CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

Steven L. Beshear
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Janie Miller
Secretary

Neville Wise
Acting Commissioner

September 23, 2011

Ms. Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare and Medicaid Services
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909

RE: SPA 11-009 – Provider Preventable Conditions
Effective Date – July 1, 2011

Dear Ms. Glaze:

Enclosed please find Kentucky Title XIX Transmittal Number 11-009. This State Plan Amendment (SPA) will ensure that Kentucky Medicaid meets the requirements of 42 CRS Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider preventable conditions.

If additional information is needed, please contact my office at 502-564-4321.

Sincerely,

Neville Wise
Acting Commissioner

NW/sjh

Enclosure

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 11-009

2. STATE: Kentucky

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
7/1/2011

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN X AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR Part 447, Subpart A and Sections 1902*(a)(4), 1902(a)(6), and 1903

7. FEDERAL BUDGET IMPACT:
a. FFY 2010 - ($ 37,500)
b. FFY 2011 - ($150,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19A, Exhibit E

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
New

10. SUBJECT OF AMENDMENT
This plan amendment provides for the denial of Provider Preventable Conditions while a Medicaid recipient is an inpatient in an approved hospital.

11. GOVERNOR'S REVIEW *(Check One)*:
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
X OTHER, AS SPECIFIED: Review delegated to Commissioner, Department for Medicaid Services

12. SIGNATURE OF STATE AGENCY OFFICIAL: Neville I Wise

13. TYPED NAME: Neville Wise

14. TITLE: Acting Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: September 23, 2011

16. RETURN TO:
Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4),1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19 (A)

__X__ Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section(s) 4.19 ____

__X__ Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

____ Additional Other Provider-Preventable Conditions identified below *(please indicate the section(s) of the plan and specific service type and provider type to which the provisions will be applied. For example – 4.19(d) nursing facility services, 4.19(b) physician services)* of the plan:

Methodology for determining Provider Preventable Conditions

The Commonwealth of Kentucky's MMIS was updated to capture the Present on Admission (POA) indicator for the UB-04 and UB-04 crossover claims.

Valid values are "Y", "N", "U", and "W".

The MMIS system was modified to include a POA indicator for Principle and each Secondary (Other) diagnosis field. This field includes a dropdown menu with the following values: YES (Y), NO (N), UNKNOWN (U), CLINICALLY UNDETERMINED (W), and Space/Blank.

No changes to the pricing logic itself were made. However, DRG processing was modified so that applicable HAC diagnosis codes and diagnosis code/surgical procedure combinations that include a POA indicator of "N" or "U" are suppressed from (**not** be sent through) the DRG grouper and therefore not considered in DRG assignment.

The MMIS system fails DRG hospital claims, including crossovers, if a POA indicator other than Y, N, U, or W is submitted with a **non**-exempted Principle or Secondary diagnosis code.