

1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Department for Medicaid Services

3 Division of Community Alternatives

4 (New Administrative Regulation)

5 907 KAR 1:047. Community mental health center primary care services.

6 RELATES TO: KRS 205.520, 210.410.

7 STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3), 205.6313,
8 42 C.F.R. 440.130, 42 U.S.C. 1396d(a)(13)(C)

9 NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family
10 Services, Department for Medicaid Services, has a responsibility to administer the Med-
11 icaid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to
12 comply with any requirement that may be imposed or opportunity presented by federal
13 law to qualify for federal Medicaid funds. This administrative regulation establishes the
14 Medicaid Program's coverage provisions and requirements regarding primary care ser-
15 vices provided in a community mental health center to Medicaid recipients.

16 Section 1. Definitions. (1) "CLIA" means the Clinical Laboratory Improvement
17 Amendments, 42 C.F.R. Part 493.

18 (2) "Community mental health center" or "CMHC" means a facility which meets the
19 community mental health center requirements established in 902 KAR 20:091.

20 (3) "Department" means the Department for Medicaid Services or its designee.

- 1 (4) "Enrollee" means a recipient who is enrolled with a managed care organization.
- 2 (5) "Federal financial participation" is defined by 42 C.F.R. 400.203.
- 3 (6) "Injectable drug" means an injectable, infused, or inhaled drug or biological that:
- 4 (a) Is not excluded as a non-covered immunization or vaccine;
- 5 (b) Requires special handling, storage, shipping, dosing, or administration; and
- 6 (c) Is a rebatable drug.
- 7 (7) "Managed care organization" means an entity for which the Department for Medi-
- 8 caid Services has contracted to serve as a managed care organization as defined in 42
- 9 C.F.R. 438.2.
- 10 (8) "Medically necessary" means that a covered benefit is determined to be needed
- 11 in accordance with 907 KAR 3:130.
- 12 (9) "Occupational therapist" is defined by KRS 319A.010(3).
- 13 (10) "Occupational therapy assistant" is defined by KRS 319A.010(4).
- 14 (11) "Physical therapist" is defined by KRS 327.010(2).
- 15 (12) "Physical therapist assistant" means a skilled health care worker who:
- 16 (a) Is certified by the Kentucky Board of Physical Therapy; and
- 17 (b) Performs physical therapy and related duties as assigned by the supervising
- 18 physical therapist.
- 19 (13) "Rebatable drug" means a drug for which the drug's manufacturer has entered
- 20 into or complied with a rebate agreement in accordance with 42 U.S.C. 1396r-8(a).
- 21 (14) "Recipient" is defined by KRS 205.8451(9).
- 22 (15) "Speech-language pathologist" is defined by KRS 334A.020(3).
- 23 (16) "Speech-language pathology clinical fellow" means an individual who is recog-

1 nized by the American Speech-Language-Hearing Association as a speech-language
2 pathology clinical fellow.

3 Section 2. General Requirements. (1) For the department to reimburse for a primary
4 care service provided by a community mental health center under this administrative
5 regulation, the:

6 (a) CMHC shall be currently:

- 7 1. Enrolled in the Medicaid Program in accordance with 907 KAR 1:672;
- 8 2. Participating in the Medicaid Program in accordance with 907 KAR 1:671; and
- 9 3. Licensed in accordance with 902 KAR 20:091; and

10 (b) Service shall:

- 11 1. Be medically necessary;
- 12 2. Meet the coverage and related requirements established in this administrative reg-
13 ulation; and
- 14 3. Be provided by an individual who is currently licensed or certified in accordance
15 with the respective Kentucky licensure or certification Kentucky Revised Statute or ad-
16 ministrative regulation to provide the given service.

17 (2) In accordance with 907 KAR 17:015, Section 3(3), a CMHC that provides a ser-
18 vice to an enrollee shall not be required to be currently participating in the fee-for-
19 service Medicaid Program.

20 (3) A CMHC shall:

- 21 (a) Agree to provide services in compliance with federal and state laws regardless of
22 age, sex, race, creed, religion, national origin, handicap, or disability; and
- 23 (b) Comply with the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and

1 any amendments to the Act.

2 Section 3. Covered Services and Injectable Drugs. (1)(a) Primary care services pro-
3 vided by a community mental health center and covered under this administrative regu-
4 lation shall include:

5 1. Physician services;

6 2. Laboratory services if the CMHC is certified under CLIA to perform laboratory ser-
7 vices;

8 3. Radiological services;

9 4. Occupational therapy;

10 5. Physical therapy; and

11 6. Speech-language pathology services.

