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State/Territory Name: KENTUCKY

State Plan Amendment (SPA) #: KY-24-0002

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601

Financial Management Group

April 2, 2024

Lisa Lee
Commissioner
275 E. Main St.
Frankfort, KY 40601

RE: **Kentucky State Plan Amendment (SPA) Transmittal Number SPA # KY-24-0002**

Dear Commissioner Lee,

We have reviewed the proposed Kentucky State Plan Amendment (SPA) to Attachment 4.19-B, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on January 8, 2024. This plan amendment updates the Pharmacy Vaccination Administration Rates.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 9, 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 Ysabel Gavino at maria.gavino@cms.hhs.gov

Sincerely,

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 24 — 0002

2. STATE: KY

3. 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
January 9, 2024

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447 1905a(13)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 $ 1,600,000
b. FFY 2025 $ 1,600,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B Page 20.3(a)
Attachment 4.19-B Page 20.4-4(a) , Page 20.5, Page 20.5(1)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-B Page 20.3(a)
Attachment 4.19-B Page 20.4-4(a) , Page 20.5, Page 20.5(1)

9. SUBJECT OF AMENDMENT
Updating pharmacy vaccination administration rates.

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:

11. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

12. TYPED NAME
Lisa Lee

13. TITLE
Commissioner

14. DATE SUBMITTED
January 9, 2024

15. RETURN TO
Lisa Lee
275 E. Main St.
Frankfort, KY 40601

FOR CMS USE ONLY

16. DATE RECEIVED
January 8, 2024

17. DATE APPROVED
April 2, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 9, 2024

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

The State of KY authorizes CMS the following pen and ink changes:

Block 5, Federal Statute/Regulation Citation - to add (13) for the 1905(a) service - MYLG 3-27-24

Block 7, Page Number of the Plan Section or Attachment - , Page 20.5, Page 20.5(1) - MYLG 3-27-24

Block 8, Page Number of the Plan Superseded Plan Section or Attachment - , Page 20.5, Page 20.5(1) - MYLG 3-27-24

Instructions on Back

(1) The flat rate for a service shall be established by multiplying the dollar conversion factor by the sum of the RVU units plus the number of units spent on that specified procedure. RBRVS units shall be multiplied by a dollar conversion factor to arrive at the fixed upper limit. The dollar conversion factors are as follows:

Types of Service	Kentucky Conversion Factor
Deliveries	Not applicable
Non-delivery Related Anesthesia	$15.20
Non-anesthesia Related Services	$29.67

B. Reimbursement Exceptions

(1) Physicians, who are enrolled in the Vaccines for Children (VFC) Program, will only be reimbursed for the administration of specified immunizations obtained free from the Department for Public Health through the VFC Program to provide immunizations for Medicaid recipients under the age of nineteen (19). Vaccine costs for any VFC specified immunization will not be reimbursed for the physicians who are enrolled in the VFC Program. For additional information on vaccine administration, please see Att. 4.19-B, Page 20.5(4).

(2) Payment for individuals eligible for coverage under Medicare part B is made, in accordance with Sections A and B and items (1) through

(3) Procedures which are specified by Medicare and published annually in the Federal Register, which are commonly performed in the physician's office, will be reimbursed adjusted rates to take into account the change in usual site of service (facility vs. non-facility based on Medicare Site of Service designation) and are subject to the outpatient upper payment limit.

(4) Specified family planning procedures in the physician office setting shall be reimbursed at the lesser of the actual billed charges or the Medicaid Physician Fee Schedule plus actual cost of the supply minus ten percent.

(5) For information relating to physician injectable drug products that are administered by a physician or their authorized agent during an in office procedure see Attachment 4.19-B, Page 20.1(b).

(6) When oral surgeons render services which are within the scope of their licensed oral surgery practice, they shall be reimbursed as physicians (i.e., in the manner described above).

(7) For practice related services provided by a physician assistant or advanced practice registered nurse, the participating physician shall be reimbursed at the lesser of the usual and customary charges actual billed charges or 75 percent of the Medicaid Physician Fee Schedule per procedure

(8) Any physician participating in the lock-in program will be paid a $10.00 per month lock-in fee for provision of patient management services for each recipient locked in to that physician.

