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Department for Aging
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Medicaid Nursing Facility Reimbursement Testimony
by
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Kansas Department on Aging and Disability Services (KDADS)

Testimony Presented to the
State Committee on Administrative Rules and Regulations
November 16, 2015

Introduction

This is a Kansas Medicaid regulation. While KDHE is the state Medicaid agency, KDHE is assisted by sister state agencies who have special expertise in certain areas. KDHE has delegated administrative authority for Medicaid nursing facility matters to KDADS. As a result, KDADS will be the presenter on the regulations before you.

Chairman Schwartz, Vice-Chair Schmidt, and members of the committee, thank you for your time and the opportunity to testify before the committee today. My name is Rhonda Boose, and I represent the Medicaid nursing facility reimbursement program within the Financial and Information Systems Commission at KDADS. I began serving as the Facilities Reimbursement Manager a little over five years ago.

As background, let me briefly describe the Kansas Medicaid nursing facility reimbursement process. In brief, Kansas Medicaid nursing facilities rates are calculated annually effective July 1 of the State's fiscal year with quarterly adjustments.

KDADS is proposing K.A.R. 129-10-18 be amended

KDADS proposes to amend K.A.R. 129-10-18. The regulation is being amended to clarify and modify the guidelines for determining Medicaid reimbursement per diem rates for new and existing nursing facilities. The proposed amendment removes reference to the current quarterly rate setting cycle and enacts a semi-annual rate setting process, effective July 1 and January 1 of each state fiscal year. Amendment of the regulation allows the agency to better align the nursing facility rate setting process with the KanCare semi-annual rate setting cycle. K.A.R. 129-10-18 is further amended to make the regulation consistent with K.S.A. 75-7435 regarding reimbursement for nurs
private funding sources.

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K.A.R. 129-10-18 is also amended to update the portion of the regulation that governs reimbursement for the State's ventilator program. These changes will outline requirements for participation and reimbursement. The State's ventilator program is intended to reimburse a provider for the additional costs associated with providing care for residents requiring ventilator assistance with breathing twenty-four hours per day. The amendment adds documentation requirements to assure the resident meets the criteria for inclusion in the ventilator program, and modifies language concerning reimbursement for ventilator care to be consistent with the way reimbursement is currently calculated.

Language has also been added to K.A.R. 129-10-18 to allow the Secretary of the Kansas Department on Aging and Disability Services to modify nursing facility reimbursement rates in exceptional circumstances. Exceptional circumstances have been limited to immediate jeopardy created by losing the availability of, or access to services, as defined in K.A.R. 30-10-1a. The Secretary's discretion to modify nursing facility reimbursement rates has been limited in that any modification shall not exceed the state average rate for nursing facility reimbursement.

KDADS proposes K.A.R. 30-10-19 be revoked and replaced with K.A.R. 129-10-19

KDADS proposed to revoke K.A.R. 30-10-19 and replace the regulation with K.A.R. 129-10-19. The proposed regulation, K.A.R. 129-10-19, covers determination of the effective dates for per diem reimbursement rates for nursing facilities. The reason for the revocation of K.A.R. 30-10-19 and proposed new regulation, K.A.R. 129-10-19 is to align with the state agency organization changes enacted by Executive Reorganization Order Number 41. K.A.R. 129-10-19 works in conjunction with K.A.R. 129-10-18.

Economic Impact

The agency believes that the revocation, amendment and addition of the regulations previously noted will result in no change to rate setting methodology. It is anticipated the changes will allow for a more streamlined rate setting process, making the overall KanCare rate setting procedure more efficient, accurate, and less burdensome. Any savings or additional costs will be borne by KDADS. There will be no additional costs to Medicaid recipients, or other governmental agencies.