

2016 – Budget shortfall reduction

Summary of change: Effective with dates of service on and after July 1, 2016, payments issued by Amerigroup Kansas, Inc. and its vendors delegated for claim payment (Scion, Ocular Benefits, Access2Care and ExpressScripts Inc.) will be reduced by 4 percent due to KDHE’s budget reduction policy.

✦ **What this means to you:** Claims will be paying at a lesser rate for dates of service July 1, 2016 and after. Claims will continue to be submitted as they have been, but due to the reduction, the amount paid will be reduced to meet the requirements of the budget reduction policy.

What is the impact of this change?

The reduction will be applied as follows:

- Inpatient services – The reduction will be taken off the final claim allowed amount and will apply to claims with discharge dates on or after July 1, 2016 – see table below for the list of hospitals that are **exempt** from this reduction
- Outpatient services – The reduction will be taken off the final detail allowed amount – see table below for the list of hospitals that are **exempt** from this reduction
- Nursing facilities – The rates provided by the Kansas Department for Aging and Disability Services (KDADS) effective with dates of service July 1, 2016, and after already reflect the reduction
- Swingbed facilities – The reduction will be taken off the final claim allowed amount
- Professional services – The reduction will be taken off the final detail allowed amount
- Pharmacy services – The dispensing fee for large chain pharmacies (Walgreens, CVS, Dillons, and WalMart) will be reduced from \$10.50 to \$4.50. All other pharmacies’ dispensing fees will be reduced from \$10.50 to \$9.25.
- Manually Priced DME and Other Manually Priced Services – For any service that is priced at a percentage of billed, MSRP or other amount, the payment should be further reduced by 4 percent, unless exempt
- Dental services – The reduction will be taken off the final detail allowed amount
- Intermediate care facilities for the intellectually or developmentally disabled (ICF/IDD) – (formerly known as ICF/ [mental retardation] MR) - The rates provided by KDADS effective with dates of service July 1, 2016, and after already reflect the reduction
- Psychiatric residential treatment facility (PRTF) – PRTF rates - The rates provided by KDADS effective with dates of service July 1, 2016, and after already reflect the reduction

The reduction will be taken off the net allowed amount (after TPL, client obligation, etc.).

A reduction from 25.8 percent to 23.1 percent will occur for inpatient claims eligible for the Healthcare Access Improvement Program (HCAIP) payment. This is in addition to the 4 percent reduction applied to the final claim allowed amount. This includes all hospitals (including Critical Access Hospitals, Rural and Densely Populated and Frontier Hospitals) with the exception of KU and State-owned hospitals.

The DRG adjustment percentage will be 55 percent effective with discharge dates on and after July 1, 2016, for outliers and applies to all hospitals listed in the section titled “DRG Adjustment Percentage” below.

The reduction applies to the following nonclaim expenditures:

- Disproportionate share hospital (DSH)
- Graduate medical education (GME)
- Children’s Mercy Hospital Outlier Reimbursement

Below are exceptions to the payment reductions:

- Rural Health Clinics (RHC) encounter rate
- Indian Health Services (IHS)
- Federally Qualified Health Centers (FQHC) encounter rate
- Home- and Community-Based Services (HCBS) – including services performed by other providers – see table below
- State Hospitals – Kansas Neurological Institute (KNI), Larned, Parsons, and Osawatomie State Hospital (both inpatient and outpatient)
- Critical Access Hospitals, Rural and Densely Populated, and Frontier Hospitals (both inpatient and outpatient), except Long Term Care (LTC) and home health services
- WORK Program – Procedure Codes S5165, T1016 and T1023 for members in WORK
- Hospice Services – Procedure Codes T2042 (Routine Home Care), T2043 (Hospice Continuous Home Care), T2044 (Hospice Inpatient Respite Care), T2045 (Hospice General Inpatient Care), and T2046 (Hospice long-term care, room and board only; per diem), G0299 (Service Intensity Add-on – RN) and G0155 (Service Intensity Add-on Social Worker)
- PCA Codes 37347, 10171, 05171 (ADAP – Federal), 37349, 11171, 06171 (ADAP – Ryan White Title II), 27522 (Refugee), 35057 (Expanded LMB), 35161 (Institutions – BCC), 35437 (Family Planning/Sterilization), 35249 (BCC Certified Match), 35007 (Certified Match), 35160 (Institutions DSH), 37813 (SRS MFP), 37814 (SRS MFP BCC), 36226 (FE MFP), and 36221 (FE MFP BCC)Out-of-state hospitals (both inpatient and outpatient) **with the exception of Kansas University Hospital and Children’s Mercy Hospital**. This includes border city hospitals.
- All other out of state providers. This includes border city providers.

