



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

**Steven L. Beshear**  
Governor

275 E Main St. 6W-A  
Frankfort, KY 40621  
www.chfs.ky.gov

**Audrey Tayse Haynes**  
Secretary

**Lisa D. Lee**  
Commissioner

February 13, 2015

TO: Primary Care Centers (PT 31; PL A-381)

RE: Reimbursement Clarification

Dear Provider,

The Department for Medicaid Services amended regulation 907 KAR 1:055, which outlines the reimbursement methodology for Primary Care Center (PCC) providers that are not certified as a Federally Qualified Health Center (FQHC) or a Rural Health Clinic (RHC). The effective date of this regulation was September 6, 2013.

Section 6 of 907 KAR 1:055 states that services or drugs provided to a recipient by a PCC that is not an FQHC, FQHC look-alike, or RHC will be reimbursed according to the rate of reimbursement for the service or drug on the Medicare Fee Schedule established for Kentucky. Where the Medicare Fee schedule is silent or does not have a reimbursement methodology for a PCC covered service, pricing will revert to the rendering provider's payment methodology within the Medicaid fee schedules. Reimbursement for services provided by a PCC shall not exceed the federal upper payment limit determined in accordance with 42 C.F.R. 447.321.

An internal audit discovered that some facilities are still receiving their prospective payment system (PPS) rate for services provided to fee-for-service members. Beginning March 1, 2015, all PCC providers will be reimbursed according to the Medicare Fee schedule for dates of service on or after September 6, 2013. This change does not impact claims related to the provision of services to enrollees of a Managed Care Organization. In the event your facility is identified as receiving an overpayment for services during the time frame specified (09/06/2013 through 03/01/2015) you will be notified through separate correspondence.

For questions please contact Teresa Cooper in the Division of Policy and Operations at **502-564-6890**.

Sincerely,

A handwritten signature in blue ink that reads "Lisa D. Lee".

Lisa D. Lee, Commissioner

LL/lg/tc