



CABINET FOR HEALTH AND FAMILY SERVICES

DEPARTMENT FOR MEDICAID SERVICES

COMMISSIONER'S OFFICE

275 EAST MAIN STREET, 6W-A

FRANKFORT, KENTUCKY 40621-0001

(502) 564-4321 (502) 564-0509 FAX

WWW.KENTUCKY.GOV

JAMES W. HOLSINGER, JR., M.D.
SECRETARY

ERNIE FLETCHER
GOVERNOR

March 18, 2005

Dear Provider:

This letter is to remind providers of upcoming changes in the Medicaid claims payment cycle that were previously described in correspondence dated September 27, 2004.

In that letter it was stated that effective April 1, 2005, the claims processing timeframe will be extended to 20 calendar days (7 days plus the 13 days already in effect).

To provide clarification as to how this change will apply to your claim payments, please see the following example:

- Claim is received on March 13th.
- Claim is processed and placed in a 'to be paid' status on March 17th.
- The claim will be finalized in the April 1st payment cycle (20 calendar days from the date that the claim is received).
- The check will be issued from the Treasury department the week of April 4th (usually a Wednesday or Thursday).
- The check and remittance advice will be mailed no later than Friday, April 8th.

If the claim is received on March 14th, the claim would not finalize until the April 4th payment cycle (again the claim must be at least 20 calendar days old on when the Friday payment cycle is run).

Please note that the Department for Medicaid Services runs one payment cycle per week (on Friday) and that the claim payment checks are usually received from the State Treasury office no later than the following Thursday.

For those providers who are receiving electronic funds transfers, please note the deposit is made the Friday following the payment cycle. Using the above example, the deposit will occur on Friday, April 8th.

March 18, 2005
Page 2 of 2

If you have any questions regarding this letter please contact the Division of Finance and Administration at 502-564-8196 between the hours of 8:00 a.m. to 4:30 p.m., EST, Monday through Friday.

We appreciate your continued understanding as the Cabinet makes every effort to maximize available funding to serve the recipients of the Medicaid program.

Sincerely,

A handwritten signature in black ink that reads "Shannon Turner". The signature is written in a cursive style with a large, prominent 'S' at the beginning.

Shannon R. Turner
Commissioner, Department for Medicaid Services