Following is a schedule for the Amerigroup configuration of these reductions:

1. Nursing Facilities, ICF/IDD, PRTE: Configuration will be complete by July 1, 2016
2. Physicians and DME: Configuration is anticipated to be complete by July 1, 2016
3. Hospitals – inpatient and outpatient: Configuration is anticipated to be complete by July 22, 2016
4. Home Health, Ambulance, Dialysis, Ambulatory/Surgery Centers: Configuration is anticipated to be complete by August 1, 2016.

List of hospitals that are exempt from the 4 percent inpatient/outpatient reduction:

St Catherine Hospital	Mercy Hospital Inc	Cheyenne County Hospital
Hays Medical Center Inc	Rush County Memorial Hospital	Sheridan County Health Complex
Labette Co Med	Ottawa County Health Center	St Luke Hospital And Living Ce
Southwest Medical Center	Jefferson County Memorial Hosp	Osborne County Memorial Hospit
Mercy Hospital Fort Scott	Grisell Memorial Hospital	Comanche County Hospital
Neosho Memorial Regional Medic	Rawlins County Health Center	Stafford County Hospital
Western Plains	Sumner Co Hosp Dist No 1	Oswego Community Hospital
Newman Memorial County Hospita	Satanta District Hospital	Edwards County Hospital
Atchison Hospital	Stanton County Hospital	Kiowa District Hospital
William Newton Memorial Hosp	Meade Hospital District	Premier Surgical Institute
South Central Kansas Regional	Hamilton County Hospital	Ness County Hospital

Great Bend Regional Hospital	Medicine Lodge Memorial Hospit	Kiowa County Memorial Hospital
Allen County Hospital	Ninnescah Valley Health System	Hodgeman County Health Center
Kearny County Hospital	Lane County Hospital	Wichita County Hospital
Pratt Regional Medical Center	Ellinwood District Hospital	Harper County Hospital Dist #5
Bob Wilson Memorial Grant Coun	Logan County Hospital	Wilson Medical Center
Hospital District No 1 Of Rice	Wamego Hospital Associations	Mitchell County Hospital Healt
Hiawatha Community Hospital	Ellsworth County Medical Cente	Greenwood County Hospital
Memorial Hospital	Morris County Hospital	Decatur Health Systems Inc
Goodland Regional Medical Cent	Herington Municipal Hospital	Clara Barton Hospital
Girard Medical Center	Sabetha Community Hospital	Community Memorial Healthcare
Fredonia Regional Hospital	Ashland District Hospital	Norton County Hospital
McPherson Hospital Inc	Minneola District Hospital	Scott County Hospital Inc
Rooks County Health Center	Gove County Medical Center	Horton Community Hospital
Sumner Regional Medical Center	Greeley County Health Services	Holton Community Hospital
Community Hospital - Onaga	Trego Co Lemke Mem Hosp	Hanover Hospital
Jewell County Hospital	Smith County Memorial Hosp	Morton County Hospital
Pawnee Valley Community Hospital	Phillips County Health Systems	St Johns Maude Norton Memorial
Clay County Medical Ctr	Lincoln County Hospital	Coffey County Hospital
Citizens Medical Center Inc	Hospital District No 6 Of Harp	Russell Regional Hospital
Anderson County Hospital	Sedan City Hospital	Hillsboro Community Hospital
Cloud County Health Center	Stevens County Hospital	Graham County Hospital Clinic
Republic County Hospital	Lindsborg Community Hospital A	
Washington Cnty Hosp	Nemaha Valley Community Hospit	

