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KENTUCKY
Cabinet *for* Health *and*
Family Services

Medicaid Oversight and Advisory Committee

Kentucky Department for Medicaid Services
Lisa D. Lee, Commissioner

May 20, 2021

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Topics

- Update on the impact of Covid-19 on the Kentucky Medicaid program
- Legislative implementation updates: 20RS SB50, 20RS HB8, 21 RS HB 183, 21RS HB276, and 21RS HJR57
- Status report on outstanding Medicaid waiver and state plan amendment applications
- Medicaid managed care organization request for proposal process

Impact of COVID-19 on the Kentucky Medicaid Program

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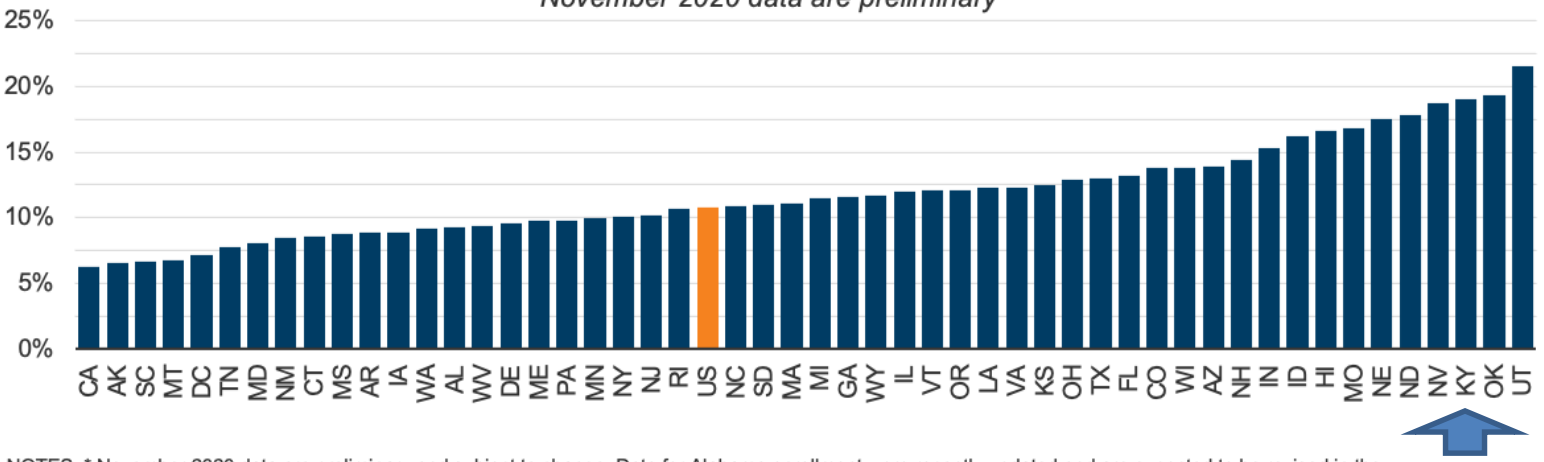
National Growth in Medicaid Programs

Figure 2

Enrollment from February 2020 to November 2020 increased in every state.

% Change in Medicaid/CHIP Enrollment from February 2020 – November 2020

*February 2020 data based on updated enrollment reports, November 2020 data are preliminary**



NOTES: * November 2020 data are preliminary and subject to change. Data for Alabama enrollment were recently updated and are expected to be revised in the next data release; the update appears to have had a small impact on the state's enrollment totals across all months. Medicaid & CHIP enrollment reports are submitted monthly by state Medicaid agencies, reflecting enrollment on the last day of the month. With each update, states often revise data for the previous month(s) to better align with reporting criteria, such as including retroactive enrollment or other criteria.

SOURCE: CMS, Medicaid & CHIP: Monthly Application and Eligibility Reports, last updated April 2, 2021.

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Kentucky Medicaid Monthly Enrollment

	<18			>=18			Totals			
Month Year	Medicaid	KCHIP	PE	Medicaid	KCHIP	PE	Medicaid	KCHIP	PE	Grand Total
Jan-19	450,131	87,735	302	851,353	5,633	2,247	1,301,484	93,368	2,549	1,397,401
Feb-19	449,995	88,022	295	851,356	5,632	2,209	1,301,351	93,654	2,504	1,397,509
Mar-19	453,070	84,420	279	850,261	5,363	2,244	1,303,331	89,783	2,523	1,395,637
Apr-19	452,244	83,131	243	848,934	5,266	2,245	1,301,178	88,397	2,488	1,392,063
May-19	452,370	83,433	241	849,012	5,287	2,211	1,301,382	88,720	2,452	1,392,554
Jun-19	451,182	83,925	203	848,411	5,368	2,125	1,299,593	89,293	2,328	1,391,214
Jul-19	450,689	84,526	193	848,600	5,422	2,218	1,299,289	89,948	2,411	1,391,648
Aug-19	450,274	85,140	226	850,069	5,420	2,238	1,300,343	90,560	2,464	1,393,367
Sep-19	447,155	85,673	226	848,203	5,380	2,144	1,295,358	91,053	2,370	1,388,781
Oct-19	445,108	86,011	226	844,559	5,393	2,087	1,289,667	91,404	2,313	1,383,384
Nov-19	442,287	86,353	275	839,790	5,366	2,108	1,282,077	91,719	2,383	1,376,179
Dec-19	440,172	87,881	336	837,814	5,399	2,005	1,277,986	93,280	2,341	1,373,607
Jan-20	439,891	89,446	323	838,044	5,396	2,071	1,277,935	94,842	2,394	1,375,171
Feb-20	439,572	89,629	335	836,967	5,403	2,174	1,276,539	95,032	2,509	1,374,080
Mar-20	444,386	86,890	275	844,022	5,134	2,298	1,288,408	92,024	2,573	1,383,005
Apr-20	451,933	84,642	3,804	860,896	5,237	28,815	1,312,829	89,879	32,619	1,435,327
May-20	458,983	80,587	6,616	869,832	5,231	47,447	1,328,815	85,818	54,063	1,468,696
Jun-20	461,284	81,849	11,298	879,394	5,482	76,155	1,340,678	87,331	87,453	1,515,462
Jul-20	463,220	83,662	15,271	889,587	5,795	102,418	1,352,807	89,457	117,689	1,559,953
Aug-20	465,004	85,508	17,449	899,464	6,196	120,292	1,364,468	91,704	137,741	1,593,913
Sep-20	465,444	87,639	19,166	907,848	6,593	135,914	1,373,292	94,232	155,080	1,622,604
Oct-20	466,160	90,035	17,982	916,641	6,945	126,320	1,382,801	96,980	144,302	1,624,083
Nov-20	465,891	93,518	17,058	927,498	7,354	121,642	1,393,389	100,872	138,700	1,632,961
Dec-20	466,322	96,185	13,494	939,065	7,724	101,136	1,405,387	103,909	114,630	1,623,926
Jan-21	467,068	97,446	16,237	946,359	7,963	122,817	1,413,427	105,409	139,054	1,657,890
Feb-21	467,571	98,132	16,408	950,753	8,186	125,272	1,418,324	106,318	141,680	1,666,322
Mar-21	470,558	96,730	16,578	956,743	8,230	127,024	1,427,301	104,960	143,602	1,675,863
Apr-21	469,915	97,639	16,794	959,988	8,253	115,039	1,429,903	105,892	131,833	1,667,628

