CABINET FOR HEALTH AND FAMILY SERVICES
Department for Medicaid Services
Division of Long Term Services and Supports
(Amendment)

907 KAR 1:755. Preadmission Screening and Resident Review Program.

RELATES TO: KRS 205.558, 42 C.F.R. 431.200-431.250, 435.1009, 483.15, 483.100-483.138, 483.440, 42 U.S.C. 1396r

STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3), 205.558

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family Services, Department for Medicaid Services, has the responsibility to administer the Medicaid Program. KRS 205.520 authorizes the cabinet, by administrative regulation, to comply with any requirement that may be imposed, or opportunity presented, by federal law to qualify for federal Medicaid funds. This administrative regulation establishes the program requirements and payment provisions for preadmission screening and resident review (PASRR).

Section 1. Definitions.

(1) "Department" means the Department for Medicaid Services or its designee.

(2) "Department approved system" means a technology system in which:

(a) Providers electronically submit and track level of care (LOC) requests through a self-service portal;

(b) The system triggers LOC tasks as reminders to providers and allows them to submit reassessments electronically; and

(c) Information is exchanged electronically with Kentucky's:

1. Medicaid Enterprise Management Solution (MEMS); and
2. Integrated eligibility and enrollment system.

(3) "Department for Behavioral Health, Intellectual and Developmental Disabilities" or "DBHDID" means the state agency or its designee with the responsibility for both the evaluation and determination functions for individuals with serious mental illness, an intellectual disability, or a related condition as defined by 42 C.F.R. 483.106(d) and (e).

(4) "Exempted hospital discharge" means an individual:

(a) Who is admitted to a nursing facility directly from a hospital after receiving acute inpatient care at the hospital;

(b) Who requires nursing facility services for the condition for which the individual received care in the hospital; and

(c) Whose attending physician has certified, prior to admission to the nursing facility, that the individual is likely to require less than thirty (30) days nursing facility services.

(5) "Intellectual disability" is defined by 42 C.F.R. 483.102(b)(3).

(6) "Interfacility transfer" means an individual who is transferred from one (1) nursing facility to another nursing facility, with or without an intervening hospital stay.

(7) "Level of care of nursing facility services" means those standards as established by 907 KAR 1:022, Section 4.

(8) "New admission" means an individual who is admitted to a nursing facility (NF) for the first time or who is not a readmission or an exempted hospital discharge.

(9) "Nursing facility" or "NF" means a facility meeting the requirements established in 907 KAR 1:022.

(10) "Preadmission screening and resident review program" or "PASRR" means the process that:

(a) Screens and identifies an individual with a serious mental illness, an intellectual disability, or a related condition prior to admission to an NF;

(b) Results in a determination, based on a physical and mental evaluation of each individual with a serious mental illness, an intellectual disability, or a related condition, of the appropriateness of the individual's admission to an NF; and

(c) Identifies appropriate services if the individual is admitted to an NF.

(11) "Provisional admission" means an individual:

(a) Is admitted to an NF for fourteen (14) calendar days or less before a PASRR level II is required;

(b) Meets the level of care of nursing facility services as established in 907 KAR 1:022; and

(c)

1. Has been diagnosed with delirium, which, pursuant to 42 C.F.R. 483.130(d)(4), precludes an accurate diagnosis and assessment until the delirium clears; or

2. Is in need of respite for an in-home care giver and to whom the individual with serious mental illness, an intellectual disability, or a related condition is expected to return after fourteen (14) days.

(12) "Readmission" means an individual who is readmitted to an NF from a hospital to which the individual was transferred for the purpose of receiving acute inpatient care.

(13) "Related condition" means a severe, chronic condition that meets the requirements established in 42 C.F.R. 435.1010.

(14) "Serious mental illness" means an individual's condition that meets the requirements established by 42 C.F.R. 483.102(b)(1).

(15) "Services of lesser intensity" means services that are:

(a) Within the scope of services provided or arranged by the nursing facility as included in the facility's per diem rate;

(b) Less intensive than specialized services; and

(c) Intended to help residents who have a serious mental illness, intellectual disability, or related condition to:

1. Improve, maintain, or prevent regression of optimal functional status; and

2. Achieve highest possible level of well-being.

(16) "Significant change" means that the individual's condition has had a major decline or improvement requiring a comprehensive reassessment.

