

MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

Minutes of the 2021 Interim

October 26, 2021

Call to Order and Roll Call

The meeting of the Medicaid Oversight and Advisory Committee was held on Tuesday, October 26, 2021, at 1:00 PM, in Room 171 of the Capitol Annex. Representative Daniel Elliott, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Daniel Elliott, Co-Chair; Senators Ralph Alvarado, Danny Carroll, Jimmy Higdon, and Morgan McGarvey; Representatives Jim Gooch Jr., Melinda Gibbons Prunty, Steve Sheldon, and Lisa Willner.

Guests: Steve Shannon, Executive Director, Kentucky Association of Regional Providers; Sheila Schuster, PhD., Executive Director, Kentucky Mental Health Coalition; Dr. Mary Lloyd, Ed.D, CCC-SLP, Executive Director, Suzanne Vitale Clinical Education Complex, Western Kentucky University; David Wheeler, Director, LifeWorks, Western Kentucky University; John Kelly, Founder, Kelly Autism Program, Western Kentucky University; Adrienne Bush, Executive Director, Homeless and Housing Coalition of Kentucky; Tom Walton, Executive in Residence, University of Louisville, School of Public Health and Information Sciences; Nancy Galvagni, President and Chief Executive Officer, Kentucky Hospital Association; Brian Brezosky, Senior Vice President and General Counsel, Kentucky Hospital Association; and Justin Gilfert, General Counsel, Aperture Health.

LRC Staff: Chris Joffrion, Hillary Abbott, and Amanda DuFour.

Approval of Minutes

A motion to approve the September 30, 2021, minutes was made by Senator Alvarado, seconded by Senator Higdon, and approved by a voice vote.

Severe Mental Illness Waiver

Dr. Sheila Schuster, Executive Director, Kentucky Mental Health Coalition and Steve Shannon, Executive Director, Kentucky Association of Regional Providers, presented background on the home and community-based services waiver program and the need for a waiver for individuals with a severe mental illness (SMI).

Dr. Schuster stated that an SMI waiver would provide needed services to adults with SMI not available through traditional Medicaid including three-person staffed residences,

family home provider, tenant skill development, extensive in-home supports, and supported employment. Dr. Schuster stated that a SMI waiver would enable access to the Federal Medical Assistance Percentage (FMAP), and the 30/70 FMAP match would mean that for every \$30 Kentucky invests in a SMI waiver, the federal government would add \$70, resulting in \$100 to be spent on waiver services. Mr. Shannon detailed existing SMI waivers in other states, Florida and Hawaii's 1115 waiver which targets behavioral health and supported housing, as well as detailed community integration services. Mr. Shannon gave an overview of Colorado, Connecticut, Massachusetts, and Montana which all have a 1915 (c) waiver serving adults with SMI that covers prevocational services, supported housing, respite, and supported employment. Mr. Shannon stated that there would be no financial cost for state fiscal year (SFY) 2023 as it would be a planning year, and for SFY 2024, there would be an initial phase-in of 100 SMI waiver slots with a projected aggregate cost of approximately \$4,468,150.

In response to questions and comments from Senator Meredith, Mr. Shannon stated that because there is not a SMI waiver, this population ends up in a revolving door of other state services where their needs are not met, costing the state additional money. Mr. Shannon stated that he will follow up with an approximate amount of money the state spends dealing with the SMI population in hospitals, jails, and shelters.

In response to questions from Representative Elliott, Mr. Shannon stated that the exact number of persons with SMI in Kentucky jails is not known, but it is a disproportionate number. Dr. Schuster stated that regions with mental health courts, like Lexington, there should be a number of those who are filtered from jail to mental health services. Dr. Schuster stated she will follow up with the committee once she has that number from Lexington.

In response to questions and comments from Representative Prunty, Dr. Schuster stated that the age of 18 and above for the SMI waiver is because severe emotional disturbance (SED), not SMI is diagnosed in persons under 18. Dr. Schuster stated that SED requires different treatment and services than SMI.

In response to questions and comments from Senator Higdon, Mr. Shannon stated that unlike the developmental and intellectually disabled population that is served by other HCBS waivers, individuals in the SMI population may transition off waiver services once stabilized and life skills are learned.

In response to questions and comments from Senator Alvarado, Mr. Shannon stated that he can provide him with a cost of SMI wavier services.

LifeWorks at Western Kentucky University

Dr. Mary Lloyd Moore, Executive Director, Suzanne Vitale Clinical Education Complex, Western Kentucky University, gave an overview of the work being done at the

Suzanne Vitale Educational Complex at Western Kentucky University, which seeks to provide education and support for individuals and families with autism, while providing evidence-based training for students. David Wheeler, Director, LifeWorks, Western Kentucky University, provided an overview of the LifeWorks program which assists college age adults with autism spectrum disorders learn how to live and work independently and transition into community life. Dr. Moore stated that LifeWorks will need additional funding to be sustainable with potential funding sources being participant tuition contributions, Office of Vocational Rehabilitation (OVR) funding, Michelle P Waiver coverage, charitable gifts, and grants. Dr. Moore stated that LifeWorks asks the General Assembly for a line-item appropriation of \$2,800,000 over three budget periods which will provide for 84 transition participants and 100 bridge participants.

In response to questions and comments from Representative Elliott, Mr. Kelly responded that interest from out-of-state is expected but the priority would be to serve Kentuckians with future state funding. Mr. Kelly stated that the LifeWorks program is replicable and can be replicated across the state.

In response to questions and comments from Representative Prunty, Dr. Moore stated that while early childhood interventions are critical in treating autism, maturation provides new challenges that participants need help with as they age and enter into university and work life. Dr. Moore stated that the reason for the two year duration of the program is that two years gives the student's time to learn skills and transition into independence. Dr. Moore stated that the instances of autism are increasing and while the exact reason are not confirmed, environment must be considered as a possible influence on the development of the disorder.

In response to question and comments from Senator Carroll, Dr. Moore stated that if LifeWorks were to receive state funding, students who are unable to pay would have access to that funding and families that are able to pay would be expected to do so.

Senator Alvarado stated that the link between vaccines and autism has been conclusively disproven, that vaccines do not cause autism, and that vaccines are safe.

Medical Respite Care for Individuals Experiencing Homelessness

Adrienne Bush, Executive Director, Homeless and Housing Coalition of Kentucky, presented an overview of medical respite. Which is acute and post-acute care for persons experiencing homelessness, who are too ill or frail to recover from a physical illness or injury on the streets, yet not ill enough to remain in the hospital. Ms. Bush stated that medical respite also provides outreach opportunities for persons experiencing homelessness and a pathway to housing.

Tom Walton, Executive in Residence, University of Louisville, School of Public Health and Information Sciences, stated that the daily cost of hospital inpatient care is

\$2,607 compared to the daily medical respite cost of \$125-\$127 per day. Ms. Bush stated that the Homeless and Housing Coalition of Kentucky would like medical respite and other flexible housing supports to be included in an 1115 or 1915 Medicaid waiver and recommended using ARPA funds to develop whole person care based pilot programs.

In response to questions and comments from Representative Elliott, Ms. Bush stated there are different methodologies used to determine the percentage of people experiencing homelessness who have a severe mental illness, but a definitive number would be speculation. Ms. Bush added that it would be safe to say that a large percentage of persons experiencing chronic homelessness have a severe mental illness.

In response to questions and comments from Senator Meredith, Ms. Bush stated that there have been learning calls organized with the Homeless and Housing Coalition and Kentucky's managed care organizations (MCOs), with all six MCOs expressing interest in medical respite programs.

In response to questions and comments from Senator Alvarado, Mr. Walton stated that twenty percent of homeless hospital admissions have private insurance, most likely due to the individual being under the age of 25 and on their parent's insurance. Mr. Walton stated that the majority of homeless hospital admissions in Louisville and Northern Kentucky are individuals 65 and older on Medicare advantage plans. Mr. Walton stated that hospital billing data shows the cost-benefit for medical respite by limiting hospital readmissions. Mr. Walton added the average medical respite stay is seven to thirty days, excluding those requiring intravenous antibiotics or chemotherapy.

Update on Establishment of a Provider Credentialing Alliance (20RS HB 438)

Nancy Galvagni, President and Chief Executive Officer, and Brian Brezosky, Senior Vice President and General Counsel, Kentucky Hospital Association, presented an overview of the provider credentialing alliance that was required in 20RS House Bill 438. Ms. Galvagni stated that a provider does not get reimbursed by a MCO unless they have been credentialed by that MCO and that the Kentucky Hospital Association (KHA) has partnered with a Kentucky-based firm, Aperture, to be their credentialing organization to streamline the credentialing process as allowed under 20RS HB 438. Ms. Galvagni stated that Molina, Aetna, and Wellcare have all agreed to join the credentialing alliance. Justin Gilfert, General Counsel, Aperture Health, stated that Aperture has been involved in credentialing for 20 years and is looking forward to helping alleviate problems facing providers in the Commonwealth, through their partnership with KHA and the provider credentialing alliance.

In response to questions and comments from Senator Meredith, Ms. Galvagni stated that the alliance has hosted multiple meetings and at this time only three of the six MCOs in the Commonwealth have agreed to participate, Aetna, Molina, and Wellcare. Ms. Galvagni stated that hospitals and their workforce have not recovered from the effects of

the pandemic and that hospitals have told KHA that in addition to staffing shortages, patients are sicker than ever. Ms. Galvagni stated that underperforming and struggling hospitals do not want to be publicly named and tied to their financial distress.

In response to questions and comments from Senator Higdon, Ms. Galvagni stated that regardless of who their healthcare insurance provider is, patients are impacted by the pandemic, often putting off treatment or seeking medical attention which is causing them to seek treatment at hospitals for issues that could have been caught earlier if there was not fear of COVID-19.

Adjournment

There being no further business, the meeting was adjourned at 3:30 p.m.