



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

**Steven L. Beshear**  
Governor

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**Audrey Tayse Haynes**  
Secretary

**Lawrence Kissner**  
Commissioner

June 11, 2014

Re: Supplemental Payments

Dear RHC and FQHC Providers,

The Department for Medicaid Services (DMS) is activating an automated system constructed within DMS's claims processing system (MMIS) for calculation and payment of your Supplemental/Wrap Payments. The system will process payments based on Managed Care Organization (MCO) reported encounters with dates of service July 1, 2014 and after. These payments will be calculated using only encounter data supplied by the MCO's. The system will generate a supplemental claim from the MCO encounter to pay the difference between the MCO paid amount and the facility's Prospective Payment System (PPS) rate. Payments will issue on a weekly basis if one is due to your clinic.

The payment will be in the form of Electronic Funds Transfer (EFT) or a paper check depending on how your clinic routinely received payment from DMS for claims billed to Medicaid. A Remittance Advise (RA) will also be generated for your convenience and will display the Internal Control Numbers (ICN) beginning with 85, 86, 87 and 88 to indicate it is a supplemental claim.

85 = Supplemental Claim  
86 = Supplemental Claim Adjustment  
87 = Supplemental Claim Void  
88 = Supplemental Claim Mass Adjustment

Additionally, DMS has been making Wrap payments based on either a provider self report of claims activity or an estimate of activity. In the fall of 2014 we will be producing our interim settlements based on the actual claims activity provided to DMS from our MCO claims data files. Similar to other reconciliations, DMS will collect overpayments and provide payments for underpayments.

If you have any question regarding how the MCO's are submitting to DMS regarding the clinic's encounters – i.e. taxonomy and Medicaid provider ID number – you should contact the respective MCO and confirm they are submitting the same data they have on file with DMS.

Sincerely,

Lee A. Guice, Director  
Division of Policy and Operations