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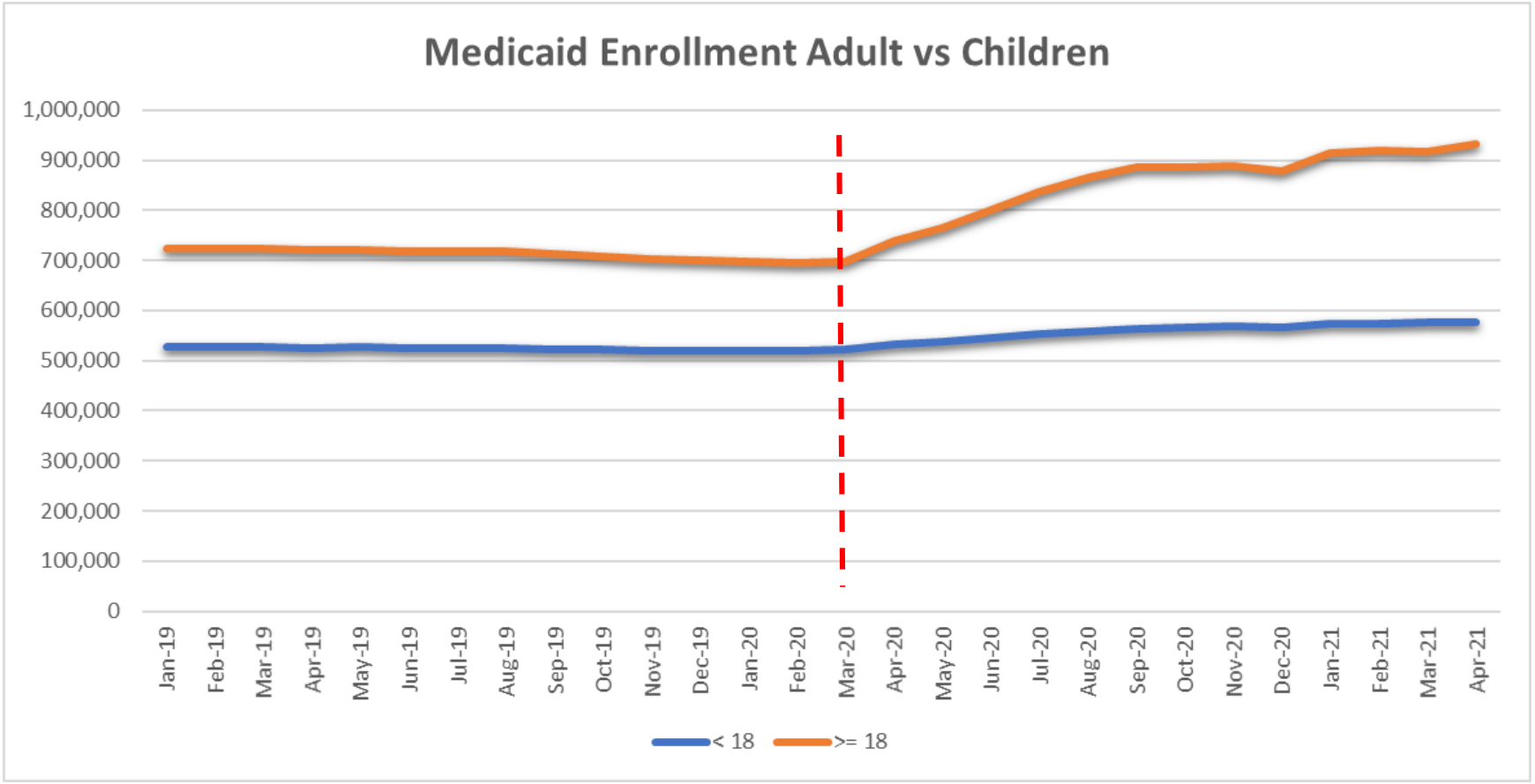
Kentucky Medicaid Enrollment



Key Takeaways

- Newly enrolled children: 52,797
- Increase in enrollment reflect changes in economy – income and job loss
- Medicaid Expansion – majority of increase is adults between age 18 and 65
- Maintenance of effort (MOE) attached to 6.2% increase in FMAP
- ACA special open enrollment period through August 15, 2021 – reduced premiums for exchange based on American Rescue Plan

Mandatory Fee-For-Service Expenditures

Row Labels	JULY19 - FEB20	JULY20 - FEB21	PCT
Inpatient Hospital (excluding DSH)	$79,871,956.02	$135,867,162.71	70%
* Psych Distinct Part Unit - Acute Care Hospitals	$1,963,446.98	$2,610,303.00	33%
* Rehab Distinct Part Unit - Acute Care Hospitals	$662,025.11	$989,517.02	49%
Ambulance	$1,113,628.76	$2,156,913.94	94%
Dental	$1,789,855.28	$4,785,977.67	167%
Durable Medical Equipment (DME)	$17,450,410.46	$20,836,627.89	19%
EPSDT - Related	$7,366,685.02	$6,920,199.35	-6%
EPSDT - Screens	$8,678,940.52	$8,222,981.19	-5%
Home Health	$14,581,715.90	$16,622,284.43	14%
Laboratories	$1,171,651.14	$7,495,767.41	540%
Non-Emergency Transportation	$952,797.44	$649,003.43	-32%
Nurse Practitioner/Midwife	$2,120,579.71	$4,902,720.15	131%
Nursing Facilities	$711,325,894.71	$670,220,880.83	-6%
Outpatient Hospital	$40,714,455.00	$94,172,533.03	131%
Physicians	$18,114,358.33	$40,975,871.10	126%
Primary Care (FQHC)	$73,667,727.96	$73,509,814.51	0%
Qualified Medicare Beneficiaries (QMBs)*	$4,690,031.32	$5,793,848.95	24%
Rural Health	$86,292,591.45	$88,825,614.44	3%
Vision	$559,686.70	$1,605,648.88	187%
Mandatory - FFS	**$1,073,088,437.81**	**$1,187,163,669.93**	**11%**

