

1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Department for Medicaid Services

3 Division of Hospital and Provider Operations

4 (Amendment)

5 907 KAR 1:054. Primary care center and federally-qualified health center services.

6 RELATES TO: KRS 205.520, 310.005, 314.011, 335.100, 42 CFR 400.203, 405.2401,
7 2412 - 2416, 2446, 2448, 2450, 2452, 441 Subpart E and F, 447.53, 42 USC 1395x(aa)

8 STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3)[~~, EO 2004-~~
9 ~~726]~~

10 NECESSITY, FUNCTION, AND CONFORMITY: [~~EO 2004-726, effective July 9, 2004~~

11 ~~reorganized the Cabinet for Health Services and placed the Department for Medicaid~~
12 ~~Services and the Medicaid Program under the Cabinet for Health and Family Services.]~~

13 The Cabinet for Health and Family Services, Department for Medicaid Services has

14 responsibility to administer the Medicaid program [~~of Medical Assistance in accordance~~

15 ~~with Title XIX of the Social Security Act]. KRS 205.520(3) authorizes [empowers] the~~

16 cabinet, by administrative regulation, to comply with any requirement that may be

17 imposed, or opportunity presented, by federal law for the provision of medical assistance

18 to Kentucky's indigent citizenry. [~~Primary care centers (as defined by the Health Certificate~~

19 ~~of Need and Licensure Board) and federally-qualified health centers represent an~~

20 ~~opportunity for the provision of comprehensive medical services to the indigent~~

1 citizenry of Kentucky.] This administrative regulation establishes [~~therefore, sets forth~~]
2 the provisions relating to primary care center and federally-qualified health center services
3 for which payment shall be made by the Medicaid Program on [~~Medical Assistance~~
4 ~~Program in~~] behalf of both the categorically needy and medically needy.

5 Section 1. Definitions. (1) "Advanced registered nurse practitioner" is defined by KRS
6 314.011(7).

7 (2) "Clinical pharmacist" means a licensed pharmacist whose scope of service includes
8 taking medication histories, monitoring drug use, contributing to drug therapy, drug
9 selection, patient counseling, administering drug programs, or surveillance for adverse
10 reactions and drug interactions.

11 (3) "Clinical psychologist" means a doctorate level psychologist who is licensed in
12 accordance with KRS 319.050.

13 (4) "Department" means the Department for Medicaid Services or its designee.

14 (5) "Emergency condition" means a condition or situation requiring an emergency
15 service pursuant to 42 C.F.R. 447.53.

16 (6) "Federally-qualified health center" or "FQHC" is defined by 42 USC 1396d(l)(2)(B).

17 (7) "Licensed clinical social worker" means an individual who meets the licensed clinical
18 social worker requirements established in KRS 335.100.

19 (8) "Nurse midwife" is defined by 42 CFR 405.2401(b).

20 (9) "Nutritionist" is defined by KRS 310.005(4).

21 (10) "Physician" is defined by 42 CFR 405.2401(b).

22 (11) "Physician assistant" is defined by 42 CFR 405.2401(b).

23 (12) "Primary care center" or "PCC" means an entity meeting the primary care center

1 requirements established in 902 KAR 20:058.

2 (13) "State plan" is defined by 42 CFR 400.203.

3 Section 2. Primary Care Center Covered Services. (1) The department shall cover, and
4 a primary care center shall provide, the following services:

5 (a) Medical diagnostic or treatment services provided by a physician, advanced
6 registered nurse practitioner, or a physician assistant if licensed under state authority;

7 (b) Treatment of injuries or minor trauma;

8 (c) Prenatal or postnatal care;

9 (d) Preventive health services including well-baby care, well-child care, immunization,
10 or other preventive care;

11 (e) Referral services designed to ensure the referral to and acceptance by an
12 appropriate medical resource when services necessary to the health of the patient are not
13 provided directly by the center; and

14 (f) Health education, including distribution of written material, provided by appropriate
15 personnel to local school systems, civic organizations, or other concerned local groups.

