

KENTUCKY MEDICAID PROGRAM
PUBLIC NOTICE

June 5, 2024

The Cabinet for Health and Family Services, Department for Medicaid Services (the Department) in accordance with 42 CFR 447.205, hereby provides public notice of changes to long term care rates effective July 1, 2024.

The Department is amending its State Plan to transition from the RUG III methodology to the Patient Driven Payment Model (PDPM) to calculate each individual price-based long term care facility's average case-mix.

Additionally, the Department is rebasing the standard price rate components for providers with rates set using the price-based methodology per 907 KAR 1:065. Reimbursement rates are established using a set price for urban and rural providers with adjustments to the rates based on provider specific acuity and an annual update. Rates will be rebased utilizing 2022 cost report data, and every four years thereafter. Furthermore, the provider tax allowance is increasing from \$9.64 to \$41.43, reimbursement levels for bed reserve days are being eliminated, and payment for ancillary services is becoming part of the per diem rate instead of a separately billed and reimbursed service.

Fiscal Impact: \$

The Department for Medicaid Services estimates the total fiscal impact will be \$382,870,000.

Public Comments

A copy of this notice is available for public review at the Department for Medicaid Services at the address listed below. Comments or inquiries may be submitted in writing within thirty (30) days to:

Commissioner's Office
Department for Medicaid Services, 6W-A
275 E. Main Street
Frankfort, Kentucky 40621