907 KAR 7:015. Reimbursement for home and community based waiver services version 2.

RELATES TO: 42 C.F.R. 441 Subparts B, G, 42 U.S.C. 1396a, 1396b, 1396d, 1396n
STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3)
NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family Services, Department for Medicaid Services, is required to administer the Medicaid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with any requirement that may be imposed, or opportunity presented, by federal law to qualify for federal Medicaid funds. This administrative regulation establishes the Medicaid Program reimbursement requirements and provisions for home and community based waiver services version 2.

Section 1. Definitions.
(1) "ADHC" means adult day health care.
(2) "ADHC center" means an adult day health care center that is:
(a) Licensed in accordance with 902 KAR 20:066; and
(b) Certified for Medicaid participation by the department.
(3) "Department" means the Department for Medicaid Services or its designee.
(4) "Fixed upper payment limit" means the maximum amount the department shall reimburse per unit.
(5) "HCB" means home and community based waiver.
(6) "Participant" means a recipient who:
(a) Meets the nursing facility level of care criteria established in 907 KAR 1:022; and
(b) Meets the eligibility criteria for HCB services established in 907 KAR 7:010.
(7) "Recipient" is defined by KRS 205.8451(9).

Section 2. HCB Service Reimbursement.
(1)
(a) Except as provided in Section 3, 4, or 5 of this administrative regulation, the department shall reimburse for a home and community based waiver service or item at the lesser of the billed charges or the fixed upper payment limit for each unit.
(b) The fixed upper payment limits, unit amounts, and reimbursement maximums established in the following table shall apply:

Service	Fixed Upper Payment Limit	Unit Amount	Maximum
PDS coordination	$162.50 per unit		Two (2) units per month
Case management	$100.00	One (1) month	One (1) unit per month
Attendant care not as a PDS	$24.00 per hour	One (1) hour	$200 per day alone or in combination with ADHC services. Travel to and from the participant's residence shall be excluded

Home and community supports	$2.88 per unit	Fifteen (15) minutes	Forty-five (45) hours per week; Maximum of $200 per day alone or in combination with ADHC services; Travel to and from the participant's residence shall be excluded
Non-specialized respite	$2.75 per unit	Fifteen (15) minutes	$200 per day alone or in combination with specialized respite. Non-specialized respite alone or in combination with specialized respite shall not exceed $4,000 per level of care year.
Goods and services	$3,500 per level of care year	Level of care year	$3,500 per level of care year; shall not be covered unless prior authorized
Home delivered meals	$7.50 per hot meal	One (1) hot meal	One (1) hot meal per day and five (5) hot meals per week
Adult day health care services	$2.83 per unit for Level I services; $3.43 per unit for Level II services except for specialized respite, which shall be $10.00 per unit for Level II	Fifteen (15) minutes	200 units per week
Specialized respite	$4.00 per unit for Level I; $10.00 per unit for Level II	Fifteen (15) minutes	$200 per day alone or in combination with non-specialized respite. Specialized respite alone or in combination with non-specialized respite shall not exceed $4,000 per level of care year.
Environmental or minor home adaptation	$2,500 per level of care year	One (1) level of care year	$2,500 per level of care year; shall not be covered unless prior authorized

(2)

(a) Reimbursement for a service provided as a PDS shall not exceed the department's allowed reimbursement for the same service as established in the table in subsection (1) of this section.

(b) Participants receiving services through the PDS option shall have three (3) months from the date of level of care recertification to comply with the reimbursement limit established in paragraph (a) of this subsection.

(3)

(a) Three (3) quotes from a prospective provider shall be required for:
1. An environmental or minor home adaptation; or
2. Goods and services.
(b) Documentation justifying the need for the following shall be uploaded into the MWMA:
1. An environmental or minor home adaptation; or
2. Goods and services.
(4) A service listed in subsection (1) of this section shall not be subject to cost settlement by the department unless provided by a local health department.

Section 3. Local Health Department HCB Service Reimbursement.
(1) The department shall reimburse a local health department for HCB services:
(a) Pursuant to Section 2 of this administrative regulation; and
(b) Equivalent to the local health department's HCB services cost for a fiscal year.
(2) A local health department shall:
(a) Each year complete a Home Health and Home and Community Based Cost Report completed in accordance with the Home Health and Home and Community Based Cost Reporting Instructions; and
(b) Submit the Home Health and Home and Community Based Cost Report to the department at fiscal year's end.
(3) The department shall determine, based on a local health department's most recently submitted annual Home Health and Home and Community Based Cost Report, the local health department's estimated costs of providing HCB services by multiplying the cost per unit by the number of units provided during the period.
(4) If a local health department's HCB service reimbursement for a fiscal year is less than its cost, the department shall make supplemental payment to the local health department equal to the difference between:
(a) Payments received for HCB services provided during a fiscal year; and
(b) The estimated cost of providing HCB services during the same time period.
(5) If a local health department's HCB service cost as estimated from its most recently submitted annual Home Health and Home and Community Based Cost Report is less than the payments received pursuant to Section 2 of this administrative regulation, the department shall recoup any excess payments.
(6) The department shall audit a local health department's Home Health and Home and Community Based Cost Report if it determines an audit is necessary.