16 (2) The department shall cover the following services and a primary care center shall
17 provide at least two (2) of the following services:

18 (a) Dental services;

19 (b) Optometric services;

20 (c) Family planning services:

21 1. Listed in Section 1 of 907 KAR 1:048, Family planning services; and

22 2. As limited in Section 2 of 907 KAR 1:048, Family planning services;

23 (d) Home health services listed and as limited in 907 KAR 1:030, Home health agency

1 services;

2 (e) Social services counseling;

3 (f) Pharmacy services which shall meet the coverage criteria established in 907 KAR

4 1:019, Outpatient pharmacy program;

5 (g) Nutritional services provided by a nutritionist, including individual counseling relating
6 to nutritional problems or nutritional education or group nutritional services; or

7 (h) Nurse midwifery services which shall be provided:

8 1. As a program including prenatal services to expectant mothers, delivery or postnatal
9 services; and

10 2. By a nurse midwife.

11 (3) The department shall cover, and a primary care center may, but is not required to
12 provide, the following services:

13 (a) Excluding institutional care, other state plan services;

14 (b) Holding or observation accommodations;

15 (c) Outreach services provided as a package structured to identify health care needs in
16 the service area;

17 (d) Clinical pharmacist services;

18 (e) Behavioral health services provided by a clinical psychologist, licensed clinical
19 social worker, or advanced registered nurse practitioner within the provider's legally
20 authorized scope of service;

21 (f) Services or supplies furnished as an incident to services provided by a physician,
22 physician assistant, advanced registered nurse practitioner, or nurse midwife if the service
23 or supply meets the criteria established in 42 CFR 405.2413 or 42 CFR 405.2415; or

1 (g) Services or supplies incident to a clinical psychologist's or licensed clinical social
2 worker's behavioral health services if the service or supply meets the criteria established
3 in 42 CFR 405.2452.

4 Section 3. Federally-Qualified Health Center Covered Services. A federally-qualified
5 health center shall provide:

6 (1) Federally-qualified health center services pursuant to 42 USC 1395x(aa)(3);

7 (2) Federally-qualified health center services pursuant to 42 USC 1396d(l)(2)(A);

8 (3) Other Medicaid-covered ambulatory outpatient services established in the state
9 plan; or

10 (4) Any combination of the services described in subsections (1), (2), and (3) of this
11 section.

12 Section 4. Drugs for Specified Immunizations. The Cabinet for Health and Family
13 Services shall provide free, upon request, drugs necessary for the following
14 immunizations:

15 (1) Diphtheria and tetanus toxoids and pertussis vaccine (DPT);

16 (2) Measles, mumps, and rubella virus vaccine live (MMR);

17 (3) Poliovirus vaccine, live, oral, any type (OPV); or

18 (4) Hemophilus B conjugate vaccine (HBCV).

19 Section 5. Coverage Limits. (1)(a) Pharmacy service coverage, except as established
20 in subsection (2) of this section, shall be limited to drugs covered pursuant to 907 KAR
21 1:019, Outpatient pharmacy program.

22 (b) A drug or biological not covered through the department's pharmacy program shall
23 be covered if necessary for treatment of an emergency condition.

- 1 (2) Laboratory service coverage shall be limited to:
- 2 (a) Services provided directly by a PCC or FQHC; or
- 3 (b) If purchased, other laboratory services covered pursuant to 907 KAR 1:028, Other
- 4 laboratory and x-ray services.
- 5 (3) Dental service coverage shall be limited to dental service coverage pursuant to 907
- 6 KAR 1:026, Dental services.
- 7 (4) Vision service coverage shall be limited to vision service coverage pursuant to 907
- 8 KAR 1:038, Hearing and vision program services.
- 9 (5) Audiology service coverage shall be limited to hearing service coverage pursuant to
- 10 907 KAR 1:038, Hearing and vision program services.
- 11 (6) An abortion or sterilization service shall be allowed in accordance with 42 CFR
- 12 441, Subpart E or Subpart F, and covered within the scope and limitations of federal
- 13 law, federal regulations, and state law.
- 14 (7) Durable medical good and prosthetic coverage shall be limited to durable medical
- 15 good or prosthetic coverage pursuant to 907 KAR 1:479, Durable medical equipment
- 16 covered benefits and reimbursement or 907 KAR 1:030, Home health agency services
- 17 and reimbursement.
- 18 (8) A holding or observation accommodation shall be covered:
- 19 (a) For no more than twenty-four (24) hours; and
- 20 (b) If:
- 21 1. The recipient's medical record:
- 22 a. Documents the appropriateness of the holding or observation accommodation; and
- 23 b. Contains a statement of conditions observed and treatment rendered during the

1 holding time;

2 2. A physician:

3 a. Determines that the holding or observation accommodation is necessary; and

4 b. Is on call at all times when a recipient is held beyond the regular scheduled hours of
5 the center; and

6 3. A licensed nurse is on duty during the time the recipient patient remains beyond
7 regularly-scheduled hours.

