

Hospitalization and other hospital services (inpatient and outpatient services)

Reimbursement for inpatient and outpatient medical services provided by hospitals and surgical centers will be made at a variable discount rate based on the facility's Peer Group Classification. The discount rate will be applied to the facility's usual and customary charge.

Peer Group 1 — 15% Discount

Facilities in the following communities:

Kansas City
Lawrence
Olathe
Overland Park
Shawnee Mission
Topeka
Wichita

Peer Group 2 — 12.5% Discount

Facilities in the following communities:

Atchison
Augusta
Coffeyville
Dodge City
El Dorado
Emporia
Fort Scott
Garden City
Great Bend
Halstead
Hays
Hutchinson
Junction City
Leavenworth
Liberal
Manhattan
Newton
Paola
Parsons
Pittsburg
Salina
Winchester

Peer Group 3 – 10% Discount

All other facilities, including out-of-state facilities
All specialty hospitals, such as rehabilitation hospitals

Charges in excess of \$40,000

In addition to the variable discount rate based on Peer Group Classification, an additional 5% discount will be applied to all charges that exceed \$40,000.

Allowable charges

Allowable charges may include room charges, supplies used, lab or x-ray services. However, if a client is referred to a hospital for x-rays but is not actually admitted as an inpatient or outpatient, the x-rays will be paid by HCFA or CPT codes and at the rates allowed for those codes. If the hospital bills for physicians such as a hospital call or surgery, these services will be paid at by HCFA or CPT codes and at the rates allowed for those codes.

Durable medical equipment supplied by a hospital or surgical center

Items such as wheelchairs or crutches, when supplied by a hospital or surgical center and related to a consumer's inpatient or outpatient care, and billed with a charge of \$250 or more will be reimbursed at invoice cost plus an additional charge of no more than 50%. Verification of invoice cost must be attached to the bill when it is submitted for payment.

Use of state consultant

If RS staff encounter difficulties in getting access to needed services for VR clients, or if staff need assistance in negotiating reasonable fees for specific services, they may contact the State Medical Consultant for assistance.

Exceptions to hospital discount rate schedule

Before exceptions are allowed, staff must first seek assistance in negotiating from the State Medical Consultant. Such negotiations may form the basis for the RS Manager or Regional Program Administrator's decision to approve or deny requests for exceptions to this policy. Each RS Program Administrator will establish a procedure for routing such exception requests through the RS Managers, RS Program Administrator or both. Use of the Exceptions Request Form (see Section 8 / Part 54) is required.

Surgery

Special conditions apply to the provision of surgery. See Section 4 / Part 11.