.

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Rates for Facilities Recognized as a Change of Provider (Change of Provider Status)

The payment rate for the first 24 months of operation shall be based on the base cost data of the previous owner or provider. This base cost data shall include data from each calendar year cost report that was filed by the previous provider from 2021-2023. If base cost data is not available the most recent calendar year data for the previous provider shall be used. Beginning with the first day of the 25th month of operation the payment rate shall be based on the historical cost data for the first calendar year submitted by the new provider.

All data used to set rates for facilities recognized as a change-of-provider shall be adjusted to December 31, 2024. This adjustment will be based on the S&P Index. The S&P indices listed in the latest available quarterly publication will be used to adjust the reported cost data from the midpoint of the cost report period to December 31, 2024. The provider shall remain in change-of-provider status until the base data is reestablished. During this time, the adjusted cost data shall be used to determine all rates for the provider. Any additional factor for inflation that is applied to cost data for established providers shall be applied to the adjusted cost data for each provider in change of provider status.

Rates for Facilities Re-entering the Program (Reenrollment Status)

The per diem rate for each provider reentering the Medicaid program shall be determined from a projected cost report if the provider has not actively participated in the program by the submission of any current resident service billings to the program for 24 months or more. The per diem rate for all other providers reentering the program shall be determined from the base cost data filed with the agency or the most recent cost report filed preceding the base cost data period.

All cost data used to set rates for facilities reentering the program shall be adjusted to December 31, 2024. This adjustment will be based on the S&P Index. The S&P indices listed in the latest available quarterly publication will be used to adjust the reported cost data from the midpoint of the cost report period to December 31, 2024. The provider shall remain in reenrollment status until the base data is reestablished. During this time, the adjusted cost data shall be used to determine all rates for the provider. Any additional factor for inflation that is applied to cost data for established providers shall be applied to the adjusted cost data for each provider.

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cost report and the historic cost report covering the projected cost report period are based on the actual resident days for the period.

The second exception is for the first cost report filed by a new provider who assumes the rate of the previous provider. If the 85% minimum occupancy rule was applied to the previous provider's rate, it is also applied when the rate is assigned to the new provider. However, when the new provider files a historic cost report for any part of the first 12 months of operation, the rate determined from the cost report will be based on actual days and not be subject to the 85% minimum occupancy rule for the months in the first year of operation. The 85% minimum occupancy rule is then reapplied to the rate when the new provider reports resident days and costs for the 13th month of operation and after.

5) Inflation Factors

Inflation will be applied to the allowable reported costs from the calendar year cost report(s) used to determine the base cost data from the midpoint of each cost report period to December 31, 2024. The inflation will be based on the S&P Global Market Intelligence, CMS Nursing Home without Capital Market Basket index.

The S&P Global Market Intelligence, CMS Nursing Home without Capital Market Basket Indices listed in the latest available quarterly publication will be used to determine the inflation tables for the payment schedules processed during the payment rate period. This may require the use of forecasted factors in the inflation table. The inflation tables will not be revised until the next payment rate period.

The inflation factor will not be applied to the following costs:

- 1) Owner/Related Party Compensation
- 2) Interest Expense
- 3) Real and Personal Property Taxes

The inflation factor for the real and personal property fees will be based on the S&P index.

6) Upper Payment Limits

There are three types of upper payment limits that will be described. One is the owner/related party/administrator/co-administrator limit. The second is the real and personal property fee limit. The last type of limit is an upper payment limit for each cost

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center. The upper payment limits are in effect during the payment rate period unless otherwise specified by a State Plan amendment.

Owner/Related Party/Administrator/Co-Administrator Limits:

Since salaries and other compensation of owners are not subject to the usual market constraints, specific limits are placed on the amounts reported. First, amounts paid to non-working owners and directors are not an allowable cost. Second, owners and related parties who perform resident related services are limited to a salary chart based on the Kansas Civil Service classifications and wages for comparable positions. Owners and related parties who provide resident related services on less than a full-time basis have their compensation limited by the percent of their total work time to a standard work week. A standard work week is defined as 40 hours. The owners and related parties must be professionally qualified to perform services which require licensure or certification.

The compensation paid to owners and related parties shall be allocated to the appropriate cost center for the type of service performed. Each cost center has an expense line for owner/related party compensation. There is also a cost report schedule titled, "Statement of Owners and Related Parties." This schedule requires information concerning the percent of ownership (if over five percent), the time spent in the function, the compensation, and a description of the work performed for each owner and/or related party. Any salaries reported in excess of the Kansas Civil Service based salary chart are transferred to the Operating cost center where the excess is subject to the Owner/Related Party/Administrator/Co-Administrator per diem compensation limit.

