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**CABINET FOR HEALTH AND FAMILY SERVICES**  
DEPARTMENT FOR MEDICAID SERVICES  
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JAMES W. HOLSINGER, JR., M.D.  
SECRETARY

September 27, 2004

Dear Provider:

This letter is written to remind providers of upcoming changes in the Medicaid claims payment cycle that were previously described in correspondence dated May 21, 2004.

Effective October 1, 2004, the claims processing cycle for all claim types submitted to the Medicaid program will increase by seven days. Current processing times are 5 to 10 days for paper claims. Claims submitted electronically are generally processed within a shorter time frame. After this change, the processing time for both electronic and paper claims should range from 10 to 16 days.

An additional seven days will be added to the claims processing timeframe on January 1st, 2005, and again on April 1st, 2005. After these changes, the claims processing time will be approximately the same as it was prior to June 1st, 2004 for most providers. The only payments excluded from these changes will be to providers receiving contractually required capitation payments and payment of KenPAC Management fees.

If you have any questions regarding this letter, please contact Jan Howell of the Department for Medicaid Services at (502) 564-8196. We appreciate your continued understanding as the Cabinet makes every effort to continue to maximize available funding to serve the recipients of the Medicaid program.

Sincerely,

A handwritten signature in cursive script that reads "Shannon R. Turner".

Shannon R. Turner  
Deputy Commissioner

ST/JH/NW/tb