(17) "Specialized services for an intellectual disability or a related condition" means the continuous, aggressive, and consistent implementation of a program of specialized and generic training, treatment, and health and related services, which are comparable to services an individual receives in an intermediate care facility for individuals with an intellectual disability (ICF-IID), or in a community based waiver program that provides services to persons with an intellectual disability in which twenty-four (24) hour supervision is available that is directed toward:

(a) The acquisition of the skills necessary for the person to function with as much self-determination and independence as possible;

(b) The prevention or deceleration of regression or loss of current optimal functional status; and

(c) The coordination and interaction, at all times and in all settings, of all staff and the individual served, in the implementation of the specified individual program plan (IPP) objectives for the individual.

(18) "Specialized services for serious mental illness" means the implementation of an individualized plan of care that meets the requirements established by 42 C.F.R. 483.120(a)(1).[:]

[(a)] [Is developed in conjunction with and supervised by a physician;]

~~[(b)] [Is provided by an interdisciplinary team of qualified mental health professionals;]~~

~~[(c)] [Prescribes specific therapies and activities for the treatment of a person who is experiencing an acute episode of serious mental illness that necessitates continuous supervision by trained mental health personnel; and]~~

~~[(d)] [Requires the level of intensity provided in a psychiatric inpatient hospital.]~~

Section 2. General Applicability.

(1) The PASRR process shall comply with the requirements of 42 C.F.R. 483.100 through 483.138.

(2) The provisions of this administrative regulation shall be applicable to an individual applying for admission to, or continued stay in, a nursing facility (NF) participating in the Kentucky Medicaid Program.

(3) Pursuant to 42 C.F.R. 483.106(d) and (e), DBHDID shall be responsible for PASRR determination and evaluation functions.

(a) DBHDID shall evaluate and determine whether an individual applying for admission to an NF needs NF services and specialized services for a serious mental illness, an intellectual disability, or a related condition if indicated by a positive Level I PASRR screening.

(b) DBHDID may delegate the evaluation and determination functions for which it is responsible except that the designee shall not be an NF or an entity that has a direct relationship or indirect affiliation or relationship with an NF.

(4) For nursing facility reimbursement of services by the Medicaid Program, an individual shall be Medicaid eligible and meet the patient care criteria established by 907 KAR 1:022 and 907 KAR 1:025.

Section 3. Deemed Consent for PASRR. An individual applying for admission to, or requesting a continued stay in, a nursing facility participating in Medicaid shall be deemed to have given consent for the department to make the determination of appropriateness for the individual to enter or remain in the facility using the standards established by 42 U.S.C. 1396r.

Section 4. Level I PASRR Screening.

(1) Except as provided by subsection (2) of this section, prior to admitting an individual, a nursing facility <u>or other qualified department approved provider</u> shall conduct a Level I PASRR screening using the department approved system as required by 42 C.F.R. 483.128. If a provider is not enrolled with Kentucky Medicaid, the provider shall use the MAP 409 paper form to conduct a Level I PASRR screening, <u>unless the department or designee establish an equivalent electronic form for in-state referrals</u>. <u>Any equivalent electronic form for use by non-enrolled Kentucky-based providers shall be available on the Kentucky Level of Care System website, available at: https://www.chfs.ky.gov/agencies/dms/provider/Pages/klocs.aspx</u>

(2) A Level I PASRR screening shall not be conducted for:

(a) Readmission;

(b) Interfacility transfer;

(c) Intermediate care facilities for individuals with intellectual disabilities; or

(d) Hospital swing bed facilities.

(3) For a Level I screening that does not indicate a referral for a Level II evaluation, the NF shall submit to the department the Level I screening prior to or simultaneously with a request for certification of level of care for nursing facility services.

Section 5. Level II PASRR Evaluations.