12 (b) An injectable drug listed on the Physician Injectable Drug List that is administered
13 in a CMHC shall be covered under this administrative regulation.

14 (2)(a) The coverage of:

15 1. Physician services provided by a community mental health center shall be in ac-
16 cordance with the requirements established in 907 KAR 3:005;

17 2. Laboratory services provided by a community mental health center shall be in ac-
18 cordance with the requirements established in 907 KAR 3:005; or

19 3. Radiological services provided by a community mental health center shall be in
20 accordance with the requirements established in 907 KAR 3:005.

21 (b) Occupational therapy provided by a community mental health center shall be cov-
22 ered under this administrative regulation if provided by an:

23 1. Occupational therapist; or

1 2. Occupational therapy assistant who renders services under supervision in accord-
2 ance with 201 KAR 28:130.

3 (c) Physical therapy provided by a community mental health center shall be covered
4 under this administrative regulation if provided by a:

5 1. A physical therapist; or

6 2. A physical therapist assistant who renders services under supervision in accord-
7 ance with 201 KAR 22:053.

8 (d) Speech-language pathology services provided by a community mental health cen-
9 ter shall be covered under this administrative regulation if provided by a:

10 1. A speech-language pathologist; or

11 2. A speech-language pathology clinical fellow who renders services under the su-
12 pervision of a speech-language pathologist.

13 Section 4. Service Limitations. (1) The limitations established in 907 KAR 3:005 re-
14 garding:

15 (a) Physician services shall apply to physician services provided by a community
16 mental health center;

17 (b) Laboratory services shall apply to laboratory services provided by a community
18 mental health center; and

19 (c) Radiological services shall apply to radiological services provided by a community
20 mental health center.

21 (2)(a) Except as established in paragraph (b) of this subsection, the limitations and
22 coverage requirements established in 907 KAR 8:040 regarding occupational therapy,
23 physical therapy, and speech-language pathology services shall apply to occupational

1 therapy, physical therapy, and speech-language pathology services provided by a
2 community mental health center.

3 (b) The provision in 907 KAR 8:040 establishing that the eligible providers of occupa-
4 tional therapy, physical therapy, or speech-language pathology services shall be any of
5 the following shall not apply to a community mental health center:

- 6 1. An adult day health care program;
- 7 2. A multi-therapy agency;
- 8 3. A comprehensive outpatient rehabilitation facility;
- 9 4. A mobile health service;
- 10 5. A special health clinic; or
- 11 6. A rehabilitation agency.

12 Section 5. Prior Authorization Requirements. (1)(a) Except for the prior authorization
13 requirements regarding occupational therapy, physical therapy, and speech-language
14 pathology services and except as established in paragraph (b) of this subsection, the
15 prior authorization requirements established in 907 KAR 3:005 for physician services,
16 laboratory services, and radiological services shall apply to physician services, laborato-
17 ry services, and radiological services provided by a CMHC under this administrative
18 regulation.

19 (b) The prior authorization requirements established in 907 KAR 3:005 shall not apply
20 to services provided to recipients who are enrolled with a managed care organization.

21 (2) The prior authorization requirements established in 907 KAR 8:040 regarding oc-
22 cupational therapy, physical therapy, and speech-language pathology services shall ap-
23 ply to occupational therapy, physical therapy, and speech-language pathology services

1 provided by a community mental health center.

2 Section 6. No Duplication of Service. (1) The department shall not reimburse for a
3 primary care service provided to a recipient by more than one (1) provider of any pro-
4 gram in which primary care services are covered during the same time period.

5 (2) For example, if a recipient is receiving a primary care service from a rural health
6 clinic enrolled with the Medicaid Program, the department shall not reimburse for the
7 same primary care service provided to the same recipient during the same time period
8 by a community mental health center.

9 Section 7. Records Maintenance, Protection, and Security. (1) A provider shall main-
10 tain a current health record for each recipient.

11 (2) A health record shall document each service provided to the recipient including
12 the date of the service and the signature of the individual who provided the service.

13 (3) The individual who provided the service shall date and sign the health record on
14 the date that the individual provided the service.