The Schedule C is an array of non-owner administrator and co-administrator salaries. The schedule includes the calendar year 2023 historic cost reports in the database from all active nursing facility providers. The salary information in the array is not adjusted for inflation. The per diem data is calculated using an 85% minimum occupancy level for those providers in operation for more than 12 months with more than 60 beds. The Schedule C for the owner/related party/administrator/co-administrator per diem compensation limit is the first schedule run during the rate setting.

The Schedule C is used to set the per diem limitation for all non-owner administrator and co-administrator salaries and owner/related party compensation in excess of the civil service-based salary limitation schedule. The per diem limit for a 50-bed or larger home is set at the 90th percentile on all salaries reported for non-owner

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administrators and co-administrators. A limitation table is then established for facilities with less than 50 beds. This table begins with a reasonable salary per diem for an administrator of a 15-bed or less facility. The per diem limit for a 15-bed or less facility is inflated based on the State of Kansas annual cost of living allowance for classified employees for the rate period. A linear relationship is then established between the compensation of the administrator of the 15-bed facility and the compensation of the administrator of a 50-bed facility. The linear relationship determines the per diem limit for the facilities between 15 and 50 beds.

The per diem limits apply to the non-owner administrators and co-administrators and the compensation paid to owners and related parties who perform an administrative function or consultant type of service. The per diem limit also applies to the salaries in excess of the civil service-based salary chart in other cost centers that are transferred to the operating cost center.

Real and Personal Property Fee Limit

The property component of the reimbursement methodology consists of the real and personal property fee that is explained in more detail in a later section. The upper payment limit will be 105% of the median determined from a total resident day-weighted array of the property fees in effect April 1, 2024.

Cost Center Upper Payment Limits

The Schedule B computer run is an array of all per diem costs for each of the three cost centers-Operating, Indirect Health Care, and Direct Health Care. The schedule includes a per diem determined from the base cost data from all active nursing facility providers. Projected cost reports are excluded when calculating the limit.

The per diem expenses for the Operating cost center and the Indirect Health Care cost center less food and utilities are subject to the 85% minimum occupancy for facilities over 60 beds. All previous desk review and field audit adjustments are considered in the per diem expense calculations. The costs are adjusted by the owner/related party/administrator/co-administrator limit.

Prior to the Schedule B arrays, the cost data on certain expense lines is adjusted from the midpoint of the cost report period to December 31, 2024. This will bring the costs reported by the providers to a common point in time for comparisons. The inflation will be based

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The table below summarizes the incentive factor outcomes and per diem add-ons:

INCENTIVE OUTCOME	INCENTIVE FACTOR PER DIEM
CMI adjusted staffing ratio \geq 75th percentile (5.36), or	\$3.00
CMI adjusted staffing $<$ 75th percentile but improved \geq 10%	\$0.50
Staff retention rate \geq 75th percentile, 71% or Staff retention rate $<$ 75th percentile but increased \geq 10%	\$2.50
Contracted labor $<$ 10% of total direct health care labor costs	\$0.50
Medicaid occupancy \geq 65%	\$0.75
Quality Measures \geq 75 th percentile (580)	\$1.25
Total Incentive Add-ons-Available	\$7.50

Nursing Facility for Mental Health Quality and Efficiency Incentive Factor:

The Quality and Efficiency Incentive plan for Nursing Facilities for Mental Health (NFMH) will be established separately from NF. NFMH serve people who often do not need the NF level of care on a long term basis. There is a desire to provide incentive for NFMH to work cooperatively and in coordination with Community Mental Health Centers to facilitate the return of persons to the community.

The Quality and Efficiency Incentive Factor is a per diem add-on ranging from zero (\$0.00) to seven dollars and fifty cents (\$7.50). It is designed to encourage quality care, efficiency and cooperation with discharge planning. The incentive factor is determined by five outcome measures: case-mix adjusted nurse staffing ratio; operating expense; staff turnover rate; staff retention rate; and occupancy rate. Each provider is awarded points based on their outcomes measures and the total points for each provider determine the per diem incentive factor included in the provider’s rate calculation.