8 (9) A radiology procedure shall be covered if provided by a licensed practitioner of the
9 healing arts or by an individual holding a valid certificate to operate sources of radiation.

10 Section 6. Non-covered Services. The following services shall not be covered as PCC
11 or FQHC services:

12 (1) Services provided in a hospital as defined in 42 USC 1395x(e); or

13 (2) Institutional services;

14 (3) Housekeeping, babysitting, or other similar homemaker services; or

15 (4) Services which are not provided in accordance with restrictions imposed by law or
16 administrative regulation.

17 ~~[As used in this administrative regulation, the following definitions apply: (1) Basic~~
18 ~~services. Those services which shall be provided by the primary care center for it to be~~
19 ~~considered a primary care center by the cabinet;~~

20 ~~(2) Supplemental services. Those specified services which are in addition to the basic~~
21 ~~or required range of services, and for which the cabinet shall make payment when~~
22 ~~appropriately provided by the primary care center;~~

23 ~~(3) Element. A specific subprogram within the Medical Assistance Program; for~~

1 ~~example, dental services is a subprogram or element of the Medical Assistance Program;~~
2 ~~(4) Requirements for program participation. Those requirements of law or~~
3 ~~administrative regulation generally applicable throughout the Medical Assistance Program~~
4 ~~and with which all medical services providers shall comply in order to participate and~~
5 ~~receive reimbursement as a provider of services to eligible medical assistance recipients.]~~

6 ~~Section 2. Requirement for Participation. Each primary care center shall be required~~
7 ~~to meet the standards set for certification by the Commission on Health Economics Control~~
8 ~~in Kentucky, and shall not receive reimbursement for services as a primary care center~~
9 ~~provider until the cabinet determines that the standards are met and that the provider~~
10 ~~complies with all requirements for program participation. Each federally required health~~
11 ~~center shall be required to meet appropriate licensure standards (whether as a primary~~
12 ~~care center or other health facility) and shall in addition be receiving a grant under section~~
13 ~~329, 330, or 340 of the United States Public Health Service Act or be determined by the~~
14 ~~Secretary, United States Department of Health and Human Services to meet the~~
15 ~~requirements for receiving a grant under section 329, 330, or 340 of the United States~~
16 ~~Public Health Service Act.~~

17 ~~Section 3. Covered Services. Each primary care center shall provide directly to~~
18 ~~eligible program recipients on a regular, full-time basis the basic services as specified in~~
19 ~~subsection (1) of this section, and may provide one or more of the supplemental services.~~
20 ~~Each federally qualified health center shall be entitled to provide the services described in~~
21 ~~the Social Security Act at Section 1861(aa)(1) and any other ambulatory services offered~~
22 ~~on an outpatient basis which are included in the Medicaid state plan.~~

23 ~~(1) Basic services which shall be provided by primary care centers.~~

- 1 ~~(a) Medical diagnostic and treatment services for all age groups, as provided by a~~
2 ~~physician(s), nurse practitioner(s), or physician assistant(s) if licensed under state~~
3 ~~authority.~~
- 4 ~~(b) Treatment of injuries and minor trauma;~~
- 5 ~~(c) Prenatal and postnatal care;~~
- 6 ~~(d) A program of preventive health services which shall include well-baby care, well-~~
7 ~~child care, and immunization, and which may include other types of preventive care;~~
- 8 ~~(e) Referral services designed to ensure the referral to and acceptance by an~~
9 ~~appropriate medical resource when services necessary to the health of the patient are not~~
10 ~~provided directly by the center;~~
- 11 ~~(f) Health education services. These services shall provide as a minimum appropriate~~
12 ~~personnel to present, on request, information on general health care to local school~~
13 ~~systems, civic organizations and other concerned local groups. Services are to include~~
14 ~~distribution of written material on pertinent health subjects.~~
- 15 ~~(g) The primary care center shall provide directly at least two (2) of the following~~
16 ~~additional professional services:~~
- 17 ~~1. Dentist;~~
- 18 ~~2. Optometrist;~~
- 19 ~~3. Family planning services. These services shall be provided as a package which shall~~
20 ~~include those services required under the family planning element of the Medical~~
21 ~~Assistance Program;~~
- 22 ~~4. Home health services. These services shall include the same services as provided~~
23 ~~under the home health element of the Medical Assistance Program;~~

