

KANSAS MEDICAID STATE PLAN

**Attachment 4.19-D
Part II
Subpart S
Page 1**

30-10-218 (1)

30-10-218. ICF-MR non-reimbursable costs. (a) Costs not related to client care, as set forth in K.A.R. 30-10-200, shall not be considered in computing reimbursable costs. In addition, the following expenses or costs shall not be allowed:

- (1) Fees paid to non-working directors and the salaries of non-working officers;
- (2) bad debts;
- (3) donations and contributions;
- (4) fund-raising expenses;
- (5) taxes, including:
 - (A) Federal income and excess profit taxes, including any interest or penalties paid thereon;
 - (B) state or local income and excess profits taxes;
 - (C) taxes from which exemptions are available to the provider;
 - (D) taxes on property which is not used in providing covered services;
 - (E) taxes levied against any client and collected and remitted by the provider;
 - (F) self-employment taxes applicable to individual proprietors, partners, or members of a joint venture; and
 - (G) interest or penalties paid on federal and state payroll taxes;
- (6) insurance premiums on lives of officers and owners;
- (7) the imputed value of services rendered by non-paid workers and volunteers;
- (8) utilization review;
- (9) costs of social, fraternal, and other organizations which concern themselves with activities unrelated to their members' professional or business activities;

TN#MS-91-45 Approval Date 7-18-95 Effective Date 10-1-91 Supersedes TN#MS-91-14

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part II
Subpart S
Page 2

30-10-218 (2)

- (10) oxygen;
- (11) vending machine and related supplies;
- (12) board of director costs;
- (13) client personal purchases;
- (14) barber and beauty shop expenses;
- (15) advertising for client utilization;
- (16) public relations expenses;
- (17) penalties, fines, and late charges;
- (18) items or services provided only to non-medicaid/medikan clients and reimbursed from third party payors;
- (19) automobiles and related accessories in excess of \$25,000.00. Buses and vans for client transportation shall be reviewed for reasonableness and may exceed \$25,000.00 in costs;
- (20) airplanes and associated expenses;
- (21) costs of legal fees incurred in actions brought against the agency;
- (22) aggregate costs incurred in excess of historical or projected costs plus allowed inflation, without prior authorization of the agency; and
- (23) costs incurred through providing service to a bed made available through involuntary discharge of a client as determined by the Kansas department of health and environment without prior authorization of the agency.

(b) The following contract cost under the day habilitation program shall not be allowed:

- (1) Client salaries and FICA match;
- (2) all material costs, including sub-contracts;
- (3) all costs related to securing contracts; and
- (4) 50% of the cost of the following items:

Substitute per letter dated 11/13/96

REPLACEMENT PAGE
NOVEMBER 13, 1996

KANSAS MEDICAID STATE PLAN

Attachment 4.19D
Part II
Subpart S
Page 3

30-10-218(3)

- (A) cost of equipment lease;
 - (B) maintenance of equipment;
 - (C) purchase of small tools under \$100.00; and
 - (D) depreciation of production equipment.
- (c) ICFs/MR shall not be reimbursed for services provided to individuals admitted on or after the effective date of this regulation unless:
- (1) the community developmental disability organization (CDDO) assigned by the agency first determines such persons meet eligibility requirements established by the agency and the ICF/MR placement is consistent with the preferred lifestyle of the person as specified by the person or the person's guardian, if one has been appointed; or,
 - (2) the admission has been otherwise approved by the agency Commissioner of Mental Health and Developmental Disabilities.

The effective date of this regulation shall be April 17, 1996.
(Authorized by and implementing K.S.A. 39-708c; effective, T-30-12-28-90, Dec. 28, 1990; effective March 4; amended Oct. 1, 1991; amended April 17, 1996.)

TN#MS-96-06 Approval Date DEC 20 1996 Effective 04-17-96 Supersedes #MS-91-45