15 (4)(a) Except as established in paragraph (b) of this subsection, a provider shall
16 maintain a health record regarding a recipient for at least five (5) years from the date of
17 the service or until any audit dispute or issue is resolved beyond five (5) years.

18 (b) If the secretary of the United States Department of Health and Human Services
19 requires a longer document retention period than the period referenced in paragraph (a)
20 of this subsection, pursuant to 42 C.F.R. 431.17, the period established by the secretary
21 shall be the required period.

22 (5) A provider shall comply with 45 C.F.R. Part 164.

23 Section 8. Medicaid Program Participation Compliance. (1) A provider shall comply

1 with:

2 (a) 907 KAR 1:671;

3 (b) 907 KAR 1:672; and

4 (c) All applicable state and federal laws.

5 (2)(a) If a provider receives any duplicate payment or overpayment from the depart-
6 ment or a managed care organization, regardless of reason, the provider shall return
7 the payment to the department or managed care organization in accordance with 907
8 KAR 1:671.

9 (b) Failure to return a payment to the department in accordance with paragraph (a) of
10 this subsection may be:

11 1. Interpreted to be fraud or abuse; and

12 2. Prosecuted in accordance with applicable federal or state law.

13 Section 9. Third Party Liability. A provider shall comply with KRS 205.622.

14 Section 10. Use of Electronic Signatures. (1) The creation, transmission, storage, and
15 other use of electronic signatures and documents shall comply with the requirements
16 established in KRS 369.101 to 369.120.

17 (2) A provider that chooses to use electronic signatures shall:

18 (a) Develop and implement a written security policy that shall:

19 1. Be adhered to by each of the provider's employees, officers, agents, or contrac-
20 tors;

21 2. Identify each electronic signature for which an individual has access; and

22 3. Ensure that each electronic signature is created, transmitted, and stored in a se-
23 cure fashion;

1 (b) Develop a consent form that shall:

2 1. Be completed and executed by each individual using an electronic signature;

3 2. Attest to the signature's authenticity; and

4 3. Include a statement indicating that the individual has been notified of his or her re-
5 sponsibility in allowing the use of the electronic signature; and

6 (c) Provide the department, immediately upon request, with:

7 1. A copy of the provider's electronic signature policy;

8 2. The signed consent form; and

9 3. The original filed signature.

10 Section 11. Auditing Authority. The department or managed care organization in
11 which an enrollee is enrolled shall have the authority to audit any:

12 (1) Claim;

13 (2) Health record; or

14 (3) Documentation associated with any claim or health record.

15 Section 12. Federal Approval and Federal Financial Participation. The department's
16 coverage of services pursuant to this administrative regulation shall be contingent upon:

17 (1) Receipt of federal financial participation for the coverage; and

18 (2) Centers for Medicare and Medicaid Services' approval for the coverage.

19 Section 13. Appeal Rights. (1) An appeal of an adverse action by the department re-
20 garding a service and a recipient who is not enrolled with a managed care organization
21 shall be in accordance with 907 KAR 1:563.

22 (2) An appeal of an adverse action by a managed care organization regarding a ser-
23 vice and an enrollee shall be in accordance with 907 KAR 17:010.

1 Section 14. Incorporation by Reference. (1) The "Physician Injectable Drug List", April
2 1, 2016, is incorporated by reference.

3 (2) This material may be inspected, copied, or obtained, subject to applicable copy-
4 right law:

5 (a) At the Department for Medicaid Services, 275 East Main Street, Frankfort, Ken-
6 tucky, Monday through Friday, 8:00 a.m. to 4:30 p.m.; or

7 (b) Online at the department's Web site at
8 <http://www.chfs.ky.gov/dms/incorporated.htm>.

907 KAR 1:047

REVIEWED:

Date

Stephen P. Miller, Commissioner
Department for Medicaid Services

APPROVED:

Date

Vickie Yates Brown Glisson, Secretary
Cabinet for Health and Family Services

907 KAR 1:047

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall, if requested, be held on December 21, 2016 at 9:00 a.m. in Suite B of the Health Services Auditorium, Health Services Building, First Floor, 275 East Main Street, Frankfort, Kentucky, 40621. Individuals interested in attending this hearing shall notify this agency in writing December 14, 2016, 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 December 31, 2016. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Tricia Orme, tricia.orme@ky.gov, 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 Number: 907 KAR 1:047