Providers may earn up to two incentive points for their case mix adjusted nurse staffing ratio. They will receive two points if their case-mix adjusted staffing ratio equals or exceeds 3.41, which is 120% of the statewide NFMH median of 2.84. They will receive one point if the ratio is less than 120% of the NFMH median but greater than or equal to 3.12, which is 110% of the statewide NFMH median. Providers with staffing ratios below 110% of the NFMH median will receive no points for this incentive measure.

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NFMH providers may earn one point for low occupancy outcomes measures. If they have total occupancy less than 90% they will earn a point.

NFMH providers may earn one point for low operating expense outcomes measures. The provider will earn a point if their per diem operating expenses are below \$35.73, or 90% of the statewide median of \$39.70.

NFMH providers may earn up to two points for their turnover rate outcome measure. Providers with direct health care staff turnover equal to or below 63%, the 75th percentile statewide, will earn two points as long as contracted labor costs do not exceed 10% of the provider’s total direct health care labor costs. Providers with direct health care staff turnover greater than 63% but equal to or below 68%, the 50th percentile statewide, will earn one point as long as contracted labor costs do not exceed 10% of the provider’s total direct health care labor costs.

Finally, NFMH providers may earn up to two points for their retention rate outcome measure. Providers with staff retention rates at or above 59%, the 75th percentile statewide will earn two points. Providers with staff retention rates below 59%, but at or above 45%, the 50th percentile statewide will earn one point.

The table below summarizes the incentive factor outcomes and points:

QUALITY/EFFICIENCY OUTCOME	INCENTIVE POINTS
CMI adjusted staffing ratio >= 120% (3.41) of NF-MH median (2.84), or CMI adjusted staffing ratio between 110% (3.12) and 120%	2, or 1
Total occupancy <= 90%	1
Operating expenses < \$35.73, 90% of NF-MH median, \$39.70	1
Staff turnover rate <= 75th percentile, 63% Staff turnover rate <= 50th percentile, 68% Contracted labor < 10% of total direct health care labor costs	2, or 1
Staff retention >= 75th percentile, 59% Staff retention >= 50th percentile, 45%	2, or 1
Total Incentive Points Available	8

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Survey and Certification Performance Adjustment

The survey and certification performance of each NF and NF-MH provider will be reviewed quarterly to determine each provider’s eligibility for incentive factor payments. In order to qualify for an incentive factor payment a home must not have received any health care survey deficiency of scope and severity level “H” or higher during the survey review period. Homes that receive “G” level deficiencies, but no “H” level or higher deficiencies, and that are in compliance within 30 days of the survey, will be eligible to receive 50% of the calculated incentive factor. Homes that receive no deficiencies higher than scope and severity level “F” will be eligible to receive 100% of the calculated incentive factor. The survey and certification review period will be the 12-month period ending one quarter prior to the incentive eligibility review date. The following table lists the incentive eligibility review dates and corresponding review period end dates.

<u>Incentive Eligibility Effective Date:</u>	<u>Review Period End Date:</u>
July 1	March 31st
October 1	June 30th
January 1	September 30th
April 1	December 31st

10) Rate Effective Date

Rate effective dates are determined in accordance with K.A.R. 129-10-19. The rate may be revised for an add-on reimbursement factor (i.e., rebased property fee), desk review adjustment or field audit adjustment.