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Mandatory Fee-For-Service Expenditures

Comments: Mandatory FFS Expenditures

> PAID amounts by date-of-service

> Pre-COVID period: July 2019 to February 2020

Greatest increase: Laboratory Services - up 540 percent

Greatest decrease: NET - down 32 percent

<u>Notable Changes</u>

Inpatient Hospital - 70 percent increase

Outpatient Hospital - 131 percent increase

Physician - 126 percent increase

Dental - 167 percent increase

Vision - 187 percent increase

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Optional Fee-for-Service

Row Labels	JULY19 - FEB20	JULY20 - FEB21	PCT
Adult Day Care	$105,918,663.18	$126,904,948.18	20%
Ambulatory Surgical	$909,842.66	$2,256,739.27	148%
Brain Injury	$17,808,784.59	$18,629,509.21	5%
Brain Injury Long Term Care	$16,587,449.95	$17,568,488.57	6%
Children with Special Health Care Needs	$126,056.79	$102,227.10	-19%
Chiropractic	$108,315.25	$1,519,766.47	1303%
Community Mental Health Centers	$6,120,467.51	$11,501,120.39	88%
Early Intervention - First Steps	$9,883,643.69	$5,419,297.90	-45%
HANDS	$12,500,200.00	$12,524,740.00	0%
Home and Community Based Services	$9,634,541.98	$8,902,979.95	-8%
Home Delivered Meals	$22,777.50	$33,960.00	49%
Hospice	$23,502,722.43	$20,370,980.52	-13%
ICF-MR	$100,953,158.83	$96,073,324.47	-5%
Impact Plus	$0.00	$0.00	
Licensed Behavior Analyst	$65,143.31	$204,516.32	214%
Licensed Marrage and Family Therapist	$3,359.11	$19,079.65	468%
Licensed Professional Art Therapist (LPAT)	$81.28	$0.00	-100%
Licensed Psychological Practitioner	$7,714.60	$9,164.43	19%
Mental Hospital	$837,465.82	$3,295,309.93	293%
Michelle P. Waiver	$232,993,583.58	$219,353,268.43	-6%
Model Waivers	$1,438,362.54	$989,169.13	-31%
Money Follows The Person	$203,145.96	$100,684.44	-50%
Nurse Anesthetist	$290,728.58	$960,614.16	230%

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Optional Fee-for-Service (continued)

Row Labels	JULY19 - FEB20	JULY20 - FEB21	PCT
Other Lab/X-Ray	$510,851.45	$548,101.61	7%
Pharmacy	$63,357,767.95	$104,419,349.75	65%
Podiatry	$439,574.33	$652,536.30	48%
Preventive	$130,420.30	$196,587.51	51%
Private Duty Nursing	$3,782,256.11	$3,981,797.83	5%
Psychiatric Residential Treatment Facilities (PRTF)	$65,427.57	$126,258.04	93%
Renal Dialysis	$5,960,012.96	$6,185,524.08	4%
Residential Crisis Stabilization Unit (RCSU)	$3,186.00	$11,656.00	266%
School-Based Services	$6,652,545.39	$2,680,431.73	-60%
Specialized Childrens Service Clinics	$0.00	$0.00	
Support for Community Living	$260,107,202.69	$251,319,228.13	-3%
Targeted Case Mgmt. - Emotionally Disturbed Child	$0.00	$0.00	
Targeted Case Mgmt. - Mentally Ill Adults	$0.00	$0.00	
Title V/DCBS	$102,607,526.33	$82,406,109.31	-20%
Unknown	$0.00	$34,951.91	
Optional - FFS	**$983,532,980.22**	**$999,302,420.72**	**2%**

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Optional Fee-For-Service Expenditures

Comments: Optional FFS Expenditures

> PAID amounts by date-of-service

> Pre-COVID period: July 2019 to February 2020

Greatest increase: Chiropratic Services - up 1,303 percent

Greatest decrease (except LPAT): School-Based Services - down 60 percent

<u>Notable Changes</u>

CMHC - 88 percent increase

Mental Hospital - 293 percent increase

Ambulatory Surgical - 148 percent increase

Home Delivered Meals - 49 percent increase

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MCO Encounter Claims

Provider Type	JULY19 - FEB20	JULY20 - FEB21	PCT
* Psych Distinct Part Unit - Acute Care Hospitals	$19,424,371.28	$19,046,143.78	-1.9%
* Rehab Distinct Part Unit - Acute Care Hospitals	$6,301,179.46	$5,135,085.08	-18.5%
Ambulance	$21,075,613.74	$19,024,876.76	-9.7%
Ambulatory Surgical	$13,348,122.43	$11,030,442.89	-17.4%
Children with Special Health Care Needs	$18,654.67	$5,830.00	-68.7%
Chiropractic	$12,780,488.43	$14,040,310.82	9.9%
Community Mental Health Centers	$304,266,536.30	$338,153,972.31	11.1%
Dental	$94,625,685.76	$74,242,845.67	-21.5%
Durable Medical Equipment (DME)	$82,556,550.18	$72,069,077.66	-12.7%
EPSDT - Related	$37,155,025.67	$36,073,956.66	-2.9%
EPSDT - Screens	$23,318,147.57	$20,682,355.97	-11.3%
Hearing	$670,995.65	$441,903.95	-34.1%
Home Health	$9,802,777.66	$7,348,070.86	-25.0%
Hospice	$7,377,608.71	$5,217,009.96	-29.3%
Inpatient Hospital	$865,258,101.79	$819,523,470.22	-5.3%
Laboratories	$90,925,515.30	$75,784,509.37	-16.7%
Licensed Marrage and Family Therapist	$864,819.29	$1,067,660.34	23.5%
Licensed Professional Art Therapist (LPAT)	$45,835.26	$42,745.42	-6.7%
Licensed Psychological Practitioner	$148,088.45	$145,073.63	-2.0%
Mental Hospital	$48,651,463.51	$56,554,703.33	16.2%
Non-Emergency Transportation	$60,928,943.77	$42,702,343.30	-29.9%
Nurse Anesthetist	$9,083,441.06	$8,931,333.41	-1.7%
Nurse Practitioner/Midwife	$60,441,321.82	$54,111,009.32	-10.5%
Nursing Facilities	$556,310.38	$239,766.77	-56.9%

MCO Encounters (continued)

Provider Type	JULY19 - FEB20	JULY20 - FEB21	PCT
Other Lab/X-Ray	$995,685.71	$1,045,276.99	5.0%
Outpatient Hospital	$853,343,921.02	$756,032,054.00	-11.4%
Pharmacy	$1,039,478,793.14	$1,133,361,536.04	9.0%
Physicians	$405,936,738.62	$357,439,903.65	-11.9%
Podiatry	$5,899,471.15	$5,324,593.22	-9.7%
Preventive	$11,570,022.93	$3,033,809.50	-73.8%
Primary Care (FQHC)	$46,842,119.08	$38,903,477.48	-16.9%
Private Duty Nursing	$2,469,795.46	$2,379,734.53	-3.6%
Psychiatric Residential Treatment Facilities (PRTF)	$10,036,199.56	$10,893,509.89	8.5%
Qualified Medicare Beneficiaries (QMBs)*	$40,724,387.83	$45,223,633.26	11.0%
Renal Dialysis	$13,467,439.06	$13,586,644.26	0.9%
Residential Crisis Stabilization Unit (RCSU)	$768,696.88	$163,655.70	-78.7%
Rural Health	$43,882,810.62	$39,454,370.14	-10.1%
Specialized Childrens Service Clinics	$68,924.58	$27,545.60	-60.0%
Unknown	$2,141,928.92	$3,396,923.05	58.6%
Vision	$26,222,470.46	$22,068,161.44	-15.8%
Licensed Behavior Analyst	$558,390.28	$1,220,919.82	118.6%
Grand Total	**$4,276,310,252.27**	**$4,118,294,366.63**	**-3.7%**

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MCO Encounters

Comments: MCO Encounter Claims

> PAID amounts by date-of-service

> Pre-COVID period: July 2019 to February 2020

Greatest increase: Licensed Behavior Analyst - up 118 percent

Greatest decrease: Residential Crisis Stabilization - down 78 percent

Greatest decrease: Preventive - down 73 percent

<u>Notable Changes</u>

Unknown - 58 percent increase

LMFT - 23 percent increase

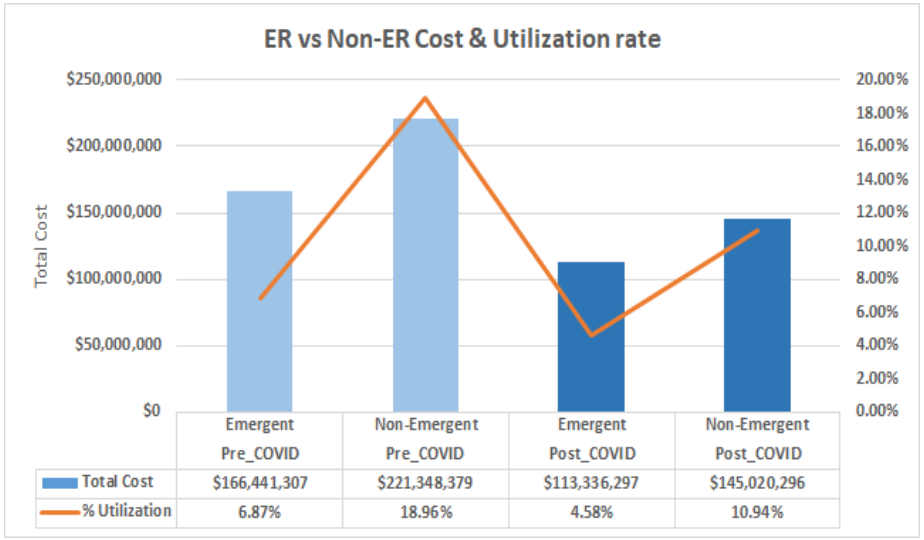
Mental Hospital - 23 percent increase

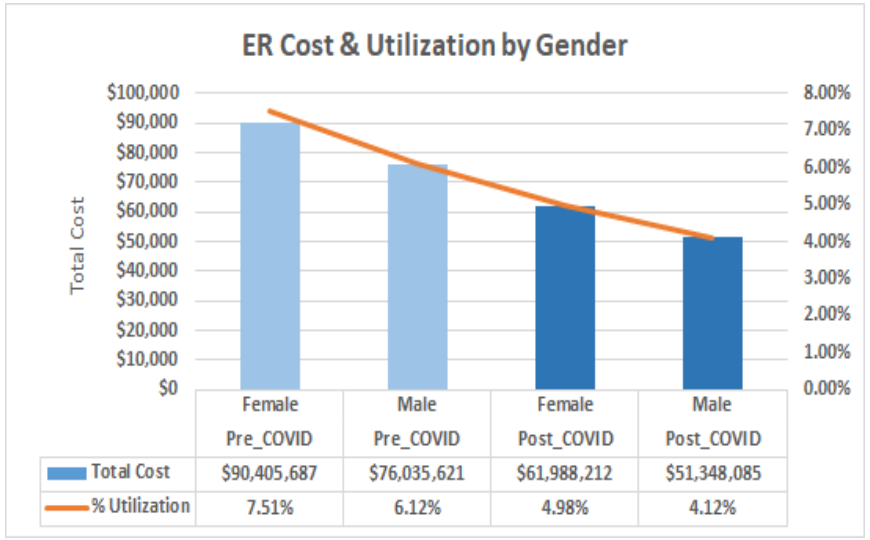
CSCHN - 68% decrease

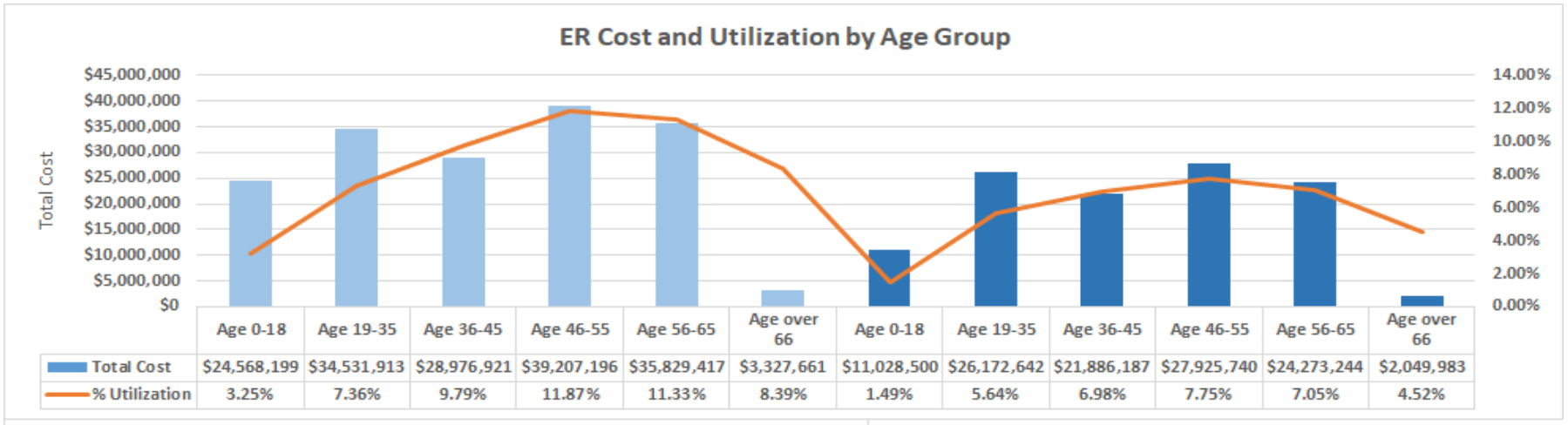
Specialized Children's Service Clinics - 60 percent decrease

Nursing Facilities - 56 percent decrease

ER Utilization







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Routine Child Health Exams

			Pre-COVID		POST-COVID	
Procedure or Diagnosis Code	Description	Age	Distinct Claims	Distinct Recipients	Distinct Claims	Distinct Recipients
Z00129	Encounter for routine child health exam w/o abnormal findings	0	41,701	19,787	34,166	16,623
		1	64,949	25,388	59,204	24,806
		2	29,497	18,553	25,688	17,175
		3	12,468	10,302	10,069	8,643
		4	16,413	14,260	12,510	11,312
		5	12,098	10,833	9,439	8,697
		6	8,095	7,400	6,485	6,050
		7	5,210	4,866	4,070	3,880
		8	4,934	4,628	4,022	3,855
		9	4,950	4,652	3,742	3,549
		10	5,517	5,081	3,857	3,619
		11	10,944	9,812	8,470	7,742
		12	10,667	9,641	8,214	7,651
		13	7,129	6,534	5,394	5,061
		14	5,912	5,341	4,512	4,212
		15	5,356	4,821	3,995	3,652
		16	6,796	5,981	5,261	4,752
		17	5,182	4,496	4,212	3,732
		18	1,993	1,725	1,498	1,328
		19	84	67	65	38
Total			259,895	174,168	214,873	146,377

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Routine Child Health Exams

			Pre-COVID		POST-COVID	
Procedure or Diagnosis Code	Description	Age	Distinct Claims	Distinct Recipients	Distinct Claims	Distinct Recipients
Z00121	Encounter for routine child health exam w/abnormal findings	0	10,409	6,930	6,801	4,831
		1	14,962	9,072	10,914	7,298
		2	7,714	5,901	5,432	4,402
		3	3,997	3,436	2,440	2,181
		4	4,421	4,112	2,859	2,667
		5	3,423	3,161	2,275	2,162
		6	2,867	2,649	1,893	1,834
		7	2,323	2,223	1,452	1,418
		8	2,162	2,066	1,479	1,435
		9	2,269	2,166	1,379	1,337
		10	2,398	2,277	1,607	1,557
		11	3,777	3,507	2,625	2,447
		12	3,651	3,406	2,477	2,364
		13	2,896	2,723	2,016	1,913
		14	2,278	2,118	1,742	1,642
		15	2,314	2,110	1,549	1,436
		16	2,663	2,433	1,881	1,718
		17	2,035	1,814	1,497	1,363
		18	882	812	575	527
		19	27	27	17	16
Total			77,468	62,943	52,910	44,548

