

INTERIM JOINT COMMITTEE ON APPROPRIATIONS & REVENUE

Budget Review Subcommittee on Human Resources

Minutes of the 4th Meeting of the 2021 Interim

September 24, 2021

Call to Order and Roll Call

The 4th meeting of the Budget Review Subcommittee on Human Resources of the Interim Joint Committee on Appropriations & Revenue was held on Friday, September 24, 2021, at 10:30 AM, in Room 129 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Danny Bentley, Co-Chair; Senators Ralph Alvarado, Karen Berg, and Danny Carroll; Representatives Adam Bowling, Deanna Frazier, Melinda Gibbons Prunty, Steve Sheldon, and Lisa Willner.

Guests: Lisa Lee, Commissioner and Steve Bechtel, Chief Financial Officer, Department for Medicaid Services, Cabinet for Health and Family Services; and Melinda Burchett, President and Kelly Upchurch, Legislative Chair, Kentucky Association of Adult Day Centers.

LRC Staff: Miriam Fordham, Kevin Newton, and Katie Carney.

Approval of Minutes

Co-Chair Bentley made the motion to approve the minutes from the August 4, 2021, meeting of the subcommittee. Senator Carroll seconded the motion, and the minutes were approved without objection.

Medicaid Budget Update: Fiscal Year 2021 Year-End Report and Fiscal Year 2022 Outlook

Commissioner Lee provided an overview of the duties of the Department for Medicaid Services (DMS). Mr. Bechtel provided an update on the Medicaid program's number of enrollments and the department's budgetary status.

In response to questions from Representative Bentley, Mr. Bechtel stated that university directed payments increased due to the expansion of the program. Mr. Bechtel noted that at one time university directed payments went only to the Universities of Kentucky and Louisville. Federal guidelines have changed, allowing DMS to extend

payments to any university that has a graduate medical education program and allowing programs to include outpatient services.

In response to a question from Representative Sheldon, Mr. Bechtel confirmed that in the last year, drug rebate receipts had been higher than previous receipts. Commissioner Lee noted that the capitation rate was maintained while transitioning to a single pharmacy benefit manager (PBM) to increase ease of implementation of the single PBM.

In response to questions from Chair Meredith, Mr. Bechtel noted that he doesn't believe that DMS' actual administrative expenses would exceed ten percent of all expenditures. Mr. Bechtel stated that DMS' budget request looks at current expenses and trends for times ahead, though the request would not include funding for any additional legislation that the General Assembly might pass.

Reimbursement for Adult Day Health Centers

Ms. Burchett and Mr. Upchurch provided a presentation regarding reimbursement rates for adult day health centers.

In response to a question from Representative Gibbons Prunty, Mr. Upchurch stated that some patients that were unable to go to adult day centers were moved to an in-home service model.

In response to a question from Senator Berg, Mr. Upchurch noted that adult day health centers provide skilled health care services.

There being no further business before the subcommittee, the meeting was adjourned at 11:59 AM.