(1) If an individual is identified in the Level I PASRR screening as suspected of having a serious mental illness, an intellectual disability, or a related condition, a Level II PASRR

evaluation shall be performed prior to the individual's admission to an NF unless the individual is a provisional admission, readmission, interfacility transfer, or exempted hospital discharge.

(a) The Level II PASRR evaluation shall be used to~~[:]~~

~~[1.]~~ ~~[Evaluate and determine if an individual meets nursing facility level of care; and]~~

~~[2.]~~ determine if the person requires NF services, specialized services or services of lesser intensity.

(b) The individual or legal guardian shall be notified by the NF of a referral to the appropriate entity for the Level II PASRR evaluation.

(2) If a Level II PASRR evaluation is required, the department approved system shall notify the appropriate entity to perform the Level II PASRR evaluation as required by this subsection.

(a) For a new admission, the appropriate entity shall complete a Level II PASRR evaluation prior to admission.

(b) For an exempted hospital discharge, the appropriate entity shall conduct a Level II PASRR evaluation and complete the determination within forty (40) calendar days of the date of admission to the NF.

(c) For a provisional admission ~~[pending clearing of delirium]~~, the appropriate entity shall conduct a Level II PASRR evaluation and complete determination of the need for specialized services within nine (9) business days of the referral.

(d) If a significant change in the individual's condition occurs, the NF shall complete a significant change request in the department approved system within fourteen (14) calendar days and the appropriate entity shall complete the Level II PASRR evaluation within nine (9) business days.

(3) If a PASRR Level II determination results in a response to referral, an NF shall transmit to the department the Level I PASRR screening with a copy of the response to referral prior to or simultaneously with a request for certification of level of care for nursing facility services.

(4) DBHDID shall provide notification as required by 42 C.F.R. 483.130(k) and (l).

Section 6. Payments for PASRR Evaluations and Determinations.

(1) The department shall reimburse DBHDID for the cost of providing PASRR services under this administrative regulation.

(2) The department's reimbursement to DBHDID for this purpose shall not exceed the actual cost to DBHDID, including contract costs, of implementing and operating the PASRR program.

(3) Except as provided in subsection (4) of this section, the department shall reimburse an NF if:

(a) The Level I PASRR screening and, if required, Level II PASRR evaluation are completed prior to a new admission and in a timely fashion as established in Sections 4 and 5 of this administrative regulation; or

(b) A review is required because of a significant change in the individual's condition, and it is performed timely in accordance with Sections 4 and 5 of this administrative regulation.

(4) If a Level I PASRR screening and, if required, a Level II PASRR evaluation are not timely completed prior to admission or a subsequent review is required but not timely performed in accordance with Section 8 of this administrative regulation, but the required PASRR process is performed at a later date, reimbursement shall be made for NF services provided after the PASRR process is completed if the individual is determined to need the level of care of nursing facility services.

(5) The department shall not reimburse an NF for specialized services provided to an individual who has a serious mental illness, has an intellectual disability, or has a related condition, and is in an NF. Services of a lesser intensity than specialized services shall be provided by an NF to an individual as recommended by the Level II PASRR evaluation.

Section 7. Admissions Criteria Under PASRR.

(1) An admission to an NF shall be in accordance with 42 U.S.C. 1396r.

(2) An individual who has a serious mental illness, has an intellectual disability, or has a related condition shall not be admitted to an NF unless:

(a) The Level II PASRR evaluation determines that the individual requires ~~[the level of care of]~~ nursing facility services; and

(b) A determination of the need for specialized services for serious mental illness, intellectual disability, or a related condition is made.

Section 8. Criteria for Subsequent Reviews.

(1) An individual in an NF shall not be subject to mandatory annual resident review in accordance with 42 U.S.C. 1396r. If an individual experiences a significant change in condition, a Level II PASRR evaluation shall be conducted as established in Section 5 of this administrative regulation.

(2) An individual who is determined not to have a serious mental illness, not to have an intellectual disability, or not to have a related condition shall not be subject to further Level II PASRR activity.

(3) An individual who is determined to have a serious mental illness, to have an intellectual disability, or to have a related condition, but who requires the level of care of nursing facility services, may remain in the facility. A determination as specified in Section 5 of this administrative regulation shall be made as to whether specialized services for serious mental illness, intellectual disability, or a related condition are required.

