

Kansas Administrative Regulations

Kansas Department for Children and Families

Article 5.—Provider Participation, Scope of Services, and Reimbursements for the Medicaid (Medical Assistance) Program

30-5-58. Definitions.

The following words and terms, when used in this article, shall have the following meanings, unless the context clearly indicates otherwise.

(a) "Accept medicare assignment" means the provider will accept the medicare-allowed payment rate as payment in full for services provided to a recipient.

(b) "Accrual basis accounting" means that revenue of the provider is reported in the period in which it is earned, regardless of when it is collected, and expenses are reported in the period in which they are incurred, regardless of when they are paid.

(c) "Acquisition cost" means the allowable reimbursement price for each covered drug, supply, or device as determined by the secretary in accordance with federal regulations.

(d) "Admission" means entry into a hospital for the purpose of receiving inpatient medical treatment.

(e) "Agency" means the department of social and rehabilitation services.

(f) "Ambulance" means a state-licensed vehicle equipped for emergency transportation of injured or sick recipients to facilities where medical services are rendered.

(g) "Arm's-length transaction" means a transaction between unrelated parties.

(h) "Border cities" means those communities outside of the state of Kansas but within a 50-mile range of the state border.

(i) "Capitated managed care" means a type of managed care plan that uses a risk-sharing reimbursement method whereby providers receive fixed periodic payments for health services rendered to plan members. Capitated fees shall be set by contract with providers and shall be paid on a per person basis regardless of the amount of services rendered or costs incurred.

(j) "Capitation reimbursement" means a reimbursement methodology establishing payment rates, per program consumer or eligible individual, for a designated group of services.

(k) "Case conference" means a scheduled, face-to-face meeting involving two or more persons to discuss problems associated with the treatment of the facility's patient or patients. Persons involved in the case conference may include treatment staff, or other department representatives of the client or clients.

(l) "Change of ownership" means a change that involves the following:

(1) An arm's-length transaction between unrelated parties; and

(2)(A) The dissolution or creation of a partnership when no member of the dissolved partnership or the new partnership retains ownership interest from the previous ownership affiliation;

(B) a transfer of title and property to another party if the property is owned by a sole proprietor;

(C) the change or creation of a new lessee acting as a provider of pharmacy services; or

(D) a consolidation of two or more corporations that creates a new corporate entity. The transfer of participating provider corporate stock shall not in itself constitute a change of ownership. A merger of one or more corporations with a participating provider corporation surviving shall not constitute a change of ownership.

(m) "Common control" means that an individual or organization has the power, directly or indirectly, to significantly influence or direct the actions or policies of an organization or facility.

(n) "Common ownership" means that an entity holds a minimum of five percent ownership or equity in the provider facility and in the company engaged in business with the provider facility.

(o) "Comparable outpatient service" means a service that is provided in a hospital and that is comparable to a service provided in a physician's office or ambulatory surgical center.

(p) "Concurrent care" means services rendered simultaneously by two or more eligible providers.

(q) "Consultation" means an evaluation that requires another examination by a provider of the same profession, a study of records, and a discussion of the case with the physician primarily responsible for the patient's care.

(r) "Contract loss" means the excess of contract cost over contract income.

(s) "Cost and other accounting information" means adequate data, including source documentation, that is accurate, current, and in sufficient detail to accomplish the purposes for which it is intended. Source documentation, including petty cash payout memoranda and original invoices, shall be valid only if it originated at the time and near the place of the transaction. In order to provide the required cost data, financial and statistical records shall be maintained in a consistent manner. This requirement shall not preclude a beneficial change in accounting procedures when there is a compelling reason to effect a change of procedure.

(t) "Cost finding" means the process of recasting the data derived from the accounts ordinarily kept by a provider to ascertain costs of the various types of services rendered.

(u) "Cost outlier" means a general hospital inpatient stay with an estimated cost that exceeds the cost outlier limit established for the respective diagnosis-related group.

(v) "Cost outlier limit" means the maximum cost of a general hospital inpatient stay established according to a methodology specified by the secretary for each diagnosis-related group.

(w) "Cost-related reimbursement" means reimbursement based on analysis and consideration of the historical operating costs required to provide specified services.

(x) "Costs not related to patient care" means costs that are not appropriate, necessary, or proper in developing and maintaining the facility's operations and activities. These costs shall not be allowed in computing reimbursable costs under cost-related reimbursement.

(y) "Costs related to patient care" means all necessary and proper costs arising from arm's-length transactions in accordance with generally accepted accounting principles that are appropriate and helpful in developing and maintaining the operation of patient care facilities and activities.

(z) "Covered service" means a medical service for which reimbursement will be made by the medicaid/medikan program. Coverage may be limited by the secretary through prior authorization requirements.

(aa) "Day outlier" means a general hospital inpatient length of stay that exceeds the day outlier limit established for the respective diagnosis-related group.

(bb) "Day outlier limit" means the maximum general hospital inpatient length of stay established according to a methodology specified by the secretary for each diagnosis-related group.

(cc) "Diagnosis-related group" or "DRG" means the classification system that arranges medical diagnoses into mutually exclusive groups.

(dd) "Diagnosis-related group adjustment percent" or "DRG adjustment percent" means a percentage assigned by the secretary to a diagnosis-related group for purposes of computing reimbursement.

(ee) "Diagnosis-related group daily rate" or "DRG daily rate" means the dollar amount assigned by the secretary to a diagnosis-related group for purposes of computing reimbursement when a rate per day is required.

(ff) "Diagnosis-related group reimbursement system" or "DRG reimbursement system" means a reimbursement system in the Kansas medicaid/ medikan program for general hospital inpatient services that uses diagnosis-related groups for determining reimbursement on a prospective basis.

(gg) "Diagnosis-related group weight" or "DRG weight" means the numeric value assigned to a diagnosis-related group for purposes of computing reimbursement.

(hh) "Discharge" means release from a hospital. A discharge shall occur when the consumer leaves the hospital or dies. A transfer to another unit within a hospital, except to a swing bed, and a transfer to another hospital shall not be a discharge.

(ii) "Discharging hospital" means, in instances of the transfer of a consumer, the hospital that discharges the consumer admitted from the last transferring hospital.

(jj) "Dispensing fee" means the reimbursement rate assigned to each individual pharmacy provider for the provision of pharmacy services involved in dispensing a prescription.

(kk) "Disproportionate share hospital" means a hospital that has the following:

(1) Either a low-income utilization rate exceeding 25 percent or a medicaid/medikan hospital inpatient utilization rate of at least one standard deviation above the mean medicaid/medikan inpatient utilization rate for hospitals within the state borders of Kansas that are receiving medicaid/ medikan payments; and

(2) at least two obstetricians with staff privileges at the hospital who have agreed to provide obstetric services to medicaid/medikan eligible individuals. In a hospital located in a rural area, the obstetrician may be any physician with staff privileges at the hospital who performs nonemergency obstetric procedures. The only exceptions to this requirement shall be the following:

(A) A hospital with inpatients who are predominantly under 18 years of age; or

(B) a hospital that did not offer nonemergency obstetric services as of December 21, 1987.

(II) "Drug, supply, or device" means the following:

(1) Any article recognized in the official United States pharmacopoeia, another similar official compendium of the United States, an official national formulary, or any supplement of any of these publications;

(2) any article intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in human beings;

(3) any article intended to affect the structure or any function of the bodies of human beings; and

(4) any article intended for use as a component of any article specified in paragraphs (1), (2), or (3) above.

(mm) "Durable medical equipment" or "DME" means equipment that meets these conditions:

(1) Withstands repeated use;

(2) is not generally useful to a person in the absence of an illness or injury;

(3) is primarily and customarily used to serve a medical purpose;

(4) is appropriate for use in the home; and

(5) is rented or purchased as determined by designees of the secretary.

(nn) "Election period" means the period of time for the receipt of hospice care, beginning with the first day of hospice care as provided in the election statement and continuing through any subsequent days.

(oo) "Election statement" means the revokable statement signed by a consumer that is filed with a particular hospice and that consists of the following:

- (1) Identification of the hospice selected to provide care;
- (2) acknowledgment that the consumer has been given a full explanation of hospice care;
- (3) acknowledgment by the consumer that other medicaid services are waived;
- (4) the effective date of the election period; and
- (5) the consumer's signature or the signature of the consumer's legal representative.

