

# Rehabilitation Services Policy Manual

SECTION Medical Services  
PART Hospitalization and Other Hospital Services

SECTION NO. 4-9  
PUBLISHED 03/21

## Section 4 Medical Services

### Part 9 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



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## 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 client'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 Forms Part 54) is required.

## Anesthesia and other related expenses

When including surgery as an IPE service, the counselor must analyze and document the follow factors:

- Prognosis and doctor's written recommendation.



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- Medical necessity.
- Analysis of how the surgery will correct, stabilize, or reduce the progression of the disabling condition, if appropriate.
- Client's willingness to adhere to lifestyle changes, as appropriate, before and after surgery.
- Client's prior efforts to resolve the issue using alternatives to surgery, if such alternatives are available and medically feasible.
- Availability and application of comparable benefits (unless the client requires the service immediately because of extreme medical rush.)
- Analysis of how/why the surgery is required to reduce or minimize an impediment to employment and the impact of this service on the client's ability to achieve employment.
- Analysis of whether there are feasible alternatives.

## **Surgery**

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