REPORT YEAR END (RYE)	MIDPOINT OF RYE	MIDPOINT OF RYE INDEX	MIDPOINT OF RATE PERIOD	MIDPOINT OF RATE PERIOD INDEX	HISTORICAL INFLATION FACTOR % *
12-20	06-20	1.051	12-24	1.282	21.979%
01-21	07-20	1.058	12-24	1.282	21.172%
02-21	08-20	1.058	12-24	1.282	21.172%
03-21	09-20	1.058	12-24	1.282	21.172%
04-21	10-20	1.065	12-24	1.282	20.376%
05-21	11-20	1.065	12-24	1.282	20.376%
06-21	12-20	1.065	12-24	1.282	20.376%
07-21	01-21	1.079	12-24	1.282	18.814%
08-21	02-21	1.079	12-24	1.282	18.814%
09-21	03-21	1.079	12-24	1.282	18.814%
10-21	04-21	1.093	12-24	1.282	17.292%
11-21	05-21	1.093	12-24	1.282	17.292%
12-21	06-21	1.093	12-24	1.282	17.292%
01-22	07-21	1.112	12-24	1.282	15.288%
02-22	08-21	1.112	12-24	1.282	15.288%
03-22	09-21	1.112	12-24	1.282	15.288%
04-22	10-21	1.128	12-24	1.282	13.652%
05-22	11-21	1.128	12-24	1.282	13.652%
06-22	12-21	1.128	12-24	1.282	13.652%
07-22	01-22	1.149	12-24	1.282	11.575%
08-22	02-22	1.149	12-24	1.282	11.575%
09-22	03-22	1.149	12-24	1.282	11.575%
10-22	04-22	1.171	12-24	1.282	9.479%
11-22	05-22	1.171	12-24	1.282	9.479%
12-22	06-22	1.171	12-24	1.282	9.479%
01-23	07-22	1.192	12-24	1.282	7.550%
02-23	08-22	1.192	12-24	1.282	7.550%
03-23	09-22	1.192	12-24	1.282	7.550%
04-23	10-22	1.206	12-24	1.282	6.302%
05-23	11-22	1.206	12-24	1.282	6.302%
06-23	12-22	1.206	12-24	1.282	6.302%
07-23	01-23	1.221	12-24	1.282	4.996%
08-23	02-23	1.221	12-24	1.282	4.996%
09-23	03-23	1.221	12-24	1.282	4.996%
10-23	04-23	1.230	12-24	1.282	4.228%
11-23	05-23	1.230	12-24	1.282	4.228%
12-23	06-23	1.230	12-24	1.282	4.228%
01-24	07-23	1.240	12-24	1.282	3.387%
02-24	08-23	1.240	12-24	1.282	3.387%
03-24	09-23	1.240	12-24	1.282	3.387%
04-24	10-23	1.247	12-24	1.282	2.807%
05-24	11-23	1.247	12-24	1.282	2.807%
06-24	12-23	1.247	12-24	1.282	2.807%

* = (Midpoint of rate period index / Midpoint of rye index) -1

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D

Part I

Subpart C

Exhibit C-2

Page 2

COST CENTER LIMITATIONS EFFECTIVE 07/01/24

<u>COST CENTER</u>	<u>UPPER LIMIT</u>
Operating	\$57.16
Indirect Health Care	\$70.24
Direct Health Care	\$192.96 *
Real and Personal Property Fee	\$10.51

* = Base limit for a facility average case mix index of 1.2906

QUALITY AND EFFICIENCY INCENTIVE FACTOR EFFECTIVE 07/01/24

NF ONLY

INCENITVE OUTCOME	INCENTIVE AMOUNTS
1) CMI adjusted staffing ratio >= 75th percentile (5.36), or CMI adjusted staffing < 75th percentile but improved >= 10%	\$3.00 \$0.50
2) Staff retention rate >= 75th percentile, 71% or Staff retention rate < 75th percentile but increased >= 10% Contracted labor < 10% of total direct health care labor costs	\$2.50 \$0.50
3) Medicaid occupancy >= 65%	\$0.75
4) Quality Measures >= 75th percentile (580)	\$1.25
Total Incentive Available	\$7.50

QUALITY AND EFFICIENCY INCENTIVE FACTOR EFFECTIVE 07/01/24

NF-MH ONLY

	QUALITY/EFFICIENCY OUTCOME	INCENTIVE POINTS
1	CMI adjusted staffing ratio >= 120% (3.41) of NF-MH median (2.84), or CMI adjusted staffing ratio between 110% (3.12) and 120%	2, or 1
2	Total occupancy <= 90%	1
3	Operating expenses < \$35.73, 90% of NF-MH median, \$39.70	1
4	Staff turnover rate <= 75th percentile, 63% Staff turnover rate <= 50th percentile, 68% Contracted labor < 10% of total direct health care labor costs	2, or 1
5	Staff retention >= 75th percentile, 59% Staff retention >= 50th percentile, 45%	2, or 1
	Total Incentive Points Available	8

Total Incentive Points:

- Tier 1: 6-8 points
- Tier 2: 5 points
- Tier 3: 4 points
- Tier 4: 0-3 points

Incentive Factor Per Diem:

- \$7.50
- \$5.00
- \$2.50
- \$0.00

KANSAS MEDICAID STATE PLAN

Attachment 4.19D

Part 1

Subpart C

Exhibit C-2

Page 5

OWNER/ADMINISTRATOR LIMITATION TABLE EFFECTIVE 07/01/2024

<u>Number of Beds</u>	<u>Total Bed Days</u>	<u>Maximum Owner/Admin Compensation</u>	<u>Limit PPD</u>	<u>FY</u>	<u>Amount</u>	<u>Cost of Living State Emp.</u>
15	5,490	\$36,155	\$6.60	80	11,781	4.250%
16	5,856	39,851	\$6.82	81	12,617	7.100%
17	6,222	43,547	\$7.02	82	13,248	5.000%
18	6,588	47,243	\$7.19	83	14,109	6.500%
19	6,954	50,939	\$7.35	84	14,426	2.250%
20	7,320	54,635	\$7.48	85	15,147	5.000%
21	7,686	58,331	\$7.61	86	15,933	5.190%
22	8,052	62,027	\$7.72	87	16,411	3.000%
23	8,418	65,723	\$7.83	88	16,575	1.000%
24	8,784	69,419	\$7.92	89	17,238	4.000%
25	9,150	73,115	\$8.01	90	17,755	3.000%
26	9,516	76,811	\$8.09	91	18,021	1.500%
27	9,882	80,507	\$8.17	92	18,021	0.000%
28	10,248	84,203	\$8.24	93	18,111	0.500%
29	10,614	87,899	\$8.30	94	18,202	0.500%
30	10,980	91,595	\$8.36	95	18,407	1.125%
31	11,346	95,291	\$8.42	96	18,591	1.000%
32	11,712	98,987	\$8.47	97	18,591	0.000%
33	12,078	102,683	\$8.52	98	18,777	1.000%
34	12,444	106,379	\$8.57	99	19,059	1.500%
35	12,810	110,075	\$8.62	00	19,250	1.000%
36	13,176	113,771	\$8.66	01	19,250	0.000%
37	13,542	117,467	\$8.70	02	19,683	2.250%
38	13,908	121,163	\$8.74	03	19,683	0.000%
39	14,274	124,859	\$8.77	04	19,978	1.500%
40	14,640	128,555	\$8.81	05	20,577	3.000%
41	15,006	132,251	\$8.84	06	20,834	1.250%
42	15,372	135,947	\$8.87	07	21,355	2.500%
43	15,738	139,643	\$8.90	08	21,782	2.000%
44	16,104	143,339	\$8.93	09	22,327	2.500%
45	16,470	147,035	\$8.95	10-18	22,327	0.000%
46	16,836	150,731	\$8.98	19	22,941	2.750%
47	17,202	154,427	\$9.00	20	23,515	2.500%
48	17,568	158,123	\$9.03	21-23	24,103	2.500%
49	17,934	161,819	\$9.05	24	25,308	5.000%

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D

Part I

Subpart C

Exhibit C-3

Page 1

COMPILATION OF COST CENTER LIMITATIONS
EFFECTIVE 07/01/2024

	BEFORE INFLATION					***AFTER INFLATION***				
	<u>OPER</u>	<u>IDHC</u>	<u>DHC</u>	<u>RPPF</u>	<u>TOTAL</u>	<u>OPER</u>	<u>IDHC</u>	<u>DHC</u>	<u>RPPF</u>	<u>TOTAL</u>
MEDIAN	51.31	56.47	134.29	10.01	252.08	51.96	61.08	148.43	10.01	271.48
MEAN	52.98	61.97	143.28	14.76	272.98	55.52	66.13	157.86	14.76	294.27
WTMN	52.92	60.52	141.53	16.10	271.08	54.58	64.35	156.00	16.10	291.04
# OF PROV	297					297				