(pp) "Emergency services" means those services provided after the sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that the absence of immediate medical attention could reasonably be expected to result in any of the following:

- (1) Serious jeopardy to the patient's health;
- (2) serious impairment to bodily functions; or
- (3) serious dysfunction of any bodily organ or part.

(qq) "Estimated cost" means the cost of general hospital inpatient services provided to a consumer, as computed using a methodology set out in the Kansas medicaid state plan.

(rr) "Formulary" means a listing of drugs, supplies, or devices.

(ss) "Free-standing inpatient psychiatric facility" means an inpatient psychiatric facility licensed to provide services only to the mentally ill.

(tt) "General hospital" means an establishment that provides an organized medical staff of physicians, permanent facilities that include inpatient beds, and medical services. The medical services provided by the hospital shall include the following:

- (1) Physician services;
- (2) continuous registered professional nursing services for 24 hours each day; and
- (3) diagnosis and treatment for nonrelated patients who have a variety of medical conditions.

(uu) "General hospital group" means the category to which a general hospital is assigned for purposes of computing reimbursement.

(vv) "General hospital inpatient beds" means the number of beds reported by a general hospital on the hospital and hospital health care complex cost report form, excluding those beds designated as skilled nursing facility or intermediate care facility beds. For hospitals not filing the hospital and hospital health care complex cost report form, the number of beds shall be obtained from the provider application for participation in the Kansas medicaid/medikan program form.

(ww) "Generally accepted accounting procedures" means generally accepted accounting principles, except as otherwise specifically indicated by medicaid/medikan program policies and regulations. These principles shall not supersede any specific regulation or policy of the medicaid/medikan program.

(xx) "Group reimbursement rate" means the dollar value assigned by the secretary to each general hospital group for a diagnosis-related group weight of one.

(yy) "Health maintenance organization" means an organization of providers of designated medical services that makes available and provides these medical services to eligible enrolled individuals for a fixed periodic payment determined in advance and that limits referral to outside specialists.

(zz) "Historical cost" means actual allowable costs incurred for a specified period of time.

(aaa) "Hospice" means a public agency, private organization, or a subdivision of either, that primarily engages in providing care to terminally ill individuals, meets the medicare conditions of participation for hospices, and has enrolled to provide hospice services as provided in K.A.R. 30-5-59.

(bbb) "Hospital located in a rural area" means a facility located in an area outside of a metropolitan statistical area as defined in paragraph (sss).

(ccc) "Independent laboratory" means a laboratory that performs laboratory tests ordered by a physician and that is in a location other than the physician's office or a hospital.

(ddd) "Ineligible provider" means a provider who is not enrolled in the medicaid/medikan program because of reasons set forth in K.A.R. 30-5-60, or because of commission of civil or criminal fraud in another state or another program.

(eee) "Interest expense" means the cost incurred for the use of borrowed funds on a loan made for a purpose related to patient care.

(fff) "Kan Be Healthy program participant" means an individual under the age of 21 who is eligible for medicaid, and who has undergone a Kan Be Healthy medical screening in accordance with a specified screening schedule. The medical screening shall be performed for the following purposes:

- (1) To ascertain physical and mental defects; and
- (2) to provide treatment that corrects or ameliorates defects and chronic conditions that are found.

(ggg) "Kan Be Healthy dental-only participant" means an individual under the age of 21 who is eligible for medicaid, and has undergone only a Kan Be Healthy dental screening in accordance with a specified screening schedule. The dental screening shall be performed for the following purposes:

- (1) To ascertain dental defects; and
- (2) to provide treatment that corrects or ameliorates dental defects and chronic dental conditions that are found.

(hhh) "Kan Be Healthy vision-only participant" means an individual under the age of 21 who is eligible for medicaid, and who has undergone only a Kan Be Healthy vision screening in accordance with a specified screening schedule. The vision screening shall be performed for the following purposes:

- (1) Ascertain vision defects; and
- (2) provide treatment that corrects or ameliorates vision defects and chronic vision conditions that are found.

(iii) "Length of stay as an inpatient in a general hospital" means the number of days an individual remains for treatment as an inpatient in a general hospital from and including the day of admission, to and excluding the day of discharge.

(jjj) "Lock-in" means the restriction, through limitation of the use of the medical identification card to designated medical providers, of a consumer's access to medical services because of abuse.

