

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Atlanta Regional Office  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

June 7, 2013

Mr. Lawrence Kissner, Commissioner  
Cabinet for Health and Family Services  
Department for Medicaid Services  
275 East Main Street, 6W-A  
Frankfort, KY 40621

Re: Kentucky Title XIX State Plan Amendment, Transmittal #13-003

Dear Mr. Kissner:

We have reviewed the proposed State Plan Amendment, TN 13-003, which was submitted to the Atlanta Regional Office on March 18, 2013. This amendment implements the Affordable Care Act Section 1202 requirement that Medicaid pay physicians practicing in family medicine, general internal medicine, pediatric medicine, and related subspecialists at Medicare levels for the procedure codes specified in the Act for Calendar Years 2013 and 2014.

Based on the information provided, the Medicaid State Plan Amendment KY 13-003 was approved on June 7, 2013. The effective date of this amendment is January 1, 2013. We are enclosing the approved HCFA Form 179 and the plan pages.

As we are working in partnership to implement this important provision, we would greatly appreciate if you can inform us when your state begins to pay the increased rates to your providers. Additionally, to the extent you have information regarding the number of providers receiving the enhanced payments; we would appreciate that information as well.

If you have any additional questions or need further assistance, please contact Darlene Noonan at (404) 562-2707.

Sincerely,

A handwritten signature in black ink that reads "Jackie Glaze".

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: 13-003	2. STATE Kentucky
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE Effective January 1 2013
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.405, 447.410, 447.415	7. FEDERAL BUDGET IMPACT: a. FFY 2013      \$50.55 Million b. FFY 2014      \$67.4 Million
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B, Page 20.5(2) – Page 20.5(7)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19-B, Page 20.5(2) – Page 20.5(7)

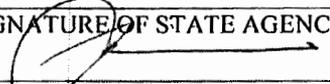
10. SUBJECT OF AMENDMENT:  
The purpose of this State Plan Amendment is to bring Kentucky in compliance with ACA for the increase Primary Care Service Payments.

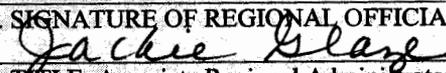
11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED: Review delegated to Commissioner, Department for Medicaid Services

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:  3/14/13	16. RETURN TO: Department for Medicaid Services 275 East Main Street 6W-A Frankfort, Kentucky 40621
13. TYPED NAME: Lawrence Kissner	
14. TITLE: Commissioner, Department for Medicaid Services	
15. DATE SUBMITTED: 3/15/13	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: 03/18/13	18. DATE APPROVED: 06/07/13
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/13	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Jackie Glaze	22. TITLE: Associate Regional Administrator Division of Medicaid & Children Health Opns
23. REMARKS: Approved with the following changes to items 7a, 7b, 8 and 9 as authorized by State Agency on emails dated 04/23/13 and 06/07/13: <b>Block # 7 changed to read:</b> 7a FFY 13 \$13.5 M., FFY 14 \$18 M <b>Block # 8 Changed to read:</b> Atch 4.19-B, pages 20.5(2), 20.5(3), 20.5(4), 20.5(5) and 20.5(6). <b>Block # 9 changed to read:</b> Atch 4.19-B, pages 20.5(2) new, 20.5(3) new, 20.5(4) new, 20.5(5) new and 20.5(6) new.	

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**Reimbursement Template -Physician Services**

**Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415**

**Attachment 4.19-B: Physician Services 42 CFR 447.405 Amount of Minimum Payment**

The state reimburses for services provided by physicians meeting the requirements of 42 CFR 447.400(a) at the Medicare Part B fee schedule rate using the Medicare physician fee schedule rate in effect in calendar years 2013 and 2014 or, if greater, the payment rates that would be applicable in those years using the calendar year 2009 Medicare physician fee schedule conversion factor. If there is no applicable rate established by Medicare, the state uses the rate specified in a fee schedule established and announced by CMS.

- The rates reflect all Medicare site of service and locality adjustments.
- The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting. Kentucky only has one Medicare Geographic Practice Cost Index. Kentucky is using the Deloitte fee schedule and will not make changes to rates throughout the year.
- The rates reflect all Medicare geographic/locality adjustments.
- The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.

The following formula was used to determine the mean rate over all counties for each code:

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**Method of Payment**

- The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code.
- The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on the date of service as published in the agency's fee schedule described in Attachment 4.19-B, which can be found at <http://www.chfs.ky.gov/dms/fee.htm>. Physician Services of the State plan and the minimum payment required at 42 CFR 447.405.

Supplemental payment is made:  monthly  quarterly

The Department for Medicaid Services will track the codes and eligible providers, which you must do regardless of the method of payment. DMS will calculate the supplemental payment based on actual services rendered. DMS will then make the supplemental payments to the provider.

**Primary Care Services Affected by this Payment Methodology**

- This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.

**(Primary Care Services Affected by this Payment Methodology – continued)**

- The State did not make payment as of July 1, 2009 for the following codes and will not make payment for those codes under this SPA (specify codes).

