

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part II
Subpart N
Page 1

30-10-213 (1)

30-10-213. ICF-MR cost reports. (a) Historical cost data.

(1) For cost reporting purposes, each provider shall submit the ICF-MR financial and statistical report in accordance with the instructions included in this regulation. The report shall cover a consecutive 12-month period of operations. The 12-month period shall coincide with the fiscal year used for federal income tax or other financial reporting purposes. The same 12-month period shall be used by providers related through common ownership, common interests or common control. A non-owner operator of a facility must have a signed provider agreement to be considered a provider for the purpose of this paragraph. A working trial balance, as defined in K.A.R. 30-10-200, and a detailed depreciation schedule shall be submitted with the cost report.

(2) If a provider has more than one facility, the provider shall allocate central office costs to each facility consistently, based on generally accepted accounting principles, including any facilities being paid rates from projected cost data.

(b) Amended cost reports. Amended cost reports revising cost report information previously submitted by a provider shall be required when the error or omission is material in amount and results in a change in the provider's rate of \$.10 or more per client day. Amended cost reports shall also be permitted when the error or omission affects the current or future accounting periods of the provider. No amended cost report shall be allowed after 13 months have passed from the report year end.

(c) Due dates of cost reports. Cost reports shall be received by the agency no later than the close of business on the last day of the third month following the close of the period covered by the report. Cost reports from each provider with more than one facility shall be received on the same date.

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part II
Subpart N
Page 2

30-10-213 (2)

(d) Extension of time for submitting a cost report to be received by the agency.

(1) A one-month extension of the due date of a cost report may, for good cause, be granted by the agency. The request shall be in writing and shall be received by the agency prior to the due date of the cost report. Requests received after the due date shall not be accepted.

(2) A second extension may be granted in writing by the secretary of the agency when the cause for further delay is beyond the control of the provider.

(3) Each provider who requests an extension of time for filing a cost report to delay the effective date of the new rate, which is lower than the provider's current rate, shall have the current rate reduced to the amount of the new rate. The reduced rate shall be effective on the date that the new rate would have been effective if the cost report had been received on the last day of the filing period without the extension.

(e) Penalty for late filing. Except as provided in subsection (d), each provider filing a cost report after the due date shall be subject to the following penalties.

(1) If the cost report has not been received by the agency by the close of business on the due date, all further payments to the provider shall be withheld and suspended until the complete ICF-MR financial and statistical report has been received.

(2) Failure to submit cost information within one year after the end of the provider's fiscal year shall be cause for termination from the medicaid/medikan program.

(f) Projected cost data.

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part II
Subpart N
Page 3

30-10-213 (3)

(1) If a provider is required to submit a projected cost report under K.A.R. 30-10-214, the provider's rate or rates shall be based on a proposed budget with costs projected on a line item basis for the provider's most immediate future 12-month period.

(2) The projection period shall end on the last day of a calendar month. Providers shall use the last day of the month nearest the end of the 12-month period specified in subparagraph (1) or the end of their fiscal year when that period ends not more than one month before or after the end of the 12-month report period. The projection period shall not be less than 11 months or more than 13 months. Historical cost data reported shall be for the full period reported if that period is less than 12 months or the latest consecutive 12-month period if the report period is extended beyond 12 months to meet this requirement.

(3) The projected cost report shall be approved for reasonableness and appropriateness by the agency before the rate or rates are established for the projection period, and upon receipt of the provider's historical cost report for the time period covered by the projected cost report. The projected cost report items which are determined to be unreasonable or which contain deviations from the historical cost report shall, upon audit, be handled in accordance with subsection (f) of K.A.R. 30-10-214.

(4) The projection period of each provider filing a projected cost report in accordance with paragraph (2) of subsection (e) of K.A.R. 30-10-214 shall be extended to the last day of the 12th month following the date the new construction is certified for use by the appropriate agency. The projected and historical cost reports for this projection period shall be handled in accordance

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part II
Subpart N
Page 4

30-10-213 ()

with paragraph (1) of this subsection. If the projection period prior the certification of the new construction exceeds three months, the provider shall be required to file a historical cost report for this period for the purpose of retroactive settlement in accordance with paragraph (1) of this subsection.

(5) An interim settlement, based on a desk review of the historical cost report for the projection period, may generally be determined within 90 days after the provider is notified of the new rate determined from such cost report. The final settlement shall be based on an audit of the historical cost report.

(g) Balance sheet requirement. A balance sheet prepared in accordance with cost report instructions shall be filed as part of the cost report forms for each provider. The effective date of this regulation shall be October 1, 1991. (Authorized by and implementing K.S.A. 1990 Supp. 39-708c; effective, T-30-12-28-90, Dec. 28, 1990; effective March 4, 1991; amended Oct. 1, 1991.)

(h) Any facility on projected status on October 1, 1991 will continue on projected status to the end of the projection period. The rate will then be developed according to this subpart.

KANSAS MEDICAID STATE PLAN

**Attachment 4.19-D
Part II
Subpart N
Page 5**

**Methods and Standards for Establishing Payment Rates-
Skilled Nursing and Intermediate Care Facility Rates**

(ICFs/MR)

Audits

1. The SRS Office of Audit Services uses a standardized ICF/MR desk review program and a standardized field audit program.
2. The State shall perform a desk review of all cost reports within six months after receipt.
3. The State shall provide for periodic audits of the financial and statistical records of participating providers.
4. Installment recoupments shall be allowed if the Department determines that a lump sum recoupment could result in the provider being unable to provide a standard level of care. Any payment schedules in excess of twelve months shall be approved by the Secretary.