(9) Supplemental payments will be made for services provided by medical school faculty physicians either directly or as supervisors of residents. These payments are in addition to payments otherwise provided under the state plan to physicians that qualify for such payments under the criteria outlined below in Part (a) of this section. The payment methodology for establishing and making the supplemental payments is provided below in Parts (b) and (c) of this section.

a. To qualify for a supplemental payment under this section, physicians must meet the following criteria:
   1. Be Kentucky licensed physicians;
   2. Be enrolled as Kentucky Medicaid providers; and
   3. Be Medical School Faculty Physicians as defined in Att 4.19-B, page 20.3, with an agreement to assign their payments to the state-owned academic medical center in accordance with 42 CFR 447.10.

b. For physicians qualifying under Part (a) of this section, a supplemental payment will be made. The payment amount will be equal to the difference between payments otherwise made to these physicians and the average rate paid for the services by commercial insurers. The payment amounts are determined by:

1. Annually calculating an average commercial payment per procedure code for all services paid to the eligible providers by commercial insurers using the providers' contracted rates with commercial insurers for each procedure code from an actual year's data, beginning with CY 2006;
2. Multiplying the total number of Medicaid claims paid per procedure code by the average commercial payment rate for each procedure code to establish the estimated commercial payments to be made for these services; and
3. Subtracting the initial fee-for-service Medicaid payments, all Medicare payments, and all Third Party Liability payments already made for these services to establish the supplemental payment amount. Effective January 1, 2007 all claims, where Medicare is the primary provider, will be excluded from the supplemental payment methodology.
4. The supplemental payments will be calculated annually after the end of each CY using actual data from the most recent completed CY. Claims data will only be used for physicians meeting the criteria in Part (a) above. If a physician did not meet the criteria for the whole calendar year, then only the claims data that coincides with their dates of eligibility will be used in the calculation. The supplemental payments will not be increased with any trending or inflationary indexes.

c. Initial fee-for-service payments under Part (a) of this section will be paid on an interim claims-specific basis through the Department's claims processing system using the methodology outlined elsewhere in this state plan. The supplemental payment, which represents final payment for services, will be made as four (4) equal quarterly payments.

(10) A second anesthesia service provided by a provider to a recipient on the same date of service shall be reimbursed at the Medicaid Physician Fee Schedule amount

(11) If more than one procedure is performed at the same time, the provider shall be reimbursed one hundred (100) percent of the Medicaid Physician Fee Schedule for the first procedure and fifty (50) percent of the Medicaid Physician Fee Schedule for each additional procedure.

(12) A fixed rate of twenty-five (25) dollars for anesthesia add-on services provided to a recipient under age one (1) or over age seventy (70).

(13) Physicians and pharmacists, who are not enrolled in the VFC Program, will be reimbursed for the administration of immunizations, to include the influenza vaccine, as well as the vaccine cost, as defined in the Center for Disease Control (CDC) Vaccine Price List published as of January 1, 2014 to a Medicaid recipient of any age.

(14) After Hours Services - CPT 99050 is reported when services are provided in the office at times other than regularly scheduled office hours or days when the office is normally closed. DMS refers to this time as "After Hours," and defines "After Hours" as services rendered between 5:00 p.m. and 8:00 a.m. on weekdays, and anytime on weekends and holidays when the office is usually closed. For example – if normal office hours are scheduled from 9:00 – 5:00 and service is provided at 7:00, the provider would bill CPT 99050. However, if normal office hours are scheduled from 9:00 am – 7:00 pm and the service is performed at 6:00, the provider would NOT bill for CPT code 99050.

CPT code 99050 is eligible for separate payment, in addition to the basic covered service, if the basic service provided meets all of the criteria described below:

- It is reported with an office setting place of service;
- It is rendered after hours; and
- The basic service time is based on arrival time, not actual time services commence.

CPT code 99050 is not eligible for separate payment when it is reported with a preventive diagnosis and/or a preventive service.

(15) For reimbursement for eligible services provided by a physician or a physician assistant at a Community Mental Health Center - please refer to Attachment 4.19-B, Page 20.15 - 20.15(1)(a)(viii)

C. Assurances. The State hereby assures that payment for physician services are consistent with efficiency, economy, and quality of care and payments for services do not exceed the prevailing charges in the locality for comparable services under comparable circumstances.

D. Ambulance Response and Treat-no-transport Services:

Effective for dates of service on or after January 1, 2024, ambulance providers will be reimbursed for appropriate and medically necessary medical care when an ambulance is dispatched, and treatment is provided to the patient without the patient being transported to another site. Reimbursement for treatment-no-transport will be made for Healthcare Common Procedure Coding System (HCPCS) code A0998 at the Kentucky Medicaid Transportation fee schedule rate for Current Procedural Terminology (CPT) code A0429 (BLS base, hospital). No additional mileage rate will be paid.

All rates are published on the agency's website at https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx