



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

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May 28, 2013

**Steven L. Beshear**  
Governor

**Audrey Tayse Haynes**  
Secretary

**Lawrence Kissner**  
Commissioner

**TO:** Medicaid Providers - Provider Letter #A-94

**RE:** First Quarter Adjusted PCP Payment

Dear Medicaid Provider:

The Department for Medicaid Services (DMS) and the Commonwealth's Managed Care Organizations (MCO's) was prepared to issue the first quarter adjusted payment for qualified primary care services by May 15, 2013. DMS has calculated all payments, both fee for service and through the MCO's, and the payments are ready for issuance. However, the Centers for Medicare and Medicaid Services (CMS) must approve each state's plan for implementation before the federal share of the payments is guaranteed. DMS submitted the plan for implementation in a timely manner. As of this date, Kentucky DMS has not received CMS approval. Once CMS notifies DMS of final approval, the Department and the MCO's will fully implement the following plan.

The adjusted rate payments will be made quarterly for eligible paid claims with a date of service during the quarter. Payment amount is the difference in the 2009 Medicaid base rate and the Medicare adjusted rate. This amount will be paid to the provider in a lump sum within 45 days of the end of each quarter. Payment will be based on the lower of the provider billed amount and the Medicare adjusted rate. In addition, total provider payment from all entities shall not exceed the Medicare adjusted rate for the service. Providers will receive payments from the MCO's for services provided to MCO members and from DMS for fee for service members. All claims data submitted by MCOs to DMS was used to complete the payment calculation.

When calculating the payments, DMS had to reconcile the rendering providers' NPI submitted on the claim detail from the MCO's with the Provider IDs in the Medicaid Management Information System (MMIS). If DMS needed the provider's taxonomy to make this unique identification and one was not provided on the claim submitted to the MCO, the claim was not considered for an adjusted rate payment. If you need to add your taxonomy on previously submitted claims, please contact your MCO provider representative for the correct procedure.

If you have questions about provider eligibility or timing of eligibility please contact the Division of Policy and Operations at 502-564-6890.

Thank you for being a Medicaid Services provider.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Kissner".

Lawrence Kissner  
Commissioner