

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

*COPIES FOR STAFF MTG & MAC
COPIES FOR AVONE & MAN7*

August 11, 2014

Mr. Lawrence Kissner, Commissioner
Department for Medicaid Services
275 East Main Street, 6WA
Frankfort, KY 40621-0001

Re: Potential Medicaid Reimbursement Methodologies for Community Mental Health Centers

Dear Mr. Kissner:

This letter is in response to your request dated July 22, 2014, seeking guidance on the Centers for Medicare & Medicaid Services' (CMS) position regarding the two options for Medicaid reimbursement methodologies the state discussed with the Kentucky Community Mental Health Centers (CMHCs) on July 18, 2014.

The Kentucky Association of Regional Programs, Inc. on behalf of all the CMHCs provided confirmation to the state in a letter dated July 30, 2014, that the preferred method is the cost based reimbursement on a uniform cost report reviewed and approved by CMS.

The timeline the state provided in the July 22, 2014 letter appears acceptable for implementing the preferred method by the CMHCs. With this option, the state is expected to retroactively settle to the actual costs once the cost reports are approved. However, the state may re-price and publish interim rates for the following year.

If the state would like technical assistance as it is implementing this new process, please contact Davida Kimble, Manager, Financial Branch 1 at (404) 562-7496 and we will be glad to assist you.

Sincerely,

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations