

MOAB Meeting 10/22/25

Examples of Federal Requirements for Provider Reimbursement

- Section 1902 of the Social Security Act governs state plan requirements
 - (30)(A) “... and to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area”.
- Reimbursement changes require updates to the state plan. State plan amendments must be submitted by the end of the quarter of the effective date and public notice must be given 1 day prior to the effective date.
- 1902 (bb) -Benefit Improvement Protection Act (BIPA) 2000-requires PPS methodology for Medicaid Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC).
- Various Cost Reimbursement Principles Guidance
 - 42 Code of Federal Regulations (CFR) 413-Medicare Principles of Reimbursement
 - 2 CFR 200- Uniform Guidance
- 42 CFR 447 Requires Upper Payment Limit (UPL) Tests for reasonableness
 - Inpatient Hospital Services
 - Outpatient Hospital Services
 - Nursing Facility Services
 - Institutions for Mental Disease (IMD)
 - Clinic Services
 - Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID)
 - Psychiatric Residential Treatment Facility (PRTF)
 - Qualified Practitioner Services (for states that pay targeted supplemental payments)



**Provider Types Included in Myers and Stauffer Rate-Setting
As of 10/22/25**

Item #	Medicaid Provider Type	Provider Type (PT) Code	Applicable Regulations	Rate Update Frequency
1	Hospital - Outpatient Settlements	PT (01)	907 KAR 10:815 907 KAR 1:065 907 KAR 10:015	Annual Cost Settlement
2	Hospital - Inpatient Diagnosis Related Group (DRG)	PT (01)	907 KAR 10:830	Annual Medicare Update
3	Hospital - Rehabilitation / Long-Term Acute Care (LTAC)	PT (01)	907 KAR 10:815 Section 2 907 KAR 10:815 Section 3	Rebased every 4 years
4	Psychiatric Hospital	PT (02)	907 KAR 10:815 Section 2 907 KAR 10:815 Section 3	Rebased every 4 years
5	Psychiatric Residential Treatment Facility I	PT (04)	907 KAR 9:010	Annual Inflation
6	Psychiatric Residential Treatment Facility II	PT (05)	907 KAR 9:010	Annual Inflation
7	Intermediate Care Facility – Individuals with Intellectual Disability (ICF/IDD) Clinic	PT (10)	907 KAR 3:230	Annual Cost Settlement
8	Intermediate Care Facility - Individuals with Intellectual Disability Facility	PT (11)	907 KAR 1:025	Annual Cost Settlement or Rebase and Annual Interim Rate Setting
9	Nursing Facility - Institutions for Mental Diseases (IMD)	PT (12)	907 KAR 1:025	Annual Rebase
10	Nursing Facility - Pediatric	PT (12)	907 KAR 1:025	Annual Rebase
11	Nursing Facility - Price Based	PT (12)	907 KAR 1:065	Rebased in 2024, anticipate rebase every 4 years
12	Nursing Facility - Ventilator	PT (12)	907 KAR 1:025 Section 6	Annual Inflation applied
13	Nursing Facility - Veterans	PT (12)	907 KAR 18:005	Annual Cost Settlement
14	Nursing Facility - Acute Care Hospital (ACH) Swing Bed	PT (12)	907 KAR 1:065 Section 3	Annual (Weighted average of NF rate from prior year)
15	Nursing Facility - Critical Access Hospital (CAH) Swing Bed	PT (12)	907 KAR 1:065 Section 3	Annual Medicare Update
16	Specialized Children 's Services Clinic	PT (13)	907 KAR 3:160	Annual Cost Settlement
17	Certified Community Behavioral Health Clinic (CCBHC)	PT (16)	SAMHSA CCBHC Demonstration Criteria	Annual Inflation and rebase no less than every 3 years
18	Program of All-Inclusive Care for the Elderly (PACE)	PT (19)	907 KAR 3:250	Annual Rebase of Capitation Rate
19	Office of Children With Special Health Care Needs (OCSHN)	PT (22)	907 KAR 3:130	Annual Cost Settlement
20	Targeted Case Management and Rehabilitative Services provided through Title V Services (TCM)	PT (23)	907 KAR 3:020	Annual Cost Settlement
21	Community Mental Health Centers (CMHC)	PT (30)	907 KAR 1:045	Annual Cost Settlement and Annual Interim Rate Setting
22	Federally Qualified Health Centers (FQHC)	PT (31)	907 KAR 1:055	Annual Inflation applied
23	Home Health Services-ONLY FOR Public Health Depts.	PT (34)	907 KAR 1:031	Annual Cost Settlement
24	Rural Health Clinic (RHC)	PT (35)	907 KAR 1:055	Annual Inflation applied
25	Ambulatory Surgical Centers	PT (36)	907 KAR 1:008	Annual Medicare Update
26	Home and Community Based Waiver Services- ONLY FOR Public Health Depts.	PT (42)	907 KAR 7:015	Annual Cost Settlement
27	Hospice Services	PT (44)	907 KAR 1:330	Annual Medicare Update
28	Psychiatric Distinct Part Unit (DPU)	PT (92)	907 KAR 10.815 Section 2(1)	Annual Rebase
29	Rehabilitative Distinct Part Unit (DPU)	PT (93)	907 KAR 10.815 Section 2(1)	Annual Rebase