1 ~~5. Social services counseling. This shall include, as a minimum, information and~~
2 ~~referral services. Intensive counseling is to be limited to crisis situations and health-related~~
3 ~~problems. Individuals with other identified counseling needs are to be referred to~~
4 ~~appropriate social service agencies. These services shall be performed by a licensed,~~
5 ~~graduate, or certified social worker;~~

6 ~~6. Pharmacy services. These services shall meet the standards of the pharmacy~~
7 ~~component of the Medical Assistance Program;~~

8 ~~7. Nutritional services. These services shall include as a minimum individual counseling~~
9 ~~relating to nutritional problems or nutritional education. Group nutritional services may~~
10 ~~also be provided. These services shall be performed by a professional nutritionist; and~~

11 ~~8. Nurse midwifery services. These services shall be provided as a program which is to~~
12 ~~include prenatal services to expectant mothers, as well as delivery and postnatal services.~~
13 ~~These services shall be performed by a certified nurse midwife.~~

14 ~~(2) Supplemental services which may be provided by primary care centers.~~

15 ~~(a) Other services (excluding institutional care) within the scope of the Medical~~
16 ~~Assistance Program;~~

17 ~~(b) Holding/observation accommodations;~~

18 ~~(c) Any of the types of service in subsection (1)(g) of this section, which are not~~
19 ~~provided as basic services;~~

20 ~~(d) Outreach services. These services shall be provided as a package structured to~~
21 ~~identify health care needs in the service area; and~~

22 ~~(e) Clinical pharmacist. A clinical pharmacist is a licensed pharmacist whose services~~
23 ~~include taking medication histories, monitoring drug use, contributing to drug therapy, drug~~

1 selection, patient counseling, administering drug programs, and surveillance for adverse
2 reactions and drug interactions.

3 ~~Section 4. Drugs for Specified Immunizations. Effective with regard to services~~
4 ~~provided on or after October 1, 1988, primary care centers and, effective April 1, 1990,~~
5 ~~federally-qualified health centers, will be allowed to secure drugs for specified~~
6 ~~immunizations from the Department for Health Services free to provide immunizations for~~
7 ~~Medicaid recipients. The specified immunizations are:~~

8 (1) ~~Diphtheria and tetanus toxoids and pertussis vaccine (DPT);~~

9 (2) ~~Measles, mumps, and rubella virus vaccine, live (MMR);~~

10 (3) ~~Poliovirus vaccine, live, oral (any type(s)) (OPV); and~~

11 (4) ~~Hemophilus B conjugate vaccine (HBCV).~~

12 ~~Section 5. Limitations on Services. The following limitations are applicable to specified~~
13 ~~services: (1) Pharmacy services are limited to those drugs covered through the pharmacy~~
14 ~~services element of the Medical Assistance Program;~~

15 (2) ~~Other drugs and biologicals not covered under pharmacy services are limited to~~
16 ~~those necessary for the treatment [of emergency cases;~~

17 (3) ~~Laboratory services are limited to those Procedures provided directly by the center,~~
18 ~~or if purchased, these services are limited to those covered under the independent~~
19 ~~laboratory element of the Medical Assistance Program;~~

20 (4) ~~Dental services are limited to those procedures covered through the dental services~~
21 ~~element of the Medical Assistance Program;~~

22 (5) ~~Vision care services are limited to those services covered through the vision care~~
23 ~~services element of the Medical Assistance Program;~~

1 ~~(6) Audiology services are limited to those services covered through the hearing~~
2 ~~services element of the Medical Assistance Program;~~