Section 4. Reimbursement for an ADHC Service.
(1) Reimbursement for an ADHC service shall:
(a) Be made:
1. Directly to an ADHC center; and
2. For a service only if the service was provided on site and during an ADHC center's posted hours of operation;
(b) If made to an ADHC center for a service not provided during the center's posted hours of operation, be recouped by the department; and
(c) Be limited to 200 units per calendar week per participant.
(2) Level I reimbursement shall be the lesser of:
(a) The provider's usual and customary charges; or
(b) Two (2) dollars and eighty-three (83) cents per unit of service.
(3)
(a) Except as established in paragraph (b) of this subsection, Level II reimbursement shall be the lesser of:
1. The provider's usual and customary charges; or
2. Three (3) dollars and forty-three (43) cents per unit of service.

(b)

1. The department shall pay a Level II reimbursement for specialized respite provided by a:

a. Registered nurse; or

b. Licensed practical nurse under the supervision of a registered nurse.

2. The Level II reimbursement for specialized respite shall be the lesser of:

a. The ADHC center's usual and customary charges; or

b. Ten (10) dollars per unit of service.

(c) An ADHC center's reimbursement for Level II services shall be:

1. Per participant; and

2. Based upon the participant's assessed level of care and most recent person-centered service plan.

(4) An ADHC basic daily service shall constitute care for one (1) participant.

(5) One (1) unit of ADHC basic daily service shall equal fifteen (15) minutes.

(6) The level of and reimbursement rate for any ADHC service provided to a participant shall be determined by an assessment of the participant using the Kentucky Home Assessment Tool (K-HAT).

Section 5. Criteria for High Intensity Level II Reimbursement and Home Health Level II Reimbursement.

(1) Any ADHC service provided to a participant by an ADHC center shall qualify for Level II reimbursement if the participant meets the Level II High Intensity criteria established in the Kentucky Home Assessment Tool (K-HAT).

(2)

(a) Specialized respite care provided to a participant by a home health agency shall qualify for Level II reimbursement if:

1. The participant meets the Level II High Intensity criteria established in the Kentucky Home Assessment Tool (K-HAT); and

2. Provided by a:

a. Registered nurse; or

b. Licensed practical nurse under the supervision of a registered nurse.

(b) The Level II reimbursement for specialized respite provided by a home health agency shall be the reimbursement established in Section 4(3)(b) of this administrative regulation.

(3) If a participant's assessment determines that:

(a) ADHC services to the participant do not qualify for Level II reimbursement, the department shall reimburse the Level I rate to the ADHC center for services provided to the participant; or

(b) Specialized respite care to the participant does not qualify for Level II reimbursement, the department shall reimburse the Level I rate to the ADHC center or home health agency for the specialized respite care service.

Section 6. Applicability. The reimbursement provisions and requirements established in this administrative regulation shall:

(1) Apply to services or items provided to individuals who receive home and community based services version 2 pursuant to 907 KAR 7:010; and

(2) Not apply to services or items provided to individuals receiving home and community based services version 1 pursuant to 907 KAR 1:160.

Section 7. Appeal Rights. An HCB service provider may appeal a department decision as to the application of this administrative regulation as it impacts the provider's reimbursement in accordance with 907 KAR 1:671, Sections 8 and 9.

Section 8. Incorporation by Reference.

(1) The following material is incorporated by reference:

(a) "Kentucky Home Assessment Tool (K-HAT)", July 1, 2015;

(b) "The Home Health and Home and Community Based Cost Report", November 2007; and

(c) "The Home Health and Home and Community Based Cost Report Instructions", November 2007.

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(a) At the Department for Medicaid Services, 275 East Main Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.; or

(b) Online at the department's Web site at http://www.chfs.ky.gov/dms/incorporated.htm.

(42 Ky.R. 2489; 2401; 2501; eff. 4-1-2016; TAm eff. 3-20-2020; Cert eff. 1-30-2023.)