



# Medicaid Oversight and Advisory Committee

Adam Meier, Secretary - Cabinet for Health & Family Services

Jill Hunter, Acting Commissioner – Department for Medicaid Services

Steve Bechtel, Chief Financial Officer – Department for Medicaid Services

John Inman, Chief of Staff – Department for Medicaid Services

Stephanie Bates, Deputy Commissioner – Department for Medicaid Services

June 20, 2018

# Current Priorities

# Department for Medicaid Services - Medicaid Benefits

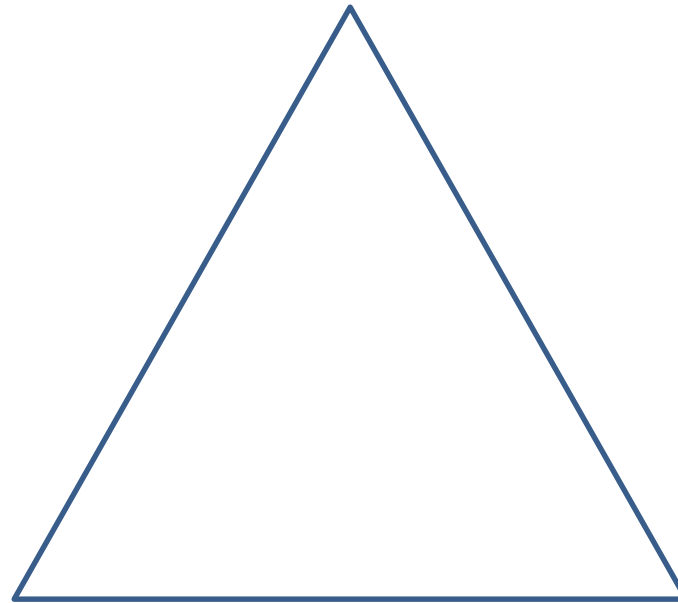
## Forecasted Expenditures/Budget Comparison

### FY 2019-FY 2020

	FY 2019			FY 2020		
	State	Federal	Total	State	Federal	Total
<b>Enacted Budget</b>	<b>2,361,614,900</b>	<b>8,920,198,300</b>	<b>11,281,813,200</b>	<b>2,504,991,300</b>	<b>9,298,956,300</b>	<b>11,803,947,600</b>
<b>Expenditures</b>						
Consensus Forecast	2,465,605,500	8,895,630,500	<b>11,361,236,000</b>	2,601,501,300	9,079,957,700	<b>11,681,459,000</b>
SCL Rate Increase	10,529,000	24,567,800	<b>35,096,800</b>	10,529,000	24,567,800	<b>35,096,800</b>
Brain Injury Slots	-	-	-	2,550,400	6,330,500	<b>8,880,900</b>
Pharmacy Rate Increase	12,000,000	38,000,000	<b>50,000,000</b>	12,000,000	38,000,000	<b>50,000,000</b>
June 29 Cycle	8,654,100	23,355,900	<b>32,010,000</b>	-	-	-
DSH Reduction Freeze	19,048,500	48,189,300	<b>67,237,800</b>	19,048,500	48,189,300	<b>67,237,800</b>
<b>Total Expenditures</b>	<b>2,515,837,100</b>	<b>9,029,743,500</b>	<b>11,545,580,600</b>	<b>2,645,629,200</b>	<b>9,197,045,300</b>	<b>11,842,674,500</b>
<b>Budget Shortfall</b>	<b>(154,222,200)</b>	<b>(109,545,200)</b>	<b>(263,767,400)</b>	<b>(140,637,900)</b>	<b>101,911,000</b>	<b>(38,726,900)</b>

# What Drives the Medicaid Budget?

Eligibility



Benefits

Appropriations

# MCO Contracts

- MCO contracts will be renewed for current MCOs effective July 1, 2018 through June 30, 2019.
- DMS expects to develop an RFP for new MCO contracts either late 2018 or early 2019.

# KY HEALTH

- Pending Litigation
- KY HEALTH is scheduled to go live on 7/1/18.
- Testing has been successful with all partners and continues as we transition.
- Extensive communication has been sent to providers and recipients including letters, telephone calls, text messages, and social media.

# Legal Challenge Update

- Oral Arguments 6/15 in Washington D.C.
  - Judge signaled ruling likely prior to 7/1/18
  - Adverse ruling could impact various components of the 1115, and/or the 1115 program as a whole
- Adverse ruling could have the following consequences:
  - Technology changes/costs
  - Communication changes (could cause significant confusion among recipients, providers, MCOs, etc.)
  - Immediate benefits cuts (dental, vision, likely pharmacy removed for low-income adult eligibility groups)
  - Expansion eligibility group at risk (immediate evaluation of rolling back expansion)

# 1915(c) Assessment Project Update

- **April** - The Cabinet released Navigant Consulting Inc.'s eleven preliminary, post-assessment recommendations to the public
- **May** – The Department and Navigant Consulting Inc. conducted ten Town Hall meetings statewide to present the preliminary recommendations and solicit stakeholder feedback. Over 500 individuals attended
- **July** - Navigant is working to finalize its recommendations and compile a comprehensive report. The Department will release the report publicly following an internal review
- **August** - The project's Governance Team, including Cabinet leadership and leadership from the Governor's Office, will select which recommendations to proceed with and at what scope.
- **Sept. 2018 – Dec. 2019** – Anticipated period for Navigant Consulting Inc. and DMS to conduct design and implementation activities required to implement selected recommendations



# House Bill 69

## *Uniform Credentialing Verification Organization*

- Initial drafting stages of RFP Requirements
  - Information gathering from other states with similar credentialing requirements.
  - Integration with the current Provider Enrollment process.
- Technology Coordination
  - Partner Portal – web based application for Provider Enrollment to eliminate paper applications and improve efficiency.
  - Partner Portal project interface with the Credentialing Verification Organization.
  - Preparation of Advance Planning Document for Federal Financial Participation.