

## **907 KAR 8:025. Physical therapy service reimbursement provisions and requirements.**

RELATES TO: KRS 205.520

STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3), 42 C.F.R. 440.130, 42 U.S.C. 1396d(a)(13)(C)

NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family Services, Department for Medicaid Services, has a responsibility to administer the Medicaid Program. KRS 205.520(3) 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 Department for Medicaid Services' reimbursement provisions and requirements regarding physical therapy services provided by an independent physical therapist, or physical therapist assistant working under the direct supervision of an independent physical therapist, to Medicaid recipients who are not enrolled with a managed care organization.

Section 1. General Requirements. For the department to reimburse for physical therapy under this administrative regulation, the:

- (1) Physical therapist shall meet the provider requirements established in 907 KAR 8:020; and
- (2) Physical therapy shall meet the coverage and related requirements established in 907 KAR 8:020.

Section 2. Reimbursement.

- (1) The department shall reimburse for a physical therapy service provided by a:
  - (a) Physical therapist, in accordance with 907 KAR 8:020 and this section, at 63.75 percent of the rate for the service listed on the current Kentucky-specific Medicare Physician Fee Schedule; or
  - (b) Physical therapist assistant working for a physical therapist, in accordance with 907 KAR 8:020 and this section, at 37.5 percent of the rate for the service listed on the current Kentucky-specific Medicare Physician Fee Schedule.
- (2)
  - (a) The current Kentucky-specific Medicare Physician Fee Schedule shall be the Kentucky-specific Medicare Physician Fee Schedule used by the Centers for Medicare and Medicaid Services on the date that the service is provided.
  - (b) For example, if a physical therapy service is provided on a date when the Centers for Medicare and Medicaid Services':
    1. Interim Kentucky-specific Medicare Physician Fee Schedule for a given year is in effect, the reimbursement for the service shall be the amount established on the interim Kentucky-specific Medicare Physician Fee Schedule for the year; or
    2. Final Kentucky-specific Medicare Physician Fee Schedule for a given year is in effect, the reimbursement for the service shall be the amount established on the final Kentucky-specific Medicare Physician Fee Schedule for the year.

Section 3. Not Applicable to Managed Care Organizations. A managed care organization shall not be required to reimburse in accordance with this administrative regulation for a service covered pursuant to:

- (1) 907 KAR 8:020; and
- (2) This administrative regulation.

Section 4. Federal Approval and Federal Financial Participation. The department's reimbursement for services pursuant to this administrative regulation shall be contingent upon:

- (1) Receipt of federal financial participation for the reimbursement; and
- (2) Centers for Medicare and Medicaid Services' approval for the reimbursement.

Section 5. Appeal Rights. A provider may appeal an action by the department as established in 907 KAR 1:671.  
(40 Ky.R. 2048; 2550; 2768; eff. 7-7-2014; Crt eff. 12-6-2019.)