



ERNIE FLETCHER
GOVERNOR

CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES
COMMISSIONER'S OFFICE
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JAMES W. HOLSINGER, JR., M.D.
SECRETARY

June 1, 2004

Dear Provider:

This letter is to inform of a change relative to the Medicaid payment cycle. Effective June 1st, 2004 the processing time for most providers' claims will be temporarily reduced. Currently, the average payment time for claims, with the cash management hold is approximately 19 to 25 days. With the change, the normal payment time will be 5 to 10 days for paper claims or much quicker for claims submitted via electronic media. Payment time does not include the time required to mail the remittance to the provider. This action to speed up provider payments is being implemented to take advantage of temporary (enhanced) federal funding available to the Medicaid Program through June 30th, 2004.

This reduction in claims payment time will not affect providers who bill on a monthly basis because those claims are currently paid as quickly as possible. These providers include nursing facilities, Hospice, mental hospitals, DSS Title V, Empower transportation payments, Passport payments, and KenPAC Management fees.

This temporary reduction in average claims payment time will continue until October 1, 2004. Beginning on that date, seven days will be added to the average payment time for all claims. The payment time will also increase by seven days on January 1, 2005 and April 1, 2005 so that the payment time is approximately the same as it is currently for most providers.

If you have any questions regarding this letter, please contact Neville Wise of the Department for Medicaid Services at (502) 564-8196. We appreciate your continued understanding as the Cabinet and Department make every effort to maximize available funding while maintaining current coverage levels in the Medicaid program.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Fendley".

Russ Fendley
Commissioner
RF/NW/tb