

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Human Resources

Minutes of the 1st Meeting of the 2020 Interim

June 3, 2020

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Human Resources of the Interim Joint Committee on Appropriations and Revenue was held on Wednesday, June 3, 2020, at 10:30 AM, in Room 149 of the Capitol Annex. Representative Danny Bentley, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Matt Castlen, Co-Chair; Representative Danny Bentley, Co-Chair; Senators Morgan McGarvey and Stephen Meredith; Representatives Adam Bowling, Deanna Frazier, Kimberly Poore Moser, Melinda Gibbons Prunty, Josie Raymond, Steve Sheldon, Cherlynn Stevenson, Susan Westrom, and Lisa Willner.

Guests: Eric Friedlander, Secretary, Cabinet for Health and Family Services (CHFS); Eric Lowery, Executive Director, Office of Finance and Budget, CHFS; and Kelli Rodman, Executive Director, Office of Legislative and Regulatory Affairs, CHFS.

LRC Staff: Miriam Fordham, Kevin Newton, and Benjamin Thompson

Funding for COVID-19 Related Services

Eric Friedlander, Secretary, Cabinet for Health and Family Services (CHFS) provided an update on the cabinet's receipt and expenditure of federal coronavirus relief funds.

In response to questions from Senator Meredith, Secretary Friedlander stated that although no date was set, adult daycare facilities were likely to open at a reduced capacity in late June. Secretary Friedlander said that the date had not been set because plans were still being finalized. And, he wanted to be cautious because of the risk to the population most vulnerable to COVID-19.

In response to questions from Representative Gibbons Prunty, Mr. Lowery stated that beginning in March, Medicaid had averaged approximately eight thousand new enrollees per week. Secretary Friedlander noted that CHFS expects that individuals will

leave Medicaid and obtain private insurance as the economy opens up and citizens regain employment. Secretary Friedlander stated that CHFS is trying to isolate the cost of insuring those who became Medicaid eligible due to the COVID-19 pandemic in case federal restrictions are loosened concerning the services for which the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding can be used. Secretary Friedlander noted that the cabinet chose the YMCA as the childcare provider for essential workers because it was an organization that had the ability to operate statewide in a short period of time.

In response to questions from Representative Frazier, Secretary Friedlander said CHFS was looking into ways to use CARES Act funding to help adult daycare providers who have seen a loss of revenue.

In response to questions from Representative Moser, Secretary Friedlander noted that enhanced Medicaid reimbursements can be used to increase rates for any provider in the Medicaid system. Secretary Friedlander stated that CHFS determined that increased funds would be needed for the increase in the number of Medicaid eligible people and decided not to provide an enhanced rate to any provider other than long term care facilities that were specifically caring for a COVID-19 positive patient.

In response to questions from Senator Meredith, Secretary Friedlander stated that COVID-19 contact tracing needs to be joined with the testing component in a seamless manner in order for it to be successful. Secretary Friedlander noted that local health departments are vital to COVID-19 testing and contact tracing efforts.

In response to a question from Representative Willner, Secretary Friedlander said that CHFS would have to look at ways to provide support for medical providers using a stipend style approach.

In response to a question from Representative Raymond, Secretary Friedlander stated that restrictions for childcare centers would be loosened if there was no correlating increase in COVID-19 infection rates.

In response to a question from Representative Sheldon, Secretary Friedlander said that the goal of the cabinet was to help people become self-sufficient.

In response to a question from Representative Moser, Secretary Friedlander stated that the cabinet was fully committed to implementing 2020 Regular Session House Bill 129 regarding local health departments, but was not prepared to offer a timeline for full implementation.

In response to a question from Representative Gibbons Prunty, Secretary Friedlander said that he was willing to look at all data that was available regarding Medicaid dependence.

In response to a question from Senator Meredith, Secretary Friedlander confirmed that the Families First Coronavirus Response Act provided a 6.2 percent increase in Federal Medical Assistance Percentage (FMAP) funding. Secretary Friedlander noted that one requirement for accepting FMAP funding is to not remove people from Medicaid services. Secretary Friedlander stated that the cabinet believes the increased FMAP funding will be enough to cover the increase in Kentuckians who are presumed Medicaid eligible.

In response to a question from Chair Bentley, Secretary Friedlander stated that the cabinet was continuing to work toward implementing 2020 Regular Session Senate Bill 50 regarding the Medicaid Pharmacy Program.

There being no further business before the subcommittee, the meeting was adjourned at 11:56 AM.