(kkk) "Low-income utilization rate for hospitals" means the rate that is defined in accordance with section 1923 of the social security act, codified at 42 U.S.C. 1396r-4, as amended by section 1(a)(6) of the consolidated appropriations act, 2001 P.L. 106-554, which enacted into law Section 701 of H.R. 5661, the medicare, medicaid, and SCHIP benefits improvement and protection act of 2000, effective December 21, 2000, which is adopted by reference.

(lll) "Managed care" means a system of managing and financing health care delivery to ensure that services provided to managed care plan members are necessary, efficiently provided, and appropriately priced.

(mmm) "Managerial capacity" means the authority of an individual, including a general manager, business manager, administrator or director, who performs the following functions:

- (1) Exercises operational or managerial control over the provider; or
- (2) directly or indirectly conducts the day-to-day operations of the provider.

(nnn) "Maternity center" means a facility licensed as a maternity hospital that provides delivery services for normal, uncomplicated pregnancies.

(ooo)(1) "Medical necessity" means that a health intervention is an otherwise covered category of service, is not specifically excluded from coverage, and is medically necessary, according to all of the following criteria:

(A) "Authority." The health intervention is recommended by the treating physician and is determined to be necessary by the secretary or the secretary's designee.

(B) "Purpose." The health intervention has the purpose of treating a medical condition.

(C) "Scope." The health intervention provides the most appropriate supply or level of service, considering potential benefits and harms to the patient.

(D) "Evidence." The health intervention is known to be effective in improving health outcomes. For new interventions, effectiveness shall be determined by scientific

evidence as provided in paragraph (ooo)(3). For existing interventions, effectiveness shall be determined as provided in paragraph (ooo)(4).

(E) "Value." The health intervention is cost-effective for this condition compared to alternative interventions, including no intervention. "Cost-effective" shall not necessarily be construed to mean lowest price. An intervention may be medically indicated and yet not be a covered benefit or meet this regulation's definition of medical necessity. Interventions that do not meet this regulation's definition of medical necessity may be covered at the choice of the secretary or the secretary's designee. An intervention shall be considered cost effective if the benefits and harms relative to costs represent an economically efficient use of resources for patients with this condition. In the application of this criterion to an individual case, the characteristics of the individual patient shall be determinative.

(2) The following definitions shall apply to these terms only as they are used in this subsection (ooo);

(A) "Effective" means that the intervention can be reasonably expected to produce the intended results and to have expected benefits that outweigh potential harmful effects.

(B) "Health intervention" means an item or service delivered or undertaken primarily to treat a medical condition or to maintain or restore functional ability. For this regulation's definition of medical necessity, a health intervention shall be determined not only by the intervention itself, but also by the medical condition and patient indications for which it is being applied.

(C) "Health outcomes" means treatment results that affect health status as measured by the length or quality of a person's life.

(D) "Medical condition" means a disease, illness, injury, genetic or congenital defect, pregnancy, or a biological or psychological condition that lies outside the range of normal, age-appropriate human variation.

(E) "New intervention" means an intervention that is not yet in widespread use for the medical condition and patient indications under consideration.

(F) "Scientific evidence" means controlled clinical trials that either directly or indirectly demonstrate the effect of the intervention on health outcomes. However, if

controlled clinical trials are not available, observational studies that demonstrate a causal relationship between the intervention and health outcomes may be used. Partially controlled observational studies and uncontrolled clinical series may be considered to be suggestive, but shall not by themselves be considered to demonstrate a causal relationship unless the magnitude of the effect observed exceeds anything that could be explained either by the natural history of the medical condition or potential experimental biases.

(G) "Secretary's designee" means a person or persons designated by the secretary to assist in the medical necessity decision-making process.

(H) "Treat" means to prevent, diagnose, detect, or palliate a medical condition.

(I) "Treating physician" means a physician who has personally evaluated the patient.

(3) Each new intervention for which clinical trials have not been conducted because of epidemiological reasons, including rare or new diseases or orphan populations, shall be evaluated on the basis of professional standards of care or expert opinion as described below in paragraph (ooo)(4).

