



Andy Beshear
GOVERNOR

CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

Eric Friedlander
SECRETARY

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Lisa Lee
COMMISSIONER

July 8, 2024

TO: Nursing Facility Provider (PT 12)

RE: *Nursing Facility Assessment Rates and Allowance and Ancillary Change*
PL #A-271

Dear Nursing Facility Provider:

The Department of Revenue recently informed providers that the Nursing Facility Services Assessment rates will be revised effective July 1, 2024. Accordingly, the Department of Medicaid Services (DMS) will increase the allowance to offset the provider assessment to accommodate the increase in the assessment rates from \$9.64 to \$41.43.

The Nursing Facility Services Assessment rates are adjusted as follows:

1% Tax Rate Class from \$1.82 per non-Medicare bed day to \$2.82;
2% Tax Rate Class from \$3.64 per non-Medicare bed day to \$5.63;
6% Tax Rate Class from \$12.85 per non-Medicare bed day to \$19.89;
Large facility rate class from \$4.12 per non-Medicare bed day to \$6.38.

Additionally, effective with dates of service July 1, 2024, ancillary services (Physical Therapy, Occupational Therapy, Speech Therapy, Oxygen Therapy and supplies) will no longer require Prior Authorization. DMS will monitor utilization and address any concerns with facilities directly. Price-based facilities will be reimbursed for ancillary services (including the above therapies in addition to x-ray and lab) as part of their per diem rates. Any billings for ancillary services for the price-based facilities will be zero paid. As a reminder, price-based nursing facilities are providers that receive quarterly case mix adjustments pursuant to 907 KAR 1:065. All other existing nursing facility reimbursement requirements for ancillary services (including 907 KAR 1:025) remains unchanged.

The above changes are subject to final approval from CMS. If you have any questions regarding these changes to the Nursing Facility price-based rates, please contact Michelle Tyson, Administrative Branch Manager, Division of Fiscal Management, at (502) 564-9482 or michelle.tyson@ky.gov.

Sincerely,

Lisa D. Lee, Commissioner
Department for Medicaid Services

cc: Richard Dobson, Executive Director, Office of Sales and Excise Taxes
Michelle Tyson, Administrative Branch Manager, Division of Fiscal Management
Lori Murphy, Division of Fiscal Management
Tara Clark, Myers and Stauffer LC

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