3 ~~(7) Abortion and sterilization services shall be performed in accordance with guidelines~~
4 ~~specified by the cabinet;~~

5 ~~(8) Durable medical goods and prosthetics are limited to those covered under the~~
6 ~~durable medical equipment or home health element of the Medical Assistance Program;~~

7 ~~(9) Mental health services are limited to emergency services and appropriate referral;~~

8 ~~(10) Holding/observation accommodations are covered for not more than twenty-four~~
9 ~~(24) hours when provided in accordance with the following:~~

10 ~~(a) The patient's record shall document the appropriateness of such utilization;~~

11 ~~(b) The physician shall make the decision that such utilization is necessary;~~

12 ~~(c) A licensed nurse shall be on duty at the center during the time a patient is held in~~
13 ~~center accommodations beyond regular scheduled hours;~~

14 ~~(d) A licensed physician shall be on call at all times when a patient is held beyond the~~
15 ~~regular scheduled hours of the center;~~

16 ~~(e) A statement of conditions observed and treatment rendered during the holding time~~
17 ~~shall be entered in the patient's medical record;~~

18 ~~(11) Radiology procedures shall be performed by either a licensed practitioner of the~~
19 ~~healing arts or an individual holding a valid certificate to operate sources of radiation.~~

20 ~~Section 6. Noncovered Services. The following services are specifically excluded from~~
21 ~~coverage as primary care center or federally-qualified health center services:~~

22 ~~(1) All Institutional services;~~

23 ~~(2) Housekeeping, babysitting, and other homemaker services of like nature;~~

1 ~~(3) Services which are not provided in accordance with restrictions imposed by law or~~
2 ~~administrative regulation.~~

3 ~~Section 7. The provisions of this administrative regulation as amended shall be~~
4 ~~effective with regard to services provided on or after April 1, 1990.]~~

907 KAR 1:054

REVIEWED:

Date

Shawn M. Crouch, Commissioner
Department for Medicaid Services

APPROVED:

Date

Mark D. Birdwhistell, Secretary
Cabinet for Health and Family Services

907 KAR 1:054

A public hearing on this administrative regulation shall, if requested, be held on January 21, 2008, at 9:00 a.m. in the Cabinet for Health and Family Services Cafeteria Meeting Room, First Floor, 275 East Main Street, Frankfort, Kentucky. Individuals interested in attending this hearing shall notify this agency in writing by January 14, 2008, five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. You may submit written comments regarding this proposed administrative regulation until close of business January 31, 2008. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Jill Brown, Office of Legal Services, 275 East Main Street 5 W-B, Frankfort, KY 40601, (502) 564-7905, Fax: (502) 564-7573

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation #: 907 KAR 1:054

Cabinet for Health Services

Department for Medicaid Services

Agency Contact Person: Stuart Owen (502) 564-6204 or Barry Ingram (502) 564-5969

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This administrative regulation establishes primary care center (PCC) and federally-qualified health center (FQHC) coverage provisions.
 - (b) The necessity of this administrative regulation: This administrative regulation is necessary to comply with federal and state laws requiring provision of medical services to Kentucky's indigent citizenry.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation fulfills requirements implemented in KRS 194A.050(1) related to the execution of policies to establish and direct health programs mandated by federal law.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes PCC and FQHC coverage provisions as permitted by state and federal authority.

- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation: This amendment expands, as mandated by the Centers for Medicare and Medicaid Services (CMS), the federally-qualified health center coverage scope to include behavioral health services. Additionally, the Department for Medicaid Services (DMS) is likewise expanding, at its own choosing, the PCC coverage scope to include behavioral health care. Lastly, the amendment includes formatting and drafting changes to comply with KRS 13A.
 - (b) The necessity of the amendment to this administrative regulation: This amendment is necessary to comply with a federal mandate.
 - (c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms to the content of the authorizing statutes by complying with a federal mandate to ensure receipt of federal matching funds for federally-qualified health center services.
 - (d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the authorizing statutes by complying with a federal mandate to ensure receipt of federal matching funds for federally-qualified health center services.

- (3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: All federally-qualified

health centers and primary care centers are affected by the amendment.

- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
 - (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Rather than restrict coverage, the amendments favor providers, expanding the scope of coverage to include behavioral health services.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): No cost is anticipated, the amendments expand, rather than restrict, the scope of coverage.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The amendments expand coverage which will enhance recipient access to behavioral health services as well as broaden provider's scope of care.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
 - (a) Initially: The Department for Medicaid Services (DMS) anticipates the enhanced coverage may increase but the extent of cost is unknown and depends upon utilization and PCC and FQHC practice patterns. DMS is not implementing limits at this time; however, if utilization increases significantly, it intends to explore adopting safeguards or other measures to ensure that utilization is appropriate and not excessive.
 - (b) On a continuing basis: DMS anticipates the enhanced coverage may increase but the extent of cost is unknown and depends upon utilization and PCC and FQHC practice patterns. DMS is not implementing limits at this time; however, if utilization increases significantly, it intends to explore adopting safeguards or other measures to ensure that utilization is appropriate and not excessive.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The sources of revenue to be used for implementation and enforcement of this administrative regulation are federal funds authorized under the Social Security Act, Title XIX and matching funds of general fund appropriations.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: The current fiscal year budget will not need to be adjusted to provide funds for implementing this administrative regulation as the current budget is adequate to accommodate the amendment.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish or increase any fees.

(9) Tiering: Is tiering applied? (Explain why tiering was or was not used)

DMS did not apply tiering in this administrative regulation but rather chose to expand the scope of coverage for primary care centers identical to the scope expansion for federally-qualified health care centers though on the FQHC expansion is federally-mandated.

FEDERAL MANDATE ANALYSIS COMPARISON

Regulation Number: 907 KAR 1:054 Agency Contact: Stuart Owen (502) 564-6204 or
Barry Ingram (502) 564-5969

1. Federal statute or regulation constituting the federal mandate.

42 USC 1395x(aa) and as reinforced via Centers for Medicare and Medicaid Services (CMS) "BPHC Program Information Notice 2004-05 from CMS Director Dennis Smith.

2. State compliance standards.

KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with a requirement that may be imposed or opportunity presented by federal law for the provision of medical assistance to Kentucky's indigent citizenry.

3. Minimum or uniform standards contained in the federal mandate.

State Medicaid programs are mandated to cover FQHC behavioral health services furnished by clinical psychologists, clinical social workers and nurse practitioners, within their authorized scope of practice, to individuals who are categorically needy or medically needy (if the state Medicaid program has elected to cover federally-qualified health center services to individuals who are medically needy).

4. Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate?
This administrative regulation does not set stricter requirements.

5. Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements.

Neither stricter nor additional standards nor responsibilities are imposed.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Reg NO: 907 KAR 1:054 Contact Person: Stuart Owen (502) 564-6204 or Barry Ingram (502) 564-5969

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments or school districts)?

Yes X No
If yes, complete 2-4.

2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This amendment will affect all federally-qualified health centers and primary care centers.
3. Identify each state or federal regulation that requires or authorizes the action taken by the administrative regulation. This amendment is authorized by 42 USC 1395x(aa).
4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
 - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This amendment could generate additional revenue for local government as some local health departments are primary care centers. The amount of additional revenue depends on behavioral health utilization and is not determinable at this time.
 - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This amendment could generate additional revenue for local government as some local health departments are primary care centers. The amount of additional revenue depends on behavioral health utilization and is not determinable at this time.
 - (c) How much will it cost to administer this program for the first year? The Department for Medicaid Services (DMS) anticipates the enhanced coverage may increase but the extent of cost is unknown and depends upon utilization and PCC and FQHC practice patterns. DMS is not implementing limits at this time; however, if utilization increases significantly, it intends to explore adopting

safeguards or other measures to ensure that utilization is appropriate and not excessive.

- (d) How much will it cost to administer this program for subsequent years? The Department for Medicaid Services (DMS) anticipates the enhanced coverage may increase but the extent of cost is unknown and depends upon utilization and PCC and FQHC practice patterns. DMS is not implementing limits at this time; however, if utilization increases significantly, it intends to explore adopting safeguards or other measures to ensure that utilization is appropriate and not excessive.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): _____

Expenditures (+/-): _____

Other Explanation: No additional expenditures are necessary to implement this amendment.