



Kentucky Data Summary

PRESENTED BY:

Taylor Pruisner, FSA, MAAA

taylorp@wakely.com

Andrew Schwarze, ASA, MAAA

andrew.schwarze@wakely.com



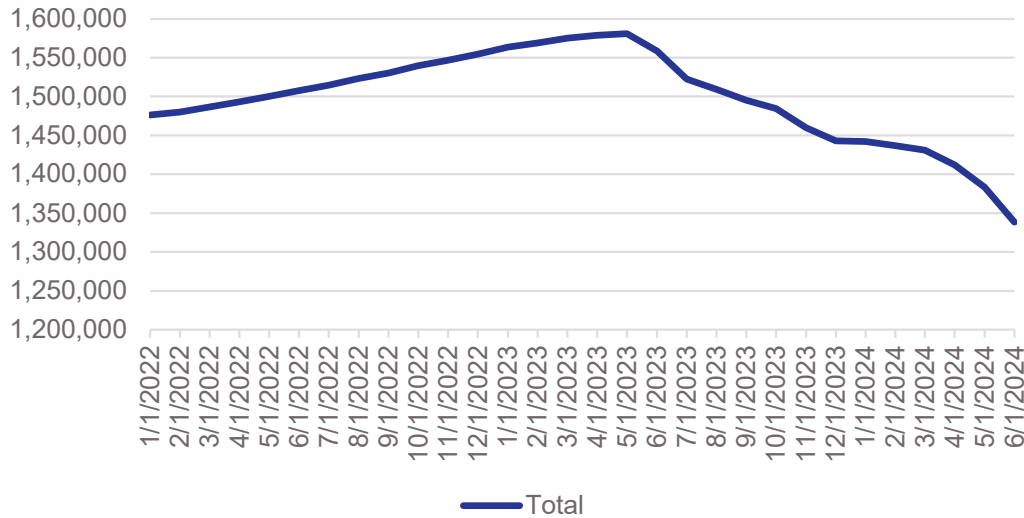
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The logo for wakely, with the word "wakely" in a lowercase, blue, sans-serif font. Below it, "An HMA Company" is written in a smaller, blue, sans-serif font. The background of the slide features a blurred image of hands typing on a laptop keyboard, overlaid with various data visualization elements like line graphs, bar charts, and a world map with percentage markers.