DRG adjustment percentage – decrease to 55 percent:

Wesley Medical Center	Kansas Rehabilitation Hospital	Comanche County Hospital
Childrens Mercy	Galichia Heart Hospital	Decatur County Hospital
Via Christi Hospital - Wichita	Meadowbrook Rehabilitation Hospital	FW Huston Medical Center
Overland Park Regional Medical Center	Hanover Hospital	Graham County Hospital
Stormont-Vail Regional Health Center	Mid-America Rehabilitation Hospital	Greeley County Hospital
Shawnee Mission Medical Center	Mitchell County Hospital	Greenwood County Hospital
Children's Mercy Hospital South	Promise Hospital of Overland Park	Grisell Memorial Hospital
Promise Regional Medical Center	Wesley Rehabilitation Hospital	Hamilton County Hospital
Kansas Spine Hospital	Atchison Hospital	Harper District Hospital

Salina Regional Health Center	Bob Wilson Memorial Hospital	Heartland Surgical Specialty Hospital
Providence Medical Center	William Newton Memorial Hospital	Herington Municipal Hospital
Saint Francis Health Center	Edwards County Hospital	Hodgeman County Health Center
Menorah Medical Center	Cloud County Health Center	Kansas City Orthopaedic Institute
Labette County Medical Center	Sumner Regional Medical Center	Kearny County Hospital
Kansas Surgery & Recovery Center	Meade District Hospital	Kiowa County Memorial Hospital
Kansas Medical Center	Saint John Hospital	Kiowa District Hospital
Hays Medical Center	Scott County Hospital	Lane County Hospital
Sumner County Hospital District #1	Community Memorial Hospital	Lincoln County Hospital
Select Specialty Hospital - Wichita	South Central Kansas Regional Medical Center	Lindsborg Community Hospital
Olathe Medical Center	Coffey County Hospital	Logan County Hospital
Select Specialty Hospital - Kansas City	Kansas Heart Hospital	Medicine Lodge Memorial Hospital
Saint Luke's South Hospital	Clara Barton Hospital	Mercy Hospital Maude Norton
Sedan City Hospital	Community Hospital - Onaga	Miami County Medical Center
LTAC Hospital of Wichita	Smith County Memorial Hospital	Minneola District Hospital
Great Bend Regional Hospital	Newman Regional Health Hospital	Morton County Hospital
Lawrence Memorial Hospital	Hillsboro Community Hospital	Nemaha Valley Community Hospital
Mercy Hospital - Fort Scott	Holton Community Hospital	Ness County Hospital
Newton Medical Center	Kingman Community Hospital	Osborne Memorial Hospital
Rehabilitation Hospital of Overland Park	Pratt Regional Medical Center	Oswego Community Hospital
Western Plains Medical Complex	Ellinwood District Hospital	Ottawa County Health Center
Saint Catherine Hospital	Morris County Hospital	Pawnee Valley Memorial Hospital
Southwest Medical Center	Hospital District #1 of Rice County	Phillips County Hospital
Mercy Regional Health Center - Manhattan	Republic County Hospital	Prairie View Hospital
Allen County Hospital	Citizens Medical Center	Rawlins County Health Center
Susan B. Allen Memorial Hospital	Hiawatha Community Hospital	Rooks County Health Center
Saint Luke's Cushing Memorial Hospital	McPherson Hospital	Rush County Memorial Hospital
Via Christi Hospital - Pittsburg	Ransom Memorial Hospital	Russell Regional Hospital
Geary Community Hospital	Trego County Lemke Memorial Hospital	Sabetha Community Hospital
Coffeyville Regional Medical Center	Gove County Medical Center	Saint Luke Hospital
Girard Medical Center	Mercy Hospital - Moundridge	Salina Surgical Hospital
Via Christi Rehabilitation Hospital	Anthony Medical Center	Satanta District Hospital
Blue Valley Hospital	Ellsworth County Medical Center	Sheridan County Health Complex
Jewell County Hospital	Horton Community Hospital	Specialty Hospital of Mid-America
Via Christi Hospital Wichita Saint Teresa	Manhattan Surgical Hospital	Stafford County Hospital
Neosho Memorial Regional Medical Center	Norton County Hospital	Stanton County Hospital
Premier Surgical Institute	Goodland Regional Medical Center	Stevens County Hospital