(4) The scientific evidence for each existing intervention shall be considered first and, to the greatest extent possible, shall be the basis for determinations of medical necessity. If no scientific evidence is available, professional standards of care shall be considered. If professional standards of care do not exist, or are outdated or contradictory, decisions about existing interventions shall be based on expert opinion. Coverage of existing interventions shall not be denied solely on the basis that there is an absence of conclusive scientific evidence. Existing interventions may be deemed to meet this regulation's definition of medical necessity in the absence of scientific evidence if there is a strong consensus of effectiveness and benefit expressed through up-to-date and consistent professional standards of care or, in the absence of those standards, convincing expert opinion.

(ppp) "Medical necessity in psychiatric situations" means that there is medical documentation that indicates either of the following:

(1) The person could be harmful to himself or herself or others if not under psychiatric treatment; or

(2) the person is disoriented in time, place, or person.

(qqq) "Medical supplies" means items that meet these conditions:

- (1) Are not generally useful to a person in the absence of illness or injury;
- (2) are prescribed by a physician; and
- (3) are used in the home and certain institutional settings.

(rrr) "Mental retardation" means any significant limitation in present functioning that meets these requirements:

- (1) Is manifested during the period of birth to age 18;
- (2) is characterized by significantly subaverage intellectual functioning as reflected by a score of two or more standard deviations below the mean, as measured by a generally accepted, standardized, individual measure of general intellectual functioning; and
- (3) exists concurrently with deficits in adaptive behavior, including related limitations in two or more of the following areas: communication, self-care, home living, social skills, community use, self-direction, health and safety, functional academics, leisure, and work.

(sss) "Metropolitan statistical area" or "MSA" means a geographic area designated as such by the United States executive office of management and budget as set out in the 64 Fed. Reg. 202, pp. 56628-56644, October 20, 1999, and 65 Fed. Reg. 249, pp. 82228-82238, December 27, 2000 which are adopted by reference.

(ttt) "Necessary interest" means interest expense incurred on a loan made to satisfy a financial need of the facility. A loan that results in excess funds or investments shall not be considered necessary.

(uuu) "Net cost" means the cost of approved educational activities, less any reimbursements from the following:

- (1) Grants;
- (2) tuition; and
- (3) specific donations.

(vvv) "Non-covered services" means services for which medicaid/medikan will not provide reimbursement, including services that have been denied due to the lack of medical necessity.

(www) "Occupational therapy" means the provision of treatment by an occupational therapist registered with the American occupational therapy association. The treatment shall meet these requirements:

- (1) Be rehabilitative and restorative in nature;
- (2) be provided following physical debilitation due to acute physical trauma or physical illness; and
- (3) be prescribed by the attending physician.

(xxx) "Organization costs" means those costs directly incidental to the creation of the corporation or other form of business. These costs shall be considered intangible assets because they represent expenditures for rights and privileges that have value to the enterprise. Because the services inherent in organization extend over more than one accounting period, the costs shall be amortized over a period of not less than 60 months from the date of incorporation for the purposes of computing reimbursable costs under a cost-related reimbursement system.

(yyy) "Orthotics and prosthetics" means devices that meet these requirements:

- (1) Are reasonable and necessary for treatment of an illness or injury;
- (2) are prescribed by a physician;
- (3) are necessary to replace or improve functioning of a body part; and
- (4) are provided by a trained orthotist or prosthetist.

(zzz) "Other developmental disability" means a condition or illness that meets the following criteria:

- (1) Is manifested before age 22;
- (2) may reasonably be expected to continue indefinitely;
- (3) results in substantial limitations in any three or more of the following areas of life functioning:
 - (A) Self-care;
 - (B) understanding and the use of language;
 - (C) learning and adapting;
 - (D) mobility;
 - (E) self-direction in setting goals and undertaking activities to accomplish those goals;

(F) living independently; or

(G) economic self-sufficiency; and

(4) reflects the need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of extended or lifelong duration and are individually planned and coordinated.

(aaaa) "Out-of-state provider" means any provider that is physically located more than 50 miles beyond the border of Kansas, except those providing services to children who are wards of the secretary. The following shall be considered out-of-state providers if they are physically located beyond the border of Kansas:

(1) Nursing facilities;

(2) intermediate care facilities;

(3) community mental health centers;

(4) partial hospitalization service providers; and

(5) alcohol and drug program providers.

(bbbb) "Outpatient treatment" means services provided by the outpatient department of a hospital, a facility that is not under the administration of a hospital, or a physician's office.