COMPILATION OF ADMINISTRATOR, CO-ADMIN OWNER EXPENSE - O/A LIMIT
EFFECTIVE 07/01/24

	ADMINISTRATOR		CO-ADMINISTRATOR		TOTAL ADMN & CO-ADMN		OWNER	
	TOTAL	PRD	TOTAL	PRD	TOTAL	PRD	TOTAL	PRD
HIGH	257,584	19.77	67,169	4.12	257,584	19.77	337,862	23.13
99th	234,607	16.76	67,169	4.12	234,607	16.76	337,862	23.13
95th	159,970	10.21	67,169	4.12	160,775	10.21	308,536	11.87
90th	135,772	9.07	67,169	4.12	135,772	9.07	231,121	9.51
85th	129,588	8.72	67,169	4.12	129,192	8.68	93,746	5.90
80th	119,801	7.96	67,169	4.12	120,666	7.94	74,581	4.33
75th	115,290	7.42	63,254	2.45	115,668	7.49	59,763	3.85
70th	111,123	7.07	63,254	2.45	111,123	7.20	47,908	3.24
65th	106,242	6.66	63,254	2.45	106,251	6.68	42,274	3.08
60th	102,394	6.27	63,254	2.45	102,547	6.42	35,843	2.43
55th	100,287	6.06	63,254	2.45	100,508	6.07	34,752	2.24
50th	95,044	5.78	45,362	1.76	95,270	5.80	31,329	1.74
40th	91,628	5.14	45,362	1.76	91,809	5.24	30,395	1.37
30th	84,930	4.36	45,362	1.76	85,240	4.36	26,459	1.22
20th	76,264	3.67	9,600	0.63	77,932	3.68	9,963	0.65
10th	61,722	3.20	9,600	0.63	62,879	3.20	2,993	0.12
1st	20,324	1.73	9,600	0.63	20,324	1.73	2,108	0.04
LOW	1,216	0.08	9,600	0.63	1,216	0.08	2,108	0.04
MEAN	99,249	6.02	46,346	2.24	99,882	6.05	65,912	3.60
WTMN	88,544	5.21	48,622	2.23	89,149	5.25	60,582	3.03
# of Prov	293		4		293		34	

COMPILATION OF NF
INCENTIVE POINTS AWARDED
EFF. 07/01/2024

NURSING FACILITY

INCENTIVE AWARDED	# OF PROVIDERS	PERCENTAGE
\$0.00	64	22.2%
\$0.50	18	6.3%
\$0.75	40	13.9%
\$1.00	2	0.7%
\$1.25	41	14.2%
\$1.75	8	2.8%
\$2.00	17	5.9%
\$2.25	1	0.3%
\$2.50	18	6.3%
\$3.00	30	10.4%
\$3.25	5	1.7%
\$3.50	0	0.0%
\$3.75	17	5.9%
\$4.25	10	3.5%
\$4.50	3	1.0%
\$5.00	3	1.0%
\$5.50	7	2.4%
\$6.25	2	0.7%
\$6.50	0	0.0%
\$7.00	0	0.0%
\$7.50	2	0.7%
TOTALS	288	100.0%
\$0.00	195	67.7%
\$0.50	11	3.8%
\$0.75	45	15.6%
\$1.00	8	2.8%
\$1.25	5	1.7%
\$1.50	6	2.1%
\$2.00	6	2.1%
\$2.50	5	1.7%
\$3.00	7	2.4%
TOTALS	288	100.0%

COMPILATION OF NF-MH
INCENTIVE POINTS AWARDED
EFF. 07/01/2024

NURSING FACILITY MENTAL HEALTH

INCENTIVE POINTS AWARDED	# OF PROVIDERS	PERCENTAGE
0	2	20.0%
1	3	30.0%
2	1	10.0%
3	0	0.0%
4	1	10.0%
5	2	20.0%
6	1	10.0%
7	0	0.0%
8	0	0.0%
TOTALS	10	100.0%

PEAK INCENTIVE AWARDED	# OF PROVIDERS	PERCENTAGE
\$0.00	9	90.0%
\$0.50	0	0.0%
\$0.75	1	10.0%
TOTALS	10	100.0%

KANSAS MEDICAID STATE PLAN

Attachment 4.19D
Part 1
Subpart C
Exhibit C-4
Page 1

June 24, 2024

« NAME », Administrator
« FAC_NAME »
« FAC_ADDRES »
« CITY », KS « ZIP »

Provider #: 104« PROV_NUM »01
KMAP ID #: « EDS_PROV_N »

Dear « NAME »:

The per diem rate shown on the enclosed Case Mix Payment Schedule for state fiscal year 2025 (FY25) has been forwarded to the Managed Care Organizations (MCOs) for processing of future reimbursement payments. The rate will become effective July 1, 2024 and is based on final revised rates posted to the Kansas Register on June 20, 2024 <https://sos.ks.gov/publications/Register/Volume-43/Issue-25-June-20-2024.html>.

The Kansas Department for Aging and Disability Services (KDADS), administers the Medicaid nursing facility services payment program on behalf of Kansas Department of Health and Environment. The rate was calculated by applying the applicable Medicaid program policies and regulations, to the cost reports (Form MS 2004) data shown on the enclosed payment schedule.