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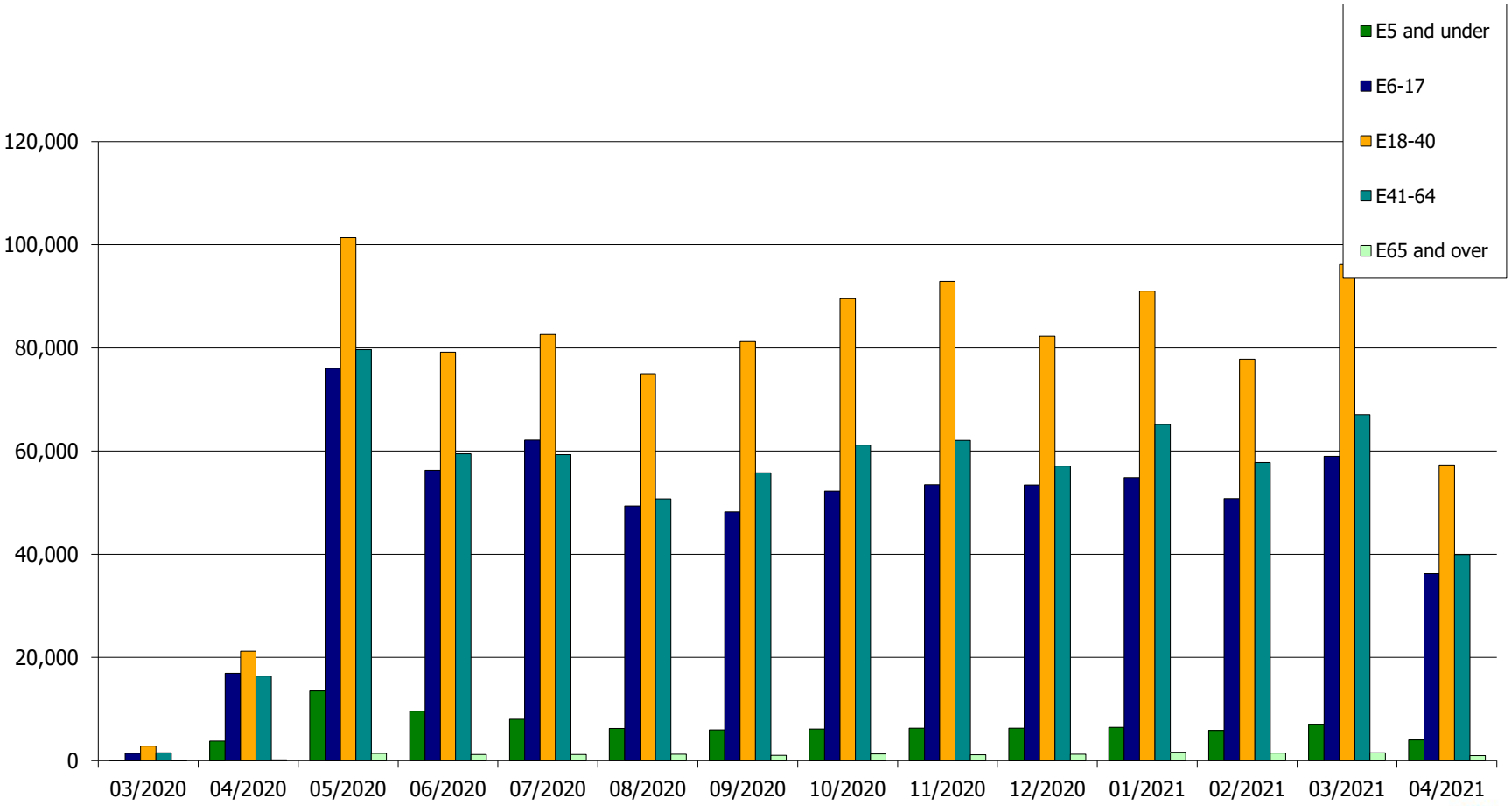
Telehealth MCO Encounters



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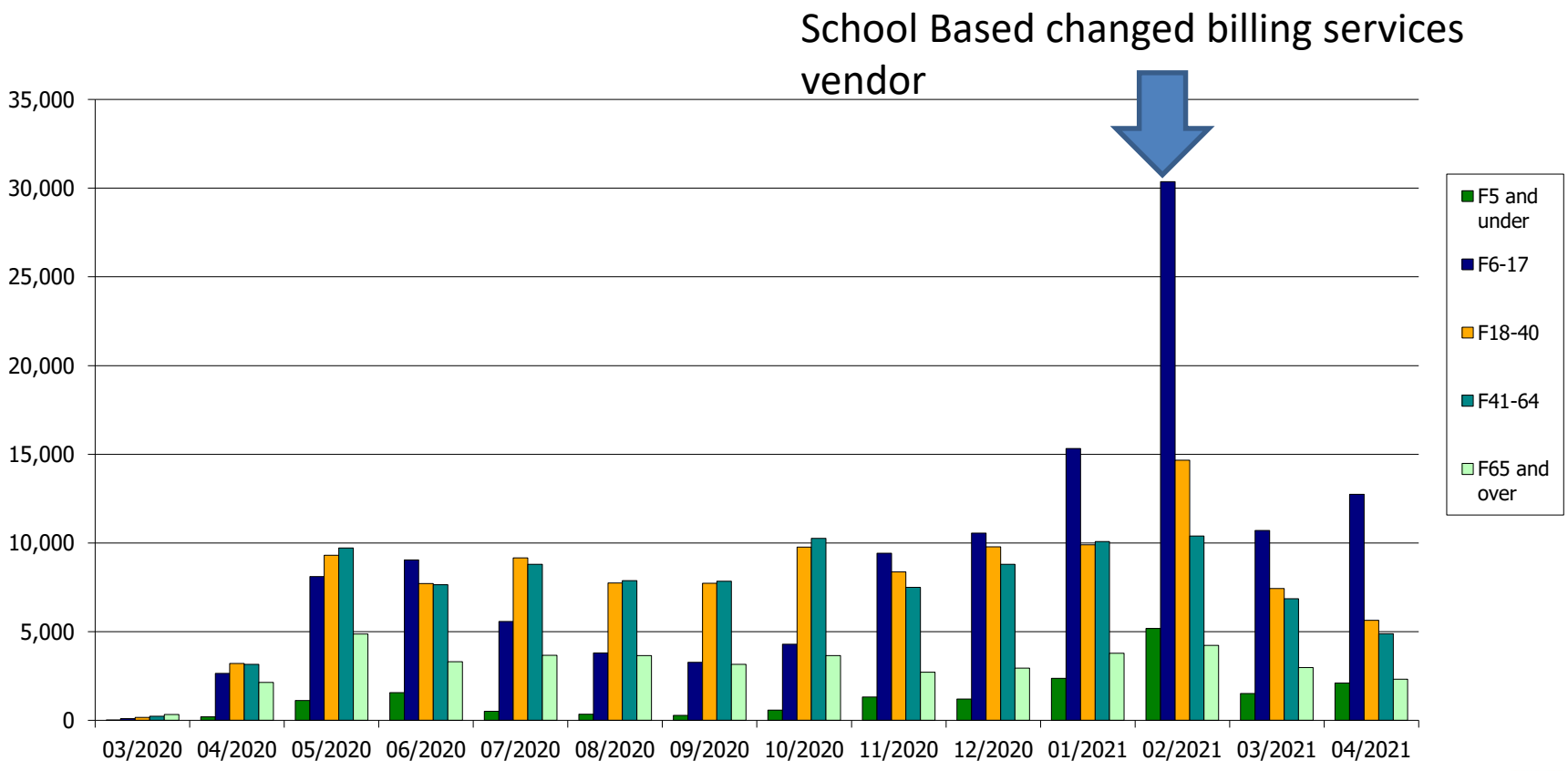
Telehealth Fee-for-Service