(cccc) "Over-the-counter" means any item available for purchase without a prescription order.

(dddd) "Owner" means a sole proprietor, member of a partnership, or a corporate stockholder with five percent or more interest in the corporation. The term "owner" shall not include minor stockholders in publicly held corporations.

(eeee) "Partial hospitalization program" means an ambulatory treatment program that includes the major diagnostic, medical, psychiatric, psychosocial, and daily living skills treatment modalities, based upon a treatment plan.

(ffff) "Participating provider" means any individual or entity that presently has an agreement with the agency to furnish medicaid services.

(gggg) "Pharmacy" means the premises, laboratory, area, or other place meeting these conditions:

(1) Where drugs are offered for sale, the profession of pharmacy is practiced, and prescriptions are compounded and dispensed;

(2) that has displayed upon it or within it the words "pharmacist," "pharmaceutical chemist," "pharmacy," "apothecary," "drugstore," "druggist," "drugs," "drug sundries," or any combinations of these words or words of similar import; and

(3) where the characteristic symbols of pharmacy or the characteristic prescription sign "Rx" are exhibited. The term "premises" as used in this subsection refers only to the portion of any building or structure leased, used, or controlled by the registrant in the conduct of the business registered by the board at the address for which the registration was issued.

(hhhh) "Pharmacist" means any person duly licensed or registered to practice pharmacy by the state board of pharmacy or by the regulatory authority of the state in which the person is engaged in the practice of pharmacy.

(iiii) "Physical therapy" means treatment that meets these criteria:

(1) Is provided by a physical therapist registered in the jurisdiction where the service is provided or by the Kansas board of healing arts;

(2) is rehabilitative and restorative in nature;

(3) is provided following physical debilitation due to acute physical trauma or physical illness; and

(4) is prescribed by the attending physician.

(jjjj) "Physician extender" means a person registered as a physician's assistant or licensed advanced registered nurse practitioner in the jurisdiction where the service is provided, and who is working under supervision as required by law or administrative regulation.

(kkkk) "Practitioner" means any person licensed to practice medicine and surgery, dentistry, or podiatry, or any other person licensed, registered, or otherwise authorized by law to administer, prescribe, and use prescription-only drugs in the course of professional practice.

(llll) "Prescribed" means the issuance of a prescription order by a practitioner.

(mmmm) "Prescription" means either of the following:

(1) A prescription order; or

(2) a prescription medication.

(nnnn) "Prescription medication" means any drug, supply, or device that is dispensed according to a prescription order. If indicated by the context, the term "prescription medication" may include the label and container of the drug, supply, or device.

(oooo) "Prescription-only" means an item available for purchase only with a prescription order.

(pppp) "Primary care case management" or "PCCM" means a type of managed care whereby a beneficiary is assigned a primary care case manager who manages costs and quality of services by providing case assessment, primary services, treatment planning, referral, and follow-up in order to ensure comprehensive and continuous service and coordinated reimbursement.

(qqqq) "Primary diagnosis" means the most significant diagnosis related to the services rendered.

(rrrr) "Prior authorization" means the approval of a request to provide a specific service before the provision of the service.

(ssss) "Program" means the Kansas medicaid/ medikan program.

(tttt) "Proper interest" means interest incurred at a rate not in excess of what a prudent borrower would have had to pay under market conditions existing at the time the loan was made.

(uuuu) "Prospective, reasonable, cost-related reimbursement" means present and future reimbursement, based on analysis and consideration of historical costs related to patient care.

(vvvv) "Qualified medicare beneficiary" or "QMB" means an individual meeting these requirements:

- (1) Who is entitled to medicare hospital insurance benefits under part A of medicare;
- (2) whose income does not exceed a specified percent of the official poverty level as defined by the United States executive office of management and budget; and
- (3) whose resources do not exceed twice the supplemental security income resource limit.

(www) "Readmission" means the subsequent admission of a consumer as an inpatient into a hospital within 30 days of discharge as an inpatient from the same or another DRG hospital.

(xxx) "Related parties" means two or more parties to a transaction, one of which has the ability to influence the other or others in a way in which each party to the transaction might fail to pursue its own separate interests fully. Related parties shall include those related by family, business, or financial association, or by common ownership or control. Transactions between related parties shall not be considered to have arisen through arm's-length negotiations. Transactions or agreements that are illusory or a sham shall not be recognized.