Contact person: Sharley Hughes (502) 564-4321; Sharley.hughes@ky.gov

Tricia Orme (502) 564-7905; tricia.orme@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the coverage provisions and requirements regarding Medicaid Program primary care services provided by community mental health centers (CMHCs). Primary care services covered under this administrative regulation include physician services, laboratory services, radiological services, occupational therapy (OT), physical therapy (PT), and speech-language pathology (SLP) services. Additionally, physician injectable drugs administered at a community mental health center shall be covered under this administrative regulation. Key requirements include that any physician service limit established in the Medicaid program physician services administrative regulation (907 KAR 3:005, Physician services) shall apply to physician services provided by a CMHC; that any laboratory service limit established in 907 KAR 3:005 shall apply to any laboratory service provided by a CMHC; that any radiological service limit established in 907 KAR 3:005 shall apply to any radiological service provided by a CMHC; that any OT limit, PT limit, or SLP service limit established in 907 KAR 8:040, Coverage of occupational therapy, physical therapy, and speech-language pathology services provided by various entities shall apply to OT, PT, or SLP services provided by a community mental health center; that the prior authorization requirements established in 907 KAR 3:005, Physician services shall apply to physician services, laboratory services, or radiological services provided by a community mental health center; and that the prior authorization requirements regarding OT, PT, and SLP services established in 907 KAR 8:040 shall apply to OT, PT, or SLP services provided by a community mental health center.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the coverage provisions and requirements regarding CMHC primary care services covered by the Medicaid Program as authorized by KRS 205.6313.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the content of the authorizing statutes (including KRS 205.6313) by establishing the coverage provisions and requirements regarding CMHC primary care services covered by the Medicaid Program.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist in the effective administration of the authorizing statutes (including KRS 205.6313) by establishing the coverage provisions and requirements regarding CMHC primary care services covered by the Medicaid Program.

(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 is a new administrative regulation.

(b) The necessity of the amendment to this administrative regulation: This is a new

administrative regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This is a new administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is a new administrative regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: Community mental health centers will be affected by this amendment as will Medicaid recipients who receive services from CMHCs.

(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. CMHCs that wish to provide primary care services to Medicaid recipients will have to do so according to the requirements such as having staff authorized to provide such services.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3). No additional cost is anticipated.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3). CMHCs that wish to provide primary care services to Medicaid recipients will benefit by being enabled to receive Medicaid reimbursement for such services.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: Due to the uncertainty of how many CMHCs will elect to expand their scope of services to include primary care services and to the uncertainty of when such CMHCs will meet the associated licensure requirements established by the Office of Inspector General, DMS is unable to project a cost associated with this action. Additionally, DMS cannot predict how many individuals who currently receive primary care services from other Medicaid primary care providers (physician's practices, advanced practice registered nurse practices, primary care centers, federally-qualified health care centers, or rural health clinics) – each category of which is reimbursed uniquely - will choose to receive such care from a CMHC.

(b) On a continuing basis: The response to (a) above also applies here.

(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. Neither an increase in fees nor funding is necessary to implement this administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation neither establishes nor increases any fees.

(9) Tiering: Is tiering applied? Tiering is not applied as the policies apply equally to the regulated entities.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Administrative Regulation Number: 907 KAR 1:047

Contact person: Sharley Hughes (502) 564-4321; Sharley.hughes@ky.gov

Tricia Orme (502) 564-7905; tricia.orme@ky.gov

1. 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? The Department for Medicaid Services (DMS) will be affected by the amendment.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 194A.030(2), 194A.050(1), 205.520(3), and KRS 205.6313.

3. 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? DMS does not anticipate additional revenues for state or local government as a result of the amendment.

(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? The response to question (a) also applies here.

(c) How much will it cost to administer this program for the first year? Due to the uncertainty of how many CMHCs will elect to expand their scope of services to include primary care services and to the uncertainty of when such CMHCs will meet the associated licensure requirements established by the Office of Inspector General, DMS is unable to project a cost associated with this action.

(d) How much will it cost to administer this program for subsequent years? The response in (c) above also applies here.

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:

COMMONWEALTH OF KENTUCKY
CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

907 KAR 1:047

Summary of Material Incorporated by Reference

The “Physician Injectable Drug List”, April 1, 2016 is incorporated by reference. This is a thirty (30) page document which lists the injectable drugs covered by Kentucky’s Medicaid Program.

The total number of pages incorporated by reference in this administrative regulation is thirty (30) pages.