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Lisa Lee
COMMISSIONER

June 15, 2026

Courtney Miller, Director
Center for Medicaid & CHIP Services
Medicaid & CHIP Operations Group
Division of Program Operations
[601 E. 12th St., Room 355](#)
Kansas City, Missouri 64106

RE: State Plan Amendment KY 26-0003

Dear Ms. Miller:

Kentucky submits amendment 26-0003 as assurance that the State will not terminate Medicaid eligibility for incarcerated pregnant women based strictly on their status as an inmate of a public institution. The proposed effective date for this is SPA is January 1, 2026.

The State's eligibility requirements currently align with Division G, title I, Section 205, of the Consolidated Appropriations Act, 2024 (Pub. L. 118-42) (CAA, March 9, 2024).

In Kentucky, when an individual enrolled in a Medicaid Managed Care Organization (MCO) becomes incarcerated, the member's MCO enrollment is suspended rather than fully terminated. This suspension is triggered when incarceration is reported, and Medicaid's eligibility system updates the member's living arrangement to an institutional setting.

During incarceration, the MCO does not provide coverage or receive capitation payments, since Medicaid managed care is not active in correctional settings. Instead, the correctional facility is generally responsible for the individual's medical care, with Medicaid only covering limited situations such as inpatient hospital services.

When the incarcerated person is released from jail or prison, his or her living arrangement is once again updated, and the MCO suspension is lifted. Enrollment in the MCO is typically reinstated immediately or effective the date of release, allowing for a seamless return to managed care coverage. Overall, Kentucky's process is designed to pause MCO participation during incarceration while maintaining Medicaid eligibility and ensuring quick reactivation of coverage upon release.

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If you should have any questions, please contact Daryl Osborne at dosborne@ky.gov.

Sincerely,

A handwritten signature in cursive script that reads "Lisa D. Lee". The signature is written in black ink and is positioned below the word "Sincerely,".

Lisa Lee, Commissioner