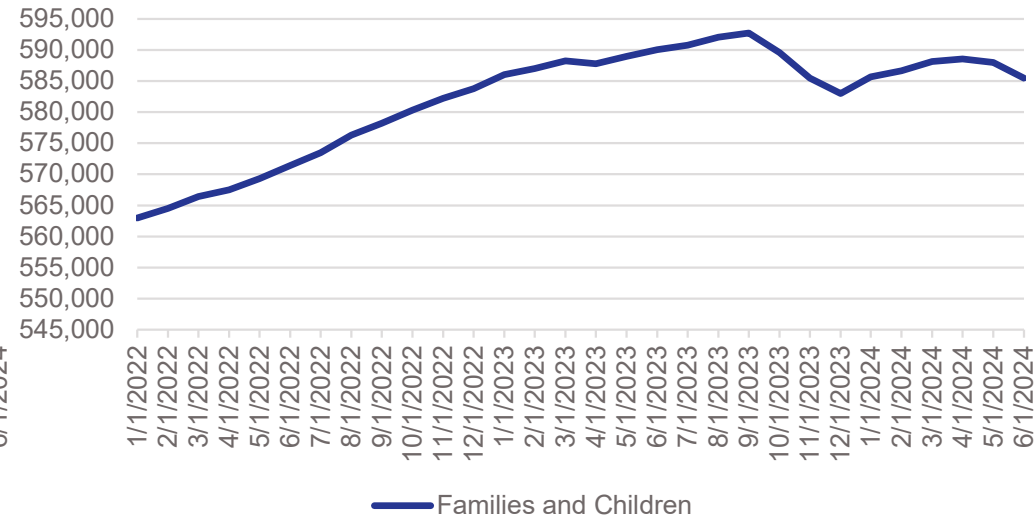
Going Beyond the Numbers

Enrollment Summary

Enrollment - All Populations



Enrollment - F&C Children Only



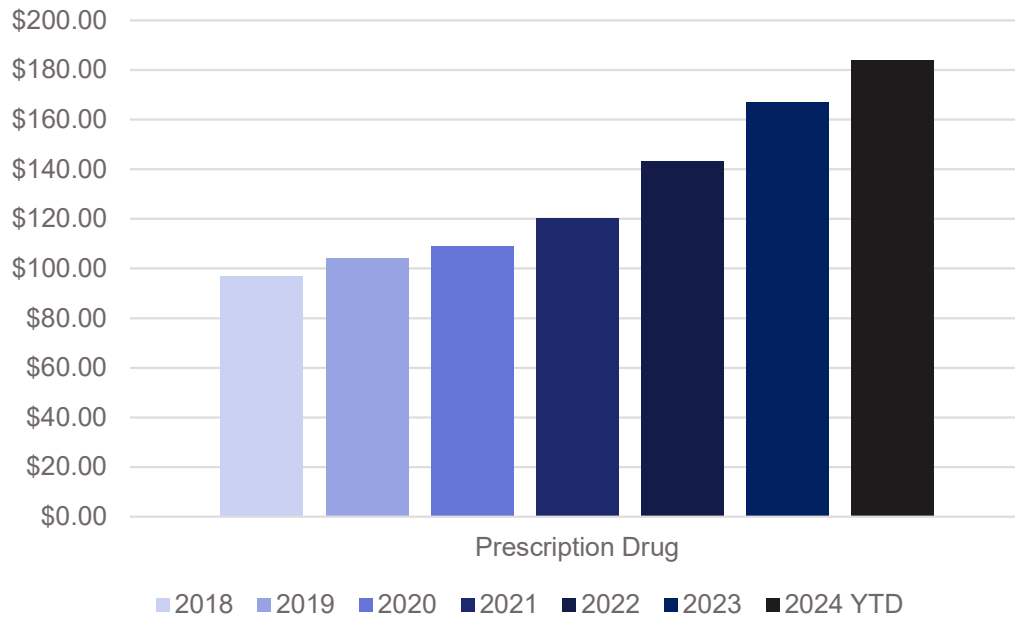
- Total enrollment peaked at 1.58M members in May 2023 prior to the resumption of redeterminations.
- Since then, enrollment has decreased to 1.34M in June 2024 (a decrease of 15.3% from May 2023).
- F&C Children redeterminations have been paused and a further waiver to delay redeterminations has been requested from CMS.

Population Acuity Impact from Enrollment Changes

- As a result of the pause in redeterminations, the Medicaid population increased by more than 25% between March 2020 and May 2023.
- The members retained by the program during this time were disproportionately lower in cost to the program.
- With the resumption of redeterminations in June of 2023, these low-cost members are being removed from the program resulting in an increase in the average costs of remaining members.

Pharmacy Summary

Average Prescription Drug Costs Per Member Per Month



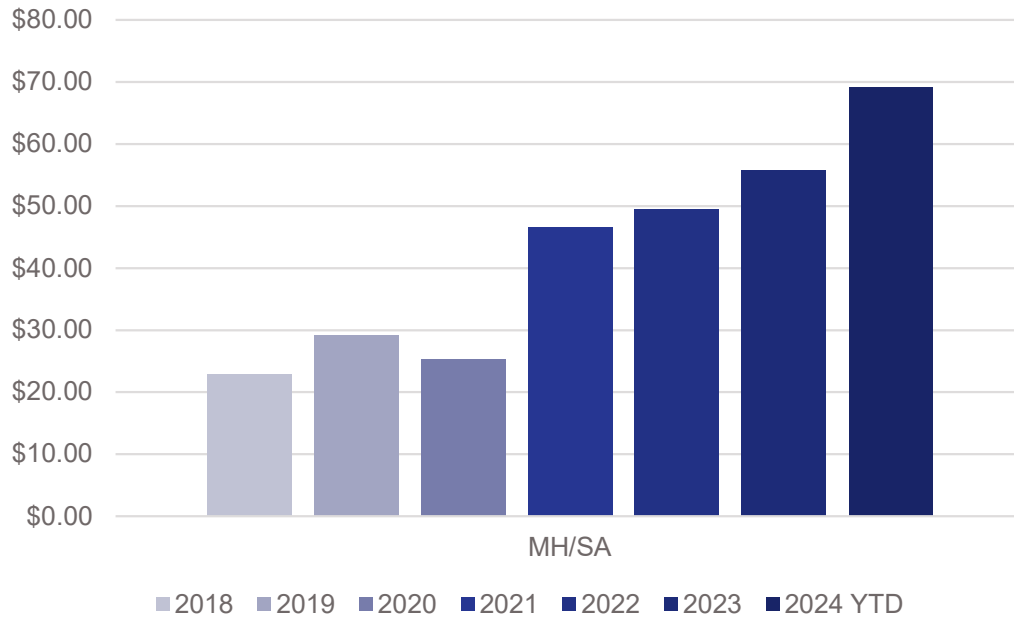
Generic Dispensing Rate					
	Year				
Region	2019	2020	2021	2022	2023
A	90.1%	90.5%	85.3%	84.5%	84.6%
B	90.7%	91.5%	87.1%	86.2%	86.5%
All	90.6%	91.4%	86.9%	85.9%	86.2%

- An analysis by Wakely found the generic dispensing rate decreased by 4.5% when the single PDL was implemented in 2021 leading to higher reliance on more expensive brand drugs.

