

KANSAS MEDICAID STATE PLAN

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

30-10-211 (1)

30-10-211. ICF-MR financial data. (a) General. The per diem rate or rates for providers participating in the medicaid/medikan program shall be based on an audit or desk review of the costs reported to provide client care in each facility. The basis for conducting these audits or reviews shall be the ICF-MR financial and statistical report MH&RS-2004. Each provider shall maintain sufficient financial records and statistical data for proper determination of reasonable and adequate rates. Standardized definitions, accounting, statistics, and reporting practices which are widely accepted in the ICF-MR and related fields shall be followed, except to the extent that they may conflict with or be superseded by state or federal medicaid requirements. Changes in these practices and systems shall not be required in order to determine reasonable and adequate rates.

(b) Pursuant to K.A.R. 30-10-213, ICF-MR financial and statistical reports, MH&RS-2004, (cost reports) shall be required from providers on an annual basis.

(c) Adequate cost data and cost findings. Each provider shall provide adequate cost data on the cost report. This cost data shall be in accordance with state and federal medicaid requirements and general accounting principles, shall be based on the accrual basis of accounting, and may include a current use value of the provider's fixed assets used in client care. Estimates of costs shall not be allowable except on projected cost reports submitted pursuant to K.A.R. 30-10-213.

(d) Recordkeeping requirements.

(1) Each provider shall furnish any information to the agency that may be necessary:

- (A) To assure proper payment by the program pursuant to paragraph (2);
- (B) to substantiate claims for program payments; and

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part II
Subpart L
Page 2

30-10-211 (2)

(C) to complete determinations of program overpayments.

(2) Each provider shall permit the agency to examine any records and documents that are necessary to ascertain information pertinent to the determination of the proper amount of program payments due. These records shall include:

- (A) Matters of the ICF-MR ownership, organization, and operation, including documentation as to whether transactions occurred between related parties;
- (B) fiscal, medical, and other recordkeeping systems;
- (C) federal and state income tax returns and all supporting documents;
- (D) documentation of asset acquisition, lease, sale or other action;
- (E) franchise or management arrangements;
- (F) matters pertaining to costs of operation;
- (G) amounts of income received, by source and purpose;
- (H) a statement of changes in financial position; and
- (I) actual cost of day care programs provided to ICF/MR clients.

Other records and documents shall be made available as necessary. Records and documents shall be made available in Kansas. Any provider who fails to provide any documents requested by the agency may be suspended from the ICF/MR program.

(3) Each provider, when requested, shall furnish the agency with copies of client service charge schedules and changes thereto as they are put into effect. The agency shall evaluate the charge schedules to determine the extent to which they may be used for determining program payment.

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part II
Subpart L
Page 3

30-10-211 (3)

(4) Suspension of program payments to a provider. If the agency determines that any provider does not maintain or no longer maintains adequate records for the determination of reasonable and adequate per diem rates under the program, payments to that provider may be suspended until deficiencies are corrected. Thirty days before suspending payment to the provider, the agency shall send written notice to the provider of its intent to suspend payments. The notice shall explain the basis for the agency's determination with respect to the provider's records and shall identify the provider's recordkeeping deficiencies.

(5) All records of each provider that are used in support of costs, charges and payments for services and supplies shall be subject to inspection and audit by the agency, the United States department of health and human services, and the United States general accounting office. All financial and statistical records to support costs reports shall be retained for five years from the date of filing the cost report with the agency. 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.)

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D
Part II
Subpart L
Page 4

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

(ICFs/MR)

Usual and Customary Charges

The State shall retain all cost reports for a minimum of three years after receipt.