

State of Kansas

Department of Health and Environment

Division of Health Care Finance

Notice of Hearing on Proposed Administrative Regulations

A public hearing will be conducted at 9 a.m. on April 24, 2015 in Room 900-N of the Landon State Office Building, 900 S.W. Jackson, Topeka, to consider the proposed new permanent regulations K.A.R. 129-5-10 through 129-5-21 concerning the implementation of the KanCare prompt payment act, K.S.A. 39-709f.

This 60-day notice of the public hearing shall constitute a public comment period for the proposed regulations as stated in K.S.A. 2014 Supp. 77-421(a)(3). All interested parties may submit written comments before the hearing to Kim Tjelmeland, KDHE, Division of Health Care Finance, Room 900-N, Landon State Office Building, 900 S.W. Jackson, Topeka, 66612-1220, or by email at KTjelmeland@kdheks.gov. The Division of Health Care Finance will give all interested parties a reasonable opportunity to present their views at the hearing, but it may be necessary to request each participant to limit any oral presentation to five minutes.

A copy of the regulations and the economic impact statements may be obtained by contacting Kim Tjelmeland at 785-291-3810 or from the DHCF website at www.kdheks.gov.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statements in an accessible format. Requests for accommodation should be made at least five working days before the hearing by contacting Kim Tjelmeland at 785-291-3810 or by calling the Kansas Relay Center at 800-766-3777.

A summary of the amendments to the regulation and the economic impacts follows:

HB 2552, passed in the 2014 session of the Legislature, signed by the Governor, and now codified in statute at K.S.A. 39-709f, requires the KanCare MCOs to pay claims promptly or be subject to a lawsuit for interest on unpaid claims brought by providers. The statute expressly provides that KDHE will promulgate regulations that will implement the statute. These regulations are intended to fulfill this statutory requirement.

A brief summary of these regulations are as follows:

129-5-10: This regulation contains the definitions that apply to these regulations.

129-5-11: This regulation designates that the statute applies only to claims after the effective date of the statute, which was July 1, 2014.

129-5-12: This regulation specifies that the act applies to claims submitted in paper and electronic format.

129-5-13: This regulation specifies that a claim is deemed to be received by the MCO within three days after it is mailed by the provider, or within 24 hours after it is submitted electronically by the provider.

129-5-14: This regulation specifies the contents of a notice of denial or a request for additional information. This regulation also addresses the suspension of the time period while providers provide additional information, and the MCOs' responsibilities once the additional information is received.

129-5-15: This regulation specifies that claims subject to a bona fide dispute will not be subject to the act.

129-5-16: This regulation specifies that the provisions of the act applies only to the unpaid portion of claims.

129-5-17: This regulation specifies that the prompt payment period begins on the date of resubmission of a corrected claim when the provider submits the corrected claim before the MCO requests additional information.

129-5-18: This regulation specifies that a claim is deemed to be paid by the MCO on the date a check is issued for the claim, or on the date an electronic notice of payment is sent by the MCO to the provider.

129-5-19: This regulation specifies that interest shall be applied only to the unpaid claim, and that interest will not be compounded. This regulation also requires the MCOs to maintain sufficient records.

129-5-20: This regulation specifies that the act does not apply to retroactive rates or policy changes.

129-5-21: This regulation provides that a request for payment is not deemed a claim until the MCO is notified that the claimant is eligible for Medicaid.

Federal Mandate: There are no federal mandates.

Economic Impact: These regulations are expected to have no economic impact on the State. The economic impact on providers and MCOs will depend on the timeliness of the MCOs' payments to providers. Based on the timeliness reporting provided by the MCOs, using actuals data available for calendar year 2014, it is estimated that the interest on the late payment of claims would be approximately \$51,000 per year.

Bearer of Costs: KanCare managed care organizations (MCOs).

Affected Parties: KanCare MCOs; providers who have entered into participating provider agreements with the MCOs.

Other Methods: As these regulations are required by state statute (K.S.A. 39-709f), there are no other appropriate methods for the desired outcome.

Mike Randol, Director
Division of Health Care Finance