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State/Territory Name: KS

State Plan Amendment (SPA) #: 24-0033

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

January 14, 2025

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 24-0033

Dear Ms. Osterlund:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Kansas state plan amendment (SPA) to Attachment 4.19-A, 24-0033, which was submitted to CMS on November 22, 2024. This plan amendment excludes select pharmaceuticals from the DRG reimbursement system.

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 October 18, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan page.

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

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

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

2 4 — 0 0 3 3

2. STATE

KS3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 18, 2024

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025\$ 0b. FFY 2026\$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, Page 25c (1)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-A, Page 25c (1)

9. SUBJECT OF AMENDMENT

Reimbursement for select pharmaceuticals is excluded from the DRG Reimbursement System.

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 Osterlund13. TITLE
Medicaid Director14. DATE SUBMITTED
November 22, 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
11/22/202417. DATE APPROVED
January 14, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
10/18/2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

KANSAS MEDICAID STATE PLAN

Attachment 4.19-A
Page 25c (1)

Methods and Standards for Establishing Payment Rates – Inpatient Hospital Care

3.0000 General Hospital Reimbursement for Inpatient Services Excluded from The DRG Reimbursement System (Continued)

Reimbursement for heart, heart-lung and lung transplant procedures were established based upon 85% of the current Medicare fee schedule rates when billed separately for professional services. Payment for transplants received out of state will be contractually negotiated with the transplant facility for up to 70% of billed charges. Medicaid will reimburse providers using the current FMAP. All hospitals providing transplant services must be a Medicare approved transplant facility.

Reimbursement for bariatric procedures were established based upon 85% of the current Medicare fee schedule rates when billed separately for professional services. Kansas Medicaid will reimburse Centers of Excellence providers for bariatric surgery for services rendered to Medicaid beneficiaries when selection criteria are met.

Long-acting reversible contraceptive (LARC) devices are excluded from the DRG Reimbursement System. The devices will be reimbursed as outlined on Attachment 4.19-B #12.a., Prescribed Drugs, Methods and Standards for Establishing Payment Rates, Physician Administered Drugs (PADS).

Select pharmaceuticals that are considered “carve out drugs” are excluded from the DRG Reimbursement System. “Carve out drugs” are defined as pharmaceuticals that are greater than or equal to one million dollars per dose. These pharmaceuticals will be reimbursed as outlined in Attachment 4.19-B #12.a., Prescribed Drugs, Methods and Standards for Establishing Payment Rates, Physician Administered Drugs (PADS).