Code	Code
99339	99402
99340	99403
99358	99404
99359	99406
99360	99408
99363	99409
99364	99411
99366	99412
99367	99420
99368	99441
99374	99442
99375	99443
99377	99444
99378	99450
99379	99455
99380	99456
99401	99481 Thru 99499

- The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009 (specify code and date added).

99224, 99225, 99226, 99407, added in 2011 and 99307 added in 2012

**Effective Date of Payment**

E & M Services

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at <http://chfs.ky.gov/dms/fee.htm>.

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**Physician Services – Vaccine Administration**

For calendar years (CYs) 2013 and 2014, the state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 CFR 447.400(a) at the lesser of the state regional maximum administration fee set by the Vaccines for Children (VFC) program or the Medicare rate in effect in CYs 2013 and 2014 or, if higher, the rate using the CY 2009 conversion factor.

- Medicare Physician Fee Schedule rate
- State regional maximum administration fee set by the Vaccines for Children program
- Rate using the CY 2009 conversion factor

**Documentation of Vaccine Administration Rates in Effect 7/1/09**

The state uses one of the following methodologies to impute the payment rate in effect at 7/1/09 for code 90460, which was introduced in 2011 as a successor billing code for billing codes 90465 and 90471.

- The imputed rate in effect at 7/1/09 for code 90460 equals the rate in effect at 7/1/09 for billing codes 90465 and 90471 times their respective claims volume for a 12 month period which encompasses July 1, 2009. Using this methodology, the imputed rate in effect for code 90460 at 7/1/09 is: \_\_\_\_\_.
- A single rate was in effect on 7/1/09 for all vaccine administration services, regardless of billing code. This 2009 rate is: \$3.30
- Alternative methodology to calculate the vaccine administration rate in effect 7/1/09:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Physician Services – Vaccine Administration (continued)**

Note: This section contains a description of the state’s methodology and specifies the affected billing codes.

<b>Ky DMS Proc. Code</b>	<b>Vaccine Name</b>	<b>CMS Code</b>
90632	HEP A-AD (HEPATITIS A/ADULT/IM)	90460
90633	Hep A (HEPATITIS A/PED/ADOL/2 DOSE/IM)	90460
90634	HEP A VACC PED/ADOL/3 DOSE	90460
90636	HEP AB18 (HEP A & HEP B VACCINE/ADULT/IM)	90460
90645	HIB(HEMOPHILUS INFLUENZA B VACCINE/ HBOC CONJUGATE/4 DOSE/IM)	90460
90646	HIB /HEMOPHILUS INFLUENZA B VACCINE(HIB) PRP-D CONJUGATE/BOOSTER/HIGH RISK	90460
90647	HIB/HEMOPHILUS INFLUENZA B VACCINE(HIB) PRP-OMP CONJUGATE/3 DOSE/IM	90460
90648	HIB/HEMOPHILUS INFLUENZA B VACCINE(HIB) PRP-T CONJUGATE/4 DOSE/IM	90460
90649	HPV/ HUMAN PAPILOMA VIRUS /TYPES 6, 11,16 &18/ QUADRIVALENT/3 DOSE/IM	90460
90655	FLU VACCINE/NO PRESER/6-35 MONTHS/IM	90460
90656	FLU VACCINE/NO PRESER/3 YEARS >/IM	90460
90658	FLU(Fluvirin) 3 yrs> IM	90460
90660	FLUMIST (FLU VACCINE, NASAL)	90460
90669	PNU 7	90460
90670	PNEUMOCOCCAL VACC, PED<5 (PNE 7)	90460
90680	ROTA (3dose)	90460
90681	TORARIX	90460
90696	KINRIX DTAP-IPV VACCINE 4-6 YR IM	90460
90698	PENTACEL DTAP-HIB-IP VACCINE, IM	90460
90700	DTAP <7 YRS, IM	90460
90702	DT VACCINE < IM	90460
90707	MMR VACCINE, SC	90460
90710	MMR-V VACCINE, SC	90460
90713	EIPV POLIOVIRUS, IPV, SC/IM	90460
90714	TD VACCINE, NO PRESERVATIVE>7IM	90460
90715	TDAP VACCINE > 7 IM	90460
90716	VAR CHICKEN POX VACCINE, SC	90460
90718	TD VACCINE >7, IM	90460
90723	DTAP-HEPB-IPV VACCINE	90460
90732	PNEUMOCOCCAL VACCINE	90460
90733	MPSV	90460
90734	MCV4-MENINGOCOCCAL VACCINE, IM	90460
90744	HEP B-PF PED/ADOL 3 DOSE IM	90460
90746	HEP B-A	90460
90748	HEPB-HIB	90460

TN #: 13-003

Approval Date: 06-07-13

Effective Date: January 1, 2013

Supersedes

TN #: New

**Physician Services – Vaccine Administration (continued)**

**Effective Date of Payment**

Vaccine Administration

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at <http://chfs.ky.gov/dms/fee.htm>.