If you do not agree with this action, you have the right to request a fair hearing appeal in accordance with K.A.R. 30-7-64 et seq. The request for fair hearing shall be in writing and delivered to or mailed to the agency so that it is received by the **Office of Administrative Hearings, 1020 S. Kansas Ave., Topeka, KS 66612-1311** within 30 days from the date of this letter. (Pursuant to K.S.A. 77-531, an additional three days shall be allowed if you received this letter by mail). Failure to timely request or pursue such an appeal may adversely affect your rights.

If you have questions about the adjustments, please contact Shirley Chung at (785) 296-6457 or email at Shirley.Chung@ks.gov. For questions on the Medicaid Rate, please contact Trescia Power at (785) 368-6685 or email at Trescia.Power@ks.gov or Steven Hime at (785) 296-2535 or email at Steven.Hime@ks.gov.

Sincerely,

Sheri Jurad
Director of NF/ACH Programs
Kansas Department for Aging and Disability Services

Kansas Medicaid / MediKan

Case Mix Schedule
1st - 2nd QTR 2025 ANNUAL

Current Provider Information

KDADS Provider Number:	KMAP Provider Number:	1st QTR Medicaid CMI:	1.4780
Facility Name:	Area/County:	2nd QTR Medicaid CMI:	1.1500
Address:		Average Medicaid CMI:	1.3140 (a)
City/State/Zip:			
Administrator:			

Cost Report Statistics

Calendar Year Cost Reports Used For Base Data:	12/31/2021	12/31/2022	12/31/2023	
Inflation Factor:	17.292%	9.479%	4.228%	
Facility Cost Report Period CMI:	1.1132	1.1593	1.1675	
Statewide Average CMI:	1.3193	1.3398	1.2126	1.2906 [b]
NF Or NF/MH Beds:	30	30	30	
Bed Days Available:	10,980	10,950	10,950	
Inpatient Days:	7,592	7,436	8,661	
Occupancy Rate:	69.3%	67.9%	79.1%	
Medicaid Days:	4,210	4,878	4,162	
Calc Days If Appl:	9,308	9,308	9,308	

Calculation of Combined Base Year Reimbursement Rate

Operating				
Total Reported Costs:	\$920,328	\$1,006,188	\$1,015,959	
Cost Report Adjustments:	\$0	(\$7,038)	\$8,566	
O/A Limit Adjustment:	\$0	\$0	(\$72,782)	
Total Adjusted Costs:	\$920,328	\$999,150	\$951,743	
Total Inflated Adjusted Costs:	\$1,079,471	\$1,093,859	\$995,060	
Total Combined Base Cost:				\$3,168,390
Days Used In Division Oper:	7,592	7,436	8,661	23,689
				133.75 Oper Per Diem
				57.16 Oper Per Diem Cost Limitation
				57.16 Oper Per Diem Rate (1)

Indirect Health Care				
Total Reported Costs:	\$724,246	\$766,733	\$875,361	
Cost Report Adjustments:	\$0	(\$6,304)	(\$8,590)	
Total Adjusted Costs:	\$724,246	\$760,429	\$866,771	
Total Inflated Adjusted Costs:	\$849,483	\$832,510	\$903,418	
Total Combined Base Cost:				\$2,585,411
Days Used In Division IDHC:	7,592	7,436	8,661	23,689
				109.14 IDHC Per Diem
				70.24 IDHC Per Diem Cost Limitation
				70.24 IDHC Per Diem Rate (2)

Direct Health Care				
Total Reported Costs:	\$1,312,212	\$1,423,941	\$1,664,370	
Cost Report Adjustments:	\$0	\$0	\$0	
Rapid Response Staffing Grant Adjustments:	\$0	\$0	\$0	
Total Adjusted Costs:	\$1,312,212	\$1,423,941	\$1,664,370	
Total Inflated Adjusted Costs:	\$1,539,120	\$1,558,916	\$1,734,740	
Total CMI Adjusted Costs:	\$1,824,076	\$1,801,635	\$1,801,752	
Total Combined Base Cost:				\$5,427,463
Days Used In Division DHC:	7,592	7,436	8,661	23,689
				229.11 Case Mix Adjusted DHC Per Diem
				192.96 DHC Per Diem Cost Limitation
				192.96 Allowable DHC Per Diem Cost [c]
			[c]*(a)/[b]	196.46 Medicaid Acuity Adjustment (3)