(4)

(a) An individual who has a serious mental illness, has an intellectual disability, or has a related condition, but who is determined not to require the level of care of nursing facility services but does require specialized services, may remain in the facility if the individual has continuously resided in an NF for thirty (30) months or more before the date of the determination.

(b) If an individual meets the criteria in paragraph (a) of this subsection and requires specialized services for serious mental illness, intellectual disability, or a related condition, DBHDID shall be responsible for the cost of those services.

(5) An individual who has a serious mental illness, has an intellectual disability, or has a related condition, and who is determined not to require the level of care of nursing facility services but does require specialized services and who has resided in an NF for less than thirty (30) consecutive months, shall be discharged from the NF in accordance with 42 C.F.R. 483.15 to an appropriate setting where specialized services shall be provided or arranged. The individual shall be advised by DBHDID of the individual's discharge rights in accordance with 42 C.F.R. 431.200 through 431.250 and 483.15.

(6) An individual who has a serious mental illness, has an intellectual disability, or has a related condition, and who is determined not to require the level of care of nursing facility services and does not require specialized services, regardless of length of stay, shall be discharged. The individual shall be advised by DBHDID of the individual's discharge rights in accordance with 42 C.F.R. 431.200 through 431.250 and 483.15.

Section 9. Responsibility of the Department for Inappropriately Placed Persons.

(1) The department shall be responsible for the orderly discharge of an individual determined through the PASRR process established in this administrative regulation to be

inappropriately placed.

(2) DBHDID shall be responsible for providing, or arranging for the provision of, specialized services to an individual for whom that need has been determined.

Section 10. Appeals. An individual who is determined not to require NF services or specialized services as a result of a PASRR determination by DBHDID may appeal the denial in accordance with 907 KAR 1:563.

Section 11. Incorporation by Reference.

(1) MAP 409, "Nursing Facility Identification Screen (Level I PASRR)", June 2026~~[February 2018]~~, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department for Medicaid Services, 275 East Main Street, 6th Floor West, Frankfort, Kentucky 40621, Monday through Friday, 8 a.m. to 4:30 p.m.

907 KAR 1:755
LISA D. LEE, Commissioner
STEVEN J. STACK, MD, MBA, Secretary

APPROVED BY AGENCY: September 1, 2026

FILED WITH LRC: September 2, 2026 at 3:30 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall, if requested, be held on November 23, 2026, at 9:00 a.m., Eastern Time/8:00 a.m. Central Time, using the CHFS Office of Legislative and Regulatory Affairs Zoom meeting room. The Zoom invitation will be emailed to each requestor the week prior to the scheduled hearing. Individuals interested in attending this virtual hearing shall notify this agency in writing by November 16, 2026, five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who attends virtually will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on this proposed administrative regulation through November 30, 2026. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to the contact person. Pursuant to KRS 13A.280(8), copies of the statement of consideration and, if applicable, the amended after comments version of the administrative regulation shall be made available upon request.

CONTACT PERSON: Krista Quarles, Policy Analyst, Office of Legislative and Regulatory Affairs, 275 East Main Street 5 W-A, Frankfort, Kentucky 40621; Phone: 502-564-7476; Fax: 502-564-7091; CHFSregs@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person:Krista Quarles/ Jonathan Scott Phone Number: (502) 564-7476/ (502) 564-4321 Email: CHFSregs@ky.gov/ Jonathant.scott@ky.gov

Subject Headings:Medicaid, Nursing Facilities, Health and Medical Services, Disability and Disabilities, Mental Disability, Mental Health

(1) Provide a brief summary of:

(a) What this administrative regulation does:
This administrative regulation establishes the program requirements and payment provisions for preadmission screening and resident review (PASRR).

(b) The necessity of this administrative regulation:
This administrative regulation is necessary to establish the program requirements and payment provisions for preadmission screening and resident review (PASRR).

(c) How this administrative regulation conforms to the content of the authorizing statutes:
This administrative regulation conforms to the content of the authorizing statutes by establishing the program requirements and payment provisions for preadmission screening and resident review (PASRR).

