



# **Budget Review Subcommittee on Human Resources**

Michelle P./SCL Waiver Updates and HB 183 21RS Implementation

June 2, 2021

## **Presenters**

**Lisa Lee, Commissioner  
Department for Medicaid Services**

**Pam Smith, Division Director  
Division of Community Alternatives**

# Kentucky's 1915(c) HCBS Waivers: Enrollment and Waitlist

Waiver	Funded Slots	Active Slots	Reserved	Available
ABI Acute	383	278	77	28
ABI Long Term Care	438	335	67	36
HCBS	17,050	13,399	674	2,977
Model II	100	35	2	63

# Kentucky's 1915(c) HCBS Waivers: Enrollment and Waitlist

Waiver	Funded Slots	Active Slots	Reserved	Waiting List Total	Emergency	Urgent	Future Planning
MPW	10,500	10,156	149	7,441	N/A	N/A	N/A
SCL	4,941	4,786	30	2,886	0	121	2,765

DMS will allocate 175 additional slots on MPW this month.

## Kentucky's 1915(c) HCBS Waivers: MPW Waiting List

Average age of an individual on the waiting list is 16 years old

73% (5,464) of the individuals are younger than 21 years old

15% of the individuals are accessing services in another waiver

Average time on the waiting list is three years, however, the oldest is six years

Average of 78 individuals added to the waiting list each month

350 individuals have been allocated slots in 2021; another 175 to be allocated this month

# Kentucky's 1915(c) HCBS Waivers: SCL Waiting List

Average age of an individual on the waiting list is 30 years old

90% of the individuals are accessing services in another waiver

Average time on the waiting list is seven years

Average of 30 individuals added to the waiting list each month

13 individuals have been allocated slots in 2021

# Kentucky's 1915(c) HCBS Waivers: Ongoing Work

Appendix K flexibilities remain in effect until six months after end of public health emergency

Model II waiver renewal with CMS for review

HCBS renewal in request for additional information status – target date to return to CMS June 4th

EVV implementation and monitoring continues

Onsite provider certification visits to resume

# MANAGED CARE DIRECTED PAYMENT PROGRAMS

- 42 CFR 438 governs how states may direct expenditures in connection with implementing delivery system and provider payment initiatives under MCO contracts
- Effective with contract rating periods on or after July 1, 2017
- State submits [preprint](#) form to CMS rather than SPA
- Must be submitted 90 days in advance of the start of the rating period that includes the directed payment
- Designed to allow states with managed care programs to make enhanced payments to providers to advance the goals of the Medicaid program
  - Based on the utilization and delivery of services
  - Designed to advance at least one goal of the State Medicaid program's quality strategy with appropriate oversight to evaluate progress on the goals
  - Evaluated at the end of each program year to measure progress on achieving outlined goals
  - Submitted to CMS for approval annually

# HB183 (2021) - Hospital Rate Improvement Program (HRIP)

- On January 14, 2021, CMS approved a revision to the HRIP which will significantly increase inpatient Medicaid reimbursement to private Kentucky hospitals
  - Dollars available to hospitals will increase significantly by changing from a Medicare upper payment limit methodology to an **Average Commercial Rate (ACR)** methodology, paid on a per discharge basis
  - This increase in payments will help advance the quality of care of Medicaid members and provide a stable financial base for hospitals that will extend beyond the financial challenges of the COVID-19 pandemic
  - Continued goals of improved access to care and lowered hospital readmissions but also expands the quality targets to include reporting/improvement in 2 opioid-related metrics:
    - (1) Opioid-Related Adverse Respiratory Events (ORARE)
    - (2) Concurrent e-prescribing



# HB183 (2021) - Hospital Rate Improvement Program (HRIP)

- CMS approval for ACR reimbursement retroactive to July 1, 2020
- Approved through June 30, 2021
- DMS collaborated with KHA and other stakeholders to finalize a request for a 3-year approval of the same ACR program with some changes to the quality metrics - submitted May 11, 2021
- HRIP was modified through the passage and signing of House Bill 183 and the necessary budget appropriations were provided in the budget bill, House Bill 192, during the 2021 legislative session
  - **Implementation Timeline for SFY 2021 Payments:**
    - April 15, 2021 – Q1 Payments processed (\$246m)
    - April 30, 2021 – Q2 Payments processed (\$248m)
    - May 26, 2021 – Q3 Payments will be processed (estimated \$250m)
    - August 2021 – Estimated time to process Q4 payments (estimated \$250m)
- Hospitals cover the increased state cost of the program.

Any  
Questions