- Prescription Drugs (12.3% annualized per member per month trend).
 - The single preferred drug list was implemented Jan 2021; the single pharmacy benefits manager implemented July 2021.
 - Prescription drug costs were not adjusted for rebates.
 - Prescription drug trends since 2021 have been disproportionately driven by double digit unit costs (in the range of 15.7%-19.2%).

Mental Health/Substance Abuse (MH/SA) Summary

Average MH/SA Costs Per Member Per Month



Professional MH/SA Utilization by Procedure Code				
Procedure	2021	2022	2023 Annualized*	2023 over 2021 % Increase
97153	516,213	846,343	1,199,852	132.40%
H0035	61,611	100,680	138,077	124.10%
H2020	75,700	111,634	162,693	114.90%
H2027	498,324	686,850	1,022,418	105.20%
H0038	2,046,119	3,227,977	4,180,453	104.30%
H2034	61,706	72,129	117,690	90.70%
H0015	157,502	202,984	247,492	57.10%
90887	95,721	118,118	138,562	44.80%
H2019	262,305	307,453	341,550	30.20%
90791	89,215	96,610	111,600	25.10%
H0011	274,990	314,691	328,992	19.60%
90837	902,100	932,903	1,041,317	15.40%
H0020	234,381	259,357	257,977	10.10%
90832	431,860	421,819	455,085	5.40%
90834	198,858	198,380	209,497	5.40%
All Others	824,274	1,178,843	1,360,456	65.00%
Total	6,730,879	9,076,770	11,313,712	68.10%

- **MH/SA: 22.2% annualized per member per month trend**
 - The Medicaid health plans identified removal of prior authorization as a driver of increased MH/SA trends.
 - Procedure level data indicates this trend is driven by significant increases in utilization in certain codes.

Caveats and Disclosures

DISCLOSURES AND LIMITATIONS

Responsible Actuary We, Taylor Pruisner (FSA) and Andrew Schwarze (ASA) are the actuaries responsible for this communication. We are Members of the American Academy of Actuaries and a Fellow and Associate of the Society of Actuaries, respectively. We meet the Qualification Standards of the American Academy of Actuaries to issue this analysis.

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Conflict of Interest Wakely provides actuarial services to a variety of clients throughout the health industry. Our clients include commercial, Medicare, and Medicaid health plans, the federal government and state governments, medical providers, and other entities that operate in the domestic and international health insurance markets. Wakely has implemented various internal practices to reduce or eliminate conflict of interest risk in serving our various clients. Except as noted here, I am financially independent and free from conflict concerning all matters related to performing the actuarial services underlying this analysis. In addition, Wakely is organizationally and financially independent from KAHP and its member health plans.

Deviations from ASOPS Wakely completed the analysis using sound actuarial practice. To the best of my knowledge, this communication and the methods used in the analysis are in compliance with the appropriate Actuarial Standards of Practice (ASOP) with no known deviations.

Appendix – CPT Code Descriptions

HCPCS	Description
90791	PSYCHIATRIC DIAGNOSTIC EVALUATION
90832	PSYCHOTHERAPY, 30 MINUTES WITH PATIENT
90834	PSYCHOTHERAPY, 45 MINUTES WITH PATIENT
90837	PSYCHOTHERAPY, 60 MINUTES WITH PATIENT
90887	INTERPRETATION OR EXPLANATION OF RESULTS OF PSYCHIATRIC, OTHER MEDICAL EXAMINATIONS AND PROCEDURES, OR OTHER ACCUMULATED DATA TO FAMILY OR OTHER RESPONSIBLE PERSONS, OR ADVISING THEM HOW TO ASSIST PATIENT
97153	ADAPTIVE BEHAVIOR TREATMENT BY PROTOCOL, ADMINISTERED BY TECHNICIAN UNDER THE DIRECTION OF A PHYSICIAN OR OTHER QUALIFIED HEALTH CARE PROFESSIONAL, FACE-TO-FACE WITH ONE PATIENT, EACH 15 MINUTES
H0011	Alcohol and/or drug services; acute detoxification (residential addiction program inpatient)
H0015	Alcohol and/or drug services; intensive outpatient (treatment program that operates at least 3 hours/day and at least 3 days/week and is based on an individualized treatment plan), including assessment, counseling; crisis intervention, and activity therapies or education
H0020	Alcohol and/or drug services; methadone administration and/or service (provision of the drug by a licensed program)
H0035	Mental health partial hospitalization, treatment, less than 24 hours
H0038	Self-help/peer services, per 15 minutes
H2019	Therapeutic behavioral services, per 15 minutes
H2020	Therapeutic behavioral services, per diem
H2027	Psychoeducational service, per 15 minutes
H2034	Alcohol and/or drug abuse halfway house services, per diem