FFS COVID CLAIMS (U071 Diagnosis)

FFS Claims					
FDOS Month	Member Count	Claim Count	Paid Amount	Paid Amount per Member	Paid Amount per Claim
03/2020	20	20	$578,099.62	$28,904.98	$28,904.98
04/2020	806	3,300	$3,431,815.07	$4,257.84	$1,039.94
05/2020	1,221	5,735	$4,757,471.14	$3,896.37	$829.55
06/2020	1,405	5,430	$4,090,194.74	$2,911.17	$753.26
07/2020	1,985	6,951	$6,525,944.91	$3,287.63	$938.85
08/2020	2,169	7,694	$7,533,783.42	$3,473.39	$979.18
09/2020	2,498	7,432	$7,334,609.34	$2,936.19	$986.90
10/2020	3,846	11,637	$11,635,791.56	$3,025.43	$999.90
11/2020	6,591	19,130	$20,874,103.78	$3,167.06	$1,091.17
12/2020	8,768	27,545	$27,893,708.74	$3,181.31	$1,012.66
01/2021	5,984	15,025	$20,590,020.88	$3,440.85	$1,370.38
02/2021	4,114	8,213	$14,653,395.20	$3,561.84	$1,784.17
03/2021	2,577	4,479	$11,509,256.51	$4,466.15	$2,569.60

18,839 Distinct Members

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MCO COVID CLAIMS (U071 Diagnosis)

MCO Encounter Claims					
FDOS Month	Member Count	Claim Count	Paid Amount	Paid Amount per Member	Paid Amount per Claim
03/2020	17	21	$340,170.68	$20,010.04	$16,198.60
04/2020	541	1,671	$2,376,502.82	$4,392.80	$1,422.20
05/2020	1,043	2,737	$2,315,028.08	$2,219.59	$845.83
06/2020	930	2,159	$2,491,848.31	$2,679.41	$1,154.17
07/2020	2,397	4,744	$2,517,880.48	$1,050.43	$530.75
08/2020	2,478	5,346	$4,288,903.32	$1,730.79	$802.26
09/2020	2,536	5,175	$3,691,223.08	$1,455.53	$713.28
10/2020	4,264	8,448	$5,306,108.82	$1,244.40	$628.09
11/2020	8,415	16,944	$10,367,417.56	$1,232.02	$611.86
12/2020	10,958	22,704	$11,625,432.13	$1,060.91	$512.04
01/2021	12,359	24,549	$13,173,736.27	$1,065.92	$536.63
02/2021	6,372	12,694	$5,620,987.35	$882.14	$442.81
03/2021	1,929	3,065	$874,548.45	$453.37	$285.33

47,188 Distinct Members

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Reimbursement Rates

- **Hospital DRG Reimbursement:** DMS updated codes to includes the new U071 diagnosis code for COVID-19 and implemented a 20% add-on to the weight of the DRG and diagnosis codes associated with COVID-19
- Nursing Facilities:
  - Per diem add on of $270 per day for COVID positive patients
  - Extended bed hold days to 30 days
  - Extended due dates for cost reports for 6 months
  - Increased reimbursement for bed reserve days for facilities seeing reduced occupancy
  - $29 per diem add on for all beds pending CMS approval
- Appendix K allowed HCBS waiver providers to receive funding for providing services typically not provided – such as home delivered meals

Administrative Regulations

- 907 KAR 3:300: This regulation was prepared to provide clarity to the department's response to a declared emergency:
  - Allows DMS to quickly respond to local, state, and federal public health emergencies
  - Allows DMS to quickly communicate with Medicaid members and providers about responses to a declared emergency
  - Allows DMS to target emergency response to the characteristics of the population and public health emergency

- 907 KAR 1:604 – Recipient Cost Sharing

Regulations Filed Since March 2020

- 907 KAR 1:038 - Hearing program (Ordinary)
- 907 KAR 3:005 - Physician Services (Ordinary)
- 907 KAR 3:010 - Physician/Provider Services Reimbursement (Ordinary)
- 907 KAR 3:060 - Ambulance Provider Assessment (Ordinary)
- 907 KAR 3:250 - PACE (Ordinary)
- 907 KAR 7:020 - Waiting Lists, and SCL Appeals (Ordinary)
- 907 KAR 15:070 - RCSU (Emergency, Ordinary, AAC)
- 907 KAR 15:080 - CDTC (Emergency, Ordinary, AAC)

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Legislative Implementation Update

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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

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SB50 (2020) Single MCO PBM

- Requires the department to establish a single preferred drug list (PDL) for use by each Medicaid managed care organization (MCO)
- Required the Department for Medicaid Services to contract with a single pharmacy benefit manager (PBM) for MCOs by December 31, 2020
- Contract with MCO PBM awarded to MedImpact
- All 6 MCOS will transition to single PBM on July 1, 2021
- Routine meetings being held to discuss pharmacy benefit design, technical requirements, clinical requirements
- Updated reimbursement methodology aligns with fee-for-service

SB50 (continued)

- Formulary alignment across MCOs for managed Medicaid lives
- PA and claims processing via one entity
- Aligned pharmacy network
- One BIN/PCN/Group number for all MCOs
- Pricing transparency
  - DMS determined reimbursement
- Dispensing fee aligned with FFS
  - $10.64
- MCOs will continue to manage the medical benefit
  - Physician administered drugs (PAD), inpatient services, etc.
- MedImpact will manage the outpatient pharmacy benefit on behalf of the MCOs

SB50 (continued)

- Engaging with MCOs
- Several webinars available for providers
- Focus on current prior authorizations to ensure no interruption of services
- 90-day no questions asked extension to allow time to update information
- Uniform PDL will remain in place – if drug is not on PDL it will follow fee-for-service rules
- Over the counter meds – developing a common MCO OTC coverage list and getting feedback from providers
- Member and provider communication prior to change
- Pre-print pending with CMS

SB50 (continued)

- MCOs provide a higher dispensing fee for compounds
- The current decision is to align MCOs with the FFS dispensing fee
  - For compounds, allow up to 3 professional dispensing fees every 13 days
  - Supports chronic use of up to three 14-day beyond use date compounded products
- How will providers receive payments – MedImpact will pay providers directly based on EFT information on-file with Medicaid – if PSAO is on file through PSAO then the payment will go to PSAO
- Evaluation – how do we measure the impact of SB50?
  - Expenses
  - # of enrolled pharmacies
  - Access and provider network (quality measures in pre-print)
  - What else?