(yyy) "Related to the community mental health center" means that the agency or facility furnishing services to the community mental health center meets any of these requirements:

(1) Is directly associated or affiliated with the community mental health center by formal agreement;

(2) governs the community mental health center; or

(3) is governed by the community mental health center.

(zzz) "Residence for the payment of hospice services" means a hospice consumer's home or the nursing facility in which a hospice consumer is residing.

(aaaa) "Revocation statement" means the statement signed by the consumer that revokes the election of hospice service.

(bbbbb) "Sampling" means the review process of obtaining a stratified random sample of a subset of cases from the universe of claims submitted by a specific provider. The sample shall be used to project the review results across the entire universe of claims for that provider to determine an overpayment.

(cccc) "Speech therapy" means treatment provided by a speech pathologist who has a certificate of clinical competence from the American speech and hearing association. The treatment shall meet these requirements:

(1) Be rehabilitative and restorative in nature;

(2) be provided following physical debilitation due to acute physical trauma or physical illness; and

(3) be prescribed by the attending physician.

(ddddd) "Standard diagnosis-related group amount" or "standard DRG amount" means the amount computed by multiplying the group reimbursement rate for the general hospital by the diagnosis-related group weight.

(eeeeee) "State-operated hospital" means an establishment operated by the state of Kansas that provides diagnosis and treatment for nonrelated patients and includes the following:

- (1) An organized medical staff of physicians;
- (2) permanent facilities that include inpatient beds; and
- (3) medical services that include physician services and continuous registered professional nursing services for 24 hours each day.

(fffff) "Stay as an inpatient in a general hospital" means the period of time spent in a general hospital from admission to discharge.

(ggggg) "Swing bed" means a hospital bed that can be used interchangeably as a hospital, skilled nursing facility, or intermediate care facility bed, with reimbursement based on the specific type of care provided.

(hhhhh) "Targeted case management services" means those services that assist medicaid consumers in gaining access to medically necessary care. The services shall be provided by a case manager with credentials specified by the secretary.

(iiii) "Terminally ill" means that an individual has a life expectancy of six months or less as determined by a physician.

(jjjjj) "Timely filing" means the receipt by the agency or its fiscal agent of a claim for payment filed by a provider for services provided to a medicaid program consumer not later than 12 months after the date the claimed services were provided.

(kkkkk) "Transfer" means the movement of an individual receiving general hospital inpatient services from one hospital to another hospital for additional, related inpatient care after admission to the previous hospital or hospitals.

(lllll) "Transferring hospital" means the hospital that transfers a consumer to another hospital. There may be more than one transferring hospital for the same consumer until discharge.

(mmmmm) "Uncollectable overpayment to an out-of-business provider" means either of the following:

(1) Any amount that is due from a provider of medical services who has ceased all practice or operations for any medical services as an individual, a partnership, or a corporate identity, and who has no assets capable of being applied to any extent toward a medicaid overpayment; or

(2) any amount due that is less than its collection and processing costs.

(nnnnn) "Urgent" means that a situation requires medical treatment within two days of onset, but not through the emergency room.

(Authorized by and implementing K.S.A. 39-708c; effective May 1, 1981; amended May 1, 1982; amended May 1, 1983; amended May 1, 1984; amended May 1, 1985; amended May 1, 1986; amended May 1, 1988; amended, T-30-7-29-88, July 29, 1988; amended Sept. 26, 1988; amended Jan. 2, 1989; amended July 1, 1989; amended Jan. 2, 1990; amended, T-30-1-2-90, Jan. 2, 1990; amended, T-30-2-28-90, Jan. 2, 1990; amended Aug. 1, 1990; amended Jan. 7, 1991; amended, T-30-3-1-91, March 1, 1991; amended July 1, 1991; amended, T-30-8-9-91, Aug. 30, 1991; amended Oct. 28, 1991; amended April 1, 1992; amended May 1, 1992; amended July 31, 1992; amended May 3, 1993; amended Oct. 1, 1993; amended July 1, 1994; amended April 1, 1995; amended Sept. 1, 1995; amended March 1, 1996; amended July 1, 1996; amended July 1, 1997; amended July 6, 2001.)

***** Authenticated Kansas Administrative Regulation *****