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:
This administrative regulation will assist in the effective administration of the authorizing statutes by establishing the program requirements and payment provisions for preadmission screening and resident review (PASRR).

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:
The amendments to this administrative regulation remove the requirement for the Level II PASRR evaluation to be used to evaluate and determine if an individual meets a nursing facility level of care. The amendments also update the definition of "specialized services for serious mental illness" to align with 42 C.F.R. 483.120, and introduce an updated MAP 409 form.

(b) The necessity of the amendment to this administrative regulation:
The amendment is necessary to update Medicaid policy regarding the preadmission screening and resident review (PASRR), and to align the administrative regulation with definitions from the C.F.R.

(c) How the amendment conforms to the content of the authorizing statutes:
The amendment conforms to the content of the authorizing statutes by establishing requirements regarding appropriate use of the Level II PASRR evaluation.

(d) How the amendment will assist in the effective administration of the statutes:
The amendment will assist in the effective administration of the authorizing statutes by establishing requirements regarding appropriate use of the Level II PASRR evaluation.

(3) Does this administrative regulation or amendment implement legislation from the previous five years?No

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

Approximately 286 nursing facilities serving over 22,525 Medicaid recipients currently participate in the Medicaid nursing facility program and approximately 115 home and community-based waiver providers serve over 15,000 individuals via the Medicaid home and community-based waiver program.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment:

Nursing facilities will need to update their policy regarding use of the Level II PASRR evaluation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4):

There is no cost to the entity.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4):

Nursing facilities and other entities will be able to continue providing appropriate PASRR evaluations of residents and potential residents.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

DMS anticipates that the expenditures for nursing facilities will be consistent with appropriations in 2026 Acts Chapter 168.

(b) On a continuing basis:

DMS anticipates that the expenditures for nursing facilities will be consistent with appropriations in 2026 Acts Chapter 168.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment:

Sources of funding to be used for the implementation and enforcement of this administrative regulation are federal funds authorized under Title XIX and Title XXI of the Social Security Act, and state matching funds of general and agency appropriations.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

At this time, DMS does not assess that an increase in fees or funding is necessary to implement this administrative regulation.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

This administrative regulation neither establishes nor increases any fees.

(10) TIERING: Is tiering applied?

Tiering is not applied as the policies apply equally to the regulated entities.

FISCAL IMPACT STATEMENT

(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), 205.520(3), 205.558

(2) Identify the promulgating agency and any other affected state units, parts, or divisions:
Cabinet for Health and Family Services, Department for Medicaid Services

(a) Estimate the following for the first year:

Expenditures:DMS does not anticipate additional costs as a result of this amendment.

Revenues:This administrative regulation is not expected to generate revenue to DMS.

Cost Savings:There are no expected cost savings to DMS.

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

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts):
No local entities identified.

(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):
N/A

(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

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation:
The amendment does not have an impact because it updates definitions and application of the Level II PASSR evaluation that do not have a fiscal impact on the program.

(b) Methodology and resources used to determine the fiscal impact:
The department has worked with an outside consultant and DMS staff to determine the fiscal impact.

(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)

This administrative regulation will not have a major economic impact – as defined by KRS 13A.010 – on regulated entities.

(b) The methodology and resources used to reach this conclusion:

The department has worked with an outside consultant and internal DMS staff to determine the economic impact.

FEDERAL MANDATE ANALYSIS COMPARISON

(1) Federal statute or regulation constituting the federal mandate.
42 C.F.R. 431.153, 431.154, 447.280, 482.58, 42 U.S.C. 1395tt, 1396l, 1396r

(2) State compliance standards.
KRS 205.520(3) states: KRS 194A.030(2), 194A.050(1), 205.520(3), 205.558

(3) Minimum or uniform standards contained in the federal mandate.
42 U.S.C. 1396R establishes requirements for nursing facilities.

(4) Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate?
The administrative regulation does not impose stricter than federal requirements.

(5) Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements.
The administrative regulation does not impose stricter than federal requirements.