Fredonia Regional Hospital	Anderson County Hospital	Summit Surgical LLC
Memorial Hospital - Abilene	Ashland Health Center	Wamego City Hospital
Doctors Hospital	Cheyenne County Hospital	Washington County Hospital
Wilson Medical Center	Clay County Medical Center	Wichita County Health Center

List of HCBS services that are exempt from 4 percent reduction:

Procedure code	
Traumatic brain injury (TBI)	
Service	Procedure code
Assistive services	S5165
Behavior therapy	H0004
Cognitive rehabilitation	97532
Financial management services	T2040 U2
Home-delivered meals	S5170
Medication reminder	S5185
Medication reminder/dispenser	T1505 UB
Medication reminder/dispenser installation	T1505
Occupational therapy	G0152
Personal emergency response system (PERS)	S5161
PERS installation	S5160
Personal services/agency-directed	S5125 U9
Personal services/self-directed	S5125 UB
Physical therapy	G0151
Enhanced care services	T2025
Speech-language therapy	G0153
Transitional living skills	H2014
Physical disability (PD)	
Service	Procedure code
Personal services self-directed	S5125 U6
Personal services/agency-directed	S5125 U9
Assistive services	S5165
Financial management services	T2040 U2
Home-delivered meals	S5170
Medication reminder	S5185
Medication reminder dispenser	T1505 U6
Medication reminder/dispenser installation	T1505
Personal emergency response system	S5161
PERS installation	S5160
Enhanced care services	T2025
Autism (AU)	
Service	Procedure code
Respite	T1005
Parent support (individual rate)	T1027
Parent support (group rate)	T1027 HQ
Family adjusted counseling (individual rate)	S9482
Family adjusted counseling (group rate)	S9482 HQ

Frail elderly (FE)	
Service	Procedure code
Adult day care (1-5 hours)	S5101
Adult day care (5+ hours)	S5102
Assistive technology	T2029
Attendant care level 1	S5130
Attendant care level 2	S5125
Attendant care level 3	S5125 UA
Attendant care (self-directed)	S5125 UD
Medication reminder	S5185
Comprehensive support (provider-directed)	S5135
Comprehensive support (self-directed)	S5135 UD
FMS	T2040 U2
Home telehealth (install)	S0315
Home telehealth (rental)	S0317
Medication reminder	S5185
Nurse evaluation visit	T1001
Oral health services	All CDT Codes
PERS (install)	S5160
PERS (rental)	S5161
Enhanced care services	T2025
Wellness monitoring	S5190
Technology assisted (TA)	
	Procedure code
HMM- Health Main. Monitoring	T1001
IIMC - interim med services	T1002
Independent case management	T1016
SMC - LPN/RN	T1000
LCCA - MST	T1004
LCCA - PSA	T1019
Medical respite	T1005
Home mod. services	S5165
Fms - Financial Management Services	T2040 U2
Intellectual/developmental disabilities (I/DD)	
Services	Procedure code
Assistive services	S5165
Overnight respite	H0045
Personal assistant services	T1019
Enhanced care services	T2025
Specialized medical care (RN)	T1000 TD
Specialized medical care (LPN)	T1000
Supportive home care	S5125
Support employment	H2023
Medical alert rental	S5161
Financial management services	T2040 U2
Wellness monitoring	S5190
Resident supports	T2016
Day supports	T2021

Serious emotional disturbance (SED) waiver	
Services	Procedure code
Attendant care—SED waiver	T1019-HK
Independent living/skills building	T2038
Parent Support and Training – Individual	S5110
Parent support and training - group	S5110-TJ
Professional resource family care	S9485
Short term respite care	S5150
Wraparound facilitation	H2021

What if I need assistance?

If you have questions, please contact your local Provider Relations representative or call our Provider Services team at 1-800-454-3730.