

Reconciliation due to 2014 DRG rate adjustment

As you are aware, Amerigroup Kansas, Inc. is required to adjust hospital reimbursement rates in accordance with the diagnosis related groups (DRG) payment methodology retroactive to the effective date of those rates as determined by the Kansas Department of Health and Environment (KDHE). As a result, rates issued by the state in May 2015 will be applied retroactively to all previously paid claims submitted with dates of service as of October 1, 2014. Claims with paid dates beginning July 20, 2015, will not be adjusted since the new rates were loaded into the system and claims would have processed under the new rate table.

Accordingly, we will perform a reconciliation of the affected claims, and will determine the adjusted reimbursement amounts based on the new rates. On or about October 1, 2015, we will initiate adjustment activities on the affected claims. If, based on our reconciliation efforts, additional reimbursement is due to you, we will issue payment at that time. If the adjusted net reimbursement results in an amount due from you to Amerigroup, we will commence recovery of such amounts through an offset against future claims payments unless we hear from you within 45 calendar days from the date of this letter.

Amerigroup appreciates your continued participation in our network. If you have any questions, please contact your Provider Relations representative at 1-800-454-3730. Provider Relations representatives are assigned by regions. If you want to know your assigned representative, please refer to our website: https://providers.amerigroup.com/ProviderDocuments/KSKS_ProviderReps.pdf.