



Andy Beshear
GOVERNOR

CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

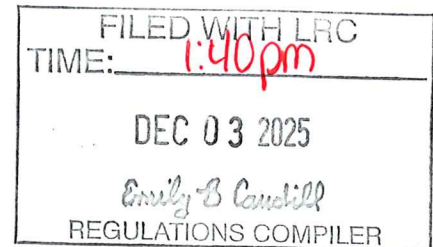
275 East Main Street, 6W-A
Frankfort, Kentucky 40621
@chfsky | CHFS.KY.GOV

Steven Stack, MD
SECRETARY

Lisa D. Lee
COMMISSIONER

December 3, 2025

Ms. Emily Caudill, Regulations Compiler
Legislative Research Commission
083, Capitol Annex
702 Capitol Avenue
Frankfort, Kentucky 40601



Re: 907 KAR 1:065. Payments for price based nursing facility services.

Dear Regulations Compiler:

After discussions with various stakeholders of the issues raised by 907 KAR 1:065 the Department for Medicaid Services proposes the attached agency amendment for 907 KAR 1:065. The agency amendment updates the requirements for validation of the PDPM Adapted Minimum Data Set in Section 7.

If you have any questions, please feel free to contact Jonathan Scott, Regulatory and Legislative Advisor with the Department for Medicaid Services at (502) 564-4321 ext. 2015.

Sincerely,

Office of Legislative and Regulatory Affairs
Cabinet for Health and Family Services

Final, 12/3/2025
Agency Amendment
CABINET FOR HEALTH AND FAMILY SERVICES
Department for Medicaid Services
Division of Health Care Policy

907 KAR 1:065. Payments for price-based nursing facility services.

NOTE TO COMPILER: Please make these Agency Amendment Changes to the Suggested Substitute, Staff Amendment for this administrative regulation.

Section 7(3)(c)1.

After "random sample", insert "consisting".
After "of", immediately following, insert "the greater of".
After "Medicaid residents", insert the following:
or fifteen (15) MDS assessments

Section 7(3)(c)2.

After "shall review" insert the following:
a minimum of fifteen (15)
Delete "one (1)".
After "MDS", insert "assessments".
Delete "assessment".
After "from", delete "each resident in".

FISCAL IMPACT STATEMENT

907 KAR 1:065: Payments for price-based nursing facility services.

Contact Person: Jonathan Scott

Phone: (502) 564-4321, ext. 2015

Email: jonathant.scott@ky.gov

Contact Person: Krista Quarles

Phone Number: (502) 564-7476

Email: CHFSregs@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 194A.030(2), 194A.050(1)

(2) Identify the promulgating agency and any other affected state units, parts, or divisions: The Department for Medicaid Services is the promulgating agency.

(a) Estimate the following for the first year:

Expenditures: The Department for Medicaid Services (DMS) anticipates no additional expenditures as a result of the amendment or agency amendment.

Revenues: The Department for Medicaid Services (DMS) anticipates no additional revenues as a result of the amendment or agency amendment.

Cost Savings: The Department for Medicaid Services (DMS) anticipates no additional cost savings as a result of the amendment or agency amendment.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? DMS does not anticipate expenditures, revenues, or cost savings as a result of the amendment or agency amendment in subsequent years.

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts): DMS does not anticipate an impact on local entities.

(a) Estimate the following for the first year:

Expenditures: N/A

Revenues: N/A

Cost Savings: N/A

(b) How will expenditures, revenues, or cost savings differ in subsequent years? N/A

(4) Identify additional regulated entities not listed in questions (2) or (3): Nursing facilities

(a) Estimate the following for the first year:

Expenditures: DMS does not anticipate that facilities will experience increased expenditures as a result of the quality measures or agency amendment.

Revenues: DMS does not anticipate that facilities will experience increased revenues as a result of the quality measures or agency amendment.

Cost Savings: DMS does not anticipate that facilities will experience increased cost savings as a result of the quality measures or agency amendment.

(b) How will expenditures, revenues, or cost savings differ in subsequent years? DMS does not anticipate expenditures, revenues, or cost savings in subsequent years.

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation: DMS is implementing a required nursing home quality payment program. Nursing facilities will have the opportunity to prove that they qualify for various higher percentage payment based on meeting quality metrics, improved outcomes, and additional payments will result in no cost savings or fiscal impact changes.

(b) Methodology and resources used to determine the fiscal impact: Staff and external contractor review of the approved program and administrative regulation.

(6) Explain:

(a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate) The administrative regulation will not have a major negative or adverse economic impact – as defined by KRS 13A.010 – on regulated entities.

(b) The methodology and resources used to reach this conclusion: Staff and external contractor review of the approved program and administrative regulation and agency amendment.