HB8 (2020)– Ambulance Provider Assessment Program (APAP)

- On March 31, 2021, the Department for Medicaid Services received CMS approval to implement APAP:
  - APAP was submitted to CMS as a result of HB8 that was passed in the 2020 legislative session and became effective July 15, 2020. **This legislation authorized an enhanced payment program for ground ambulance services**
  - This program will reimburse up to available provider tax funding on Medicaid transports only, for all Kentucky ground ambulance providers Medicaid-licensed as Classes I – III (defined by KRS 142.301)
  - As a result of the new directed payment financing mechanism, Kentucky stakeholders elected to leverage this opportunity to achieve the following goals:
    1. Provide enhanced reimbursement for qualifying ground transports
    2. Promote access to high quality care and reduce unnecessary spending

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HB8 (2020)– Ambulance Provider Assessment Program (APAP)

- CMS approval retroactive to January 1, 2021
- Approved through December 31, 2021
- DMS is currently working with Kentucky Ambulance Providers Association (KAPA), Kentucky Board of Emergency Medical Services (KBEMS), and other stakeholders to finalize a request of approval to extend the program through calendar year 2022
- Total estimated increased reimbursement to providers in CY2021 is $47.4M
- Estimated provider tax due from providers $7.7M
- Payments to providers and tax collected by the Department of Revenue (DOR) will both occur on a monthly basis
- March 25, 2021 – A provider training session was conducted via WebEx

HB8 (2020)– Ambulance Provider Assessment Program (APAP)

- **Provider Tax Funding**:
  - State share of payments funded by the new provider tax
  - Tax will be a flat 5.5% of cash collections for emergency ground transports from all payors (tax is on all payors and enhancements are paid on Medicaid only)
  - Gross revenues are reported only for transports originating in KY, as defined in KRS 142.301 and the draft regulation 907 KAR 3:060
  - All Class I – III ground ambulance providers will be taxed regardless of Medicaid utilization
- **Quality Measures for the program are**:
  - Reducing ambulance response times
  - Increasing the number of certified EMS practitioners

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HB8 (2020)– Ambulance Provider Assessment Program (APAP)

- Implementation Timeline for CY 2021 Payments:
  - June 2021 – First payments to providers are planned
  - August 2021 – First provider tax from providers to DOR are due

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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

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HB276 (2021) –Personal Care Attendants

- Requires the department to accept employment of temporary COVID-19 personal care attendants as meeting necessary training for state registered nurse aides
- Will require waiver as federal requirements outlined in 42 CFR 483.152 include:
  - At least 16 hours of specific training, including communication and infection control
  - Basic nursing skills
  - Personal care skills
  - Mental health and social service needs
  - Care of cognitively impaired residents
  - Basic restorative services
  - Resident's rights

HJR57 (2021) – Establish a Work Group

- Requires the cabinet to establish a work group to assess feasibility of:
  - Implementing a bridge insurance program
  - Reviewing current Temporary Assistance for Needy Families expenditures, and
  - Considering opportunities for public-private partnerships to better meet the needs of public assistance beneficiaries
- First meeting to be held in July 2021
- Report to Governor, Legislative Research Commission, Interim Joint Committee on Health, Welfare, and Family Services, and the Interim Joint Committee on Banking and Insurance by December 31, 2021
- Communication with all listed stakeholders to establish work group members
- Doodle Poll sent to members to schedule first meeting

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HJR57 (2021) – Work Group Members

- Eric Friedlander, Secretary for CHFS
- Nikki Coursey, Deputy Chief of Staff, Education and Workforce Development Cabinet
- John Lyons, Interim Executive Director, Kentucky Workforce Innovation Board
- Tom Stephens, Executive Director of the Kentucky Association of Health Plans
- DJ Wasson, Deputy Commissioner of the Department of Insurance
- Jessica Peay, Department for Community Based Services
- Lisa Lee, Commissioner of the Department for Medicaid Services
- Tod Griffin, Kentucky Retail Federation
- Charles Aull, Senior Policy Analyst for the Kentucky Chamber of Commerce
- Representative Kim Moser, Representative Nima Kulkarni - House of Representative
- Senator Ralph Alvarado, Senator David Givens

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Status Report on Outstanding Medicaid Waiver and State Plan Amendments

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HB352

Currently the Centers for Medicare and Medicaid Services (CMS) only allows state Medicaid agencies to cover the cost of services to incarcerated individuals when hospitalized over 24 hours.

2020 HB 352

Directed the Department for Medicaid Services and Department of Corrections to develop and submit an 1115 demonstration waiver under 42 U.S.C. sec. 1315 to provide Medicaid coverage for substance use disorder treatment to eligible incarcerated members.

- Kentucky's goals in establishing this initiative are:
  - Meeting the needs of Medicaid recipients who continue to struggle with substance use disorder (SUD)
  - Enhancing and expanding existing SUD treatment services in Kentucky
  - Reduce recidivism by ensuring access to services and supports upon release

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Pending Waivers - Kentucky's 1115 SUD Incarceration

TIMEFRAME		
Commissioner level review	9.11.2020	Completed
CMS review for completeness	9.22.2020	Completed
Out for public comment	9.30.20-11.06.20	Completed Submission
Town Hall #1	10.12.20	Completed
Town Hall #2	10.26.20	Completed
• **Review of public comments and submission to CMS**	11.25.20	Completed Submission
• **CMS completion review**	12.08.20	
• **Federal public comment**	12.09.20-01.08.21	Completed, awaiting CMS guidance
• **CMS review**	**PENDING**	

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Pending SPAs and Pre-Prints

- 20-008 – Changes to reimbursement for school-based services
- 21-002 – Mandatory MAT coverage (submitted due to CMS mandating the benefit as mandatory through 2025)
- 21-003 – Case Mix Nursing Facility per diem rates add on of $29
- 21-004 – Program of All Inclusive for Care for the Elderly (PACE)
- KCHIP SPA – Coverage of pregnant women between 185 – 200% of FPL
- Pharmacy pre-print for SFY 2019, 2020, and 2021
- Pharmacy single PBM pre-print
- DME pre-print

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