Real and Personal Property Fee	208.82 Real and Personal Property Fee
	0.00 Inflation (0.000%)
	0.00 RPPF Rebase Add On
	208.82 RPPF Before Limit
	10.51 RPPF Limitation
	10.51 Allowable RPPF (4)

Calculation of Medicaid Rate

Operating, IDHC, And DHC Rates and RPPF (1) +(2) + (3) +(4):	334.37
Incentive Factor	0.00
PEAK 2.0	0.00
Bed Tax Adjustment	2.83
Medicaid Add-On	15.18
Minimum Wage Adjustment	0.00
Total Medicaid Rate Effective	07/01/2024 352.38

KANSAS MEDICAID STATE PLAN

Attachment 4.19D

Part 1

Subpart C

Exhibit C-5

Page 2

KANSAS MEDICAID
QUALITY AND EFFICIENCY OUTCOMES INCENTIVE FACTOR

KDADS Provider Number:

KMAP Provider Number:

Facility Name:

Rate Effective Date: 07/01/24

	<u>Incentive Possible</u>	<u>Facility Stats</u>	<u>Incentive Awarded</u>
1. Case Mix Adjusted Nurse Staff Ratio			
Tier 1: At or Above the NF 75th Percentile (5.36)	\$ 3.00		\$ 3.00
Tier 2: Below the NF 75th Percentile but Improved At or Above 10%	\$ 0.50		\$ 0.00
Cost Report Year Data:		5.41 12/31/2023	
2. Staff Retention			
Tier 1: At or Below the NF 75th Percentile (71%)	\$ 2.50		\$ 0.00
Tier 2: Above the NF 75th Percentile but Reduced At or Above 10%	\$ 0.50		\$ 0.00
And Contract Nursing Labor Less than 10% of total DHC Labor Costs (Contract Labor 17%)		59%	
Cost Report Year Data:		12/31/2023	
3. Occupancy Rate			
Medicaid Occupancy At or Above 65%	\$ 0.75	61%	\$ 0.00
Cost Report Year Data:		12/31/2023	
4. Quality Measures			
Score At or Above 75th Percentile (580)	\$ 1.25	620	\$ 1.25
 Total Incentive before Survey Adjustment			 \$ 4.25
0%			\$ 0.00
Final Incentive Awarded			\$ 4.25
 Peak 2.0 Incentive	 \$ 3.00		 \$ 0.50
Peak 2.0 Survey Adjustment and Reduction		0%	\$ 0.00
Final PEAK 2.0 Incentive Awarded			\$ 0.50

KANSAS MEDICAID
QUALITY AND EFFICIENCY OUTCOMES INCENTIVE FACTOR

KDADS Provider Number:

KMAP Provider Number:

Facility Name:

Rate Effective Date: 07/01/24

	Incentive Possible	Facility Stats	Incentive Awarded
1. Case Mix Adjusted Nurse Staff Ratio			
Tier 1: At or Above 120% of NF-MH Median (3.41)	2		2
Tier 2: At or Above 110% of NF-MH Median of (3.12)	1		0
(NF-MH Median is 2.84 for an Average Statewide CMI of 1.2126)			
Cost Report Year Data:		3.65 12/31/2023	
2. Operating Expense			
At or Below 90% of NF-MH Median (\$35.73)	1	\$33.72	1
Cost Report Year Data:		12/31/2023	
3. Staff Turnover			
Tier 1: At or Below the NF-MH 75th Percentile (63%)	2		0
Tier 2: At or Below the NF-MH 75th Percentile (68%)	1		1
And Contract Nursing Labor Less than 10% of Total DHC Labor Costs (0%)			
Cost Report Year Data:		44 68% 12/31/2023	
Staff Retention			
4. Tier 1: At or Below the NF-MH 75th Percentile (59%)	2		0
Tier 2: At or Below the NF-MH 75th Percentile (45%)	1		0
Cost Report Year Data:		41% 12/31/2023	
5. Occupancy Rate			
Total Occupancy At or Below 90%	1		1
Cost Report Year Data:		76% 12/31/2023	
Total Points Awarded			5
Incentive Before Survey Adjustment			\$5.00
Survey Adjustment and Reduction	100%		(\$5.00)
Final Incentive			\$0.00

Scoring:

Points	Per Diem
6 - 8	\$7.50
5	\$5.00
4	\$2.50
0 - 3	\$0.00

PEAK 2.0 Incentive		\$0.00
Survey Adjustment and Reduction	100%	\$0.00
Total PEAK 2.0 Incentive		\$0.00