



**KENTUCKY CABINET FOR
HEALTH AND FAMILY SERVICES**

**Medicaid Oversight and Advisory Committee
Legislation Update**

June 22, 2022

**Lisa D. Lee, Commissioner
Veronica Judy-Cecil, Sr. Deputy Commissioner**

SB50 (20RS)

- Single Managed Care Organization (MCO) Pharmacy Benefit Manager (PBM)
 - ✓ MedImpact contracted by December 30, 2020
 - ✓ Implemented on July 1, 2021
 - ✓ Aligned over-the-counter and outpatient prescription drug coverage, dispense fee and drug reimbursement for managed care and fee-for-service
 - ✓ Report on 6-month program review anticipated by June 30
 - ✓ Currently evaluating changes to dispense fee policy
- Single Preferred Drug List
 - ✓ Implemented on January 1, 2021
 - ✓ Aligned managed care and fee-for-service policy
 - ✓ Brand to generic changes reviewed and recommended by Pharmacy and Therapeutics Advisory Committee quarterly
 - ✓ Increase in rebates

HB188 (22RS)

- DMS amended telehealth regulations to comply with provisions outlined in HB188
- Amended regulations were passed at the 06/02/2022 Interim Joint Committee on Health, Welfare, and Family Services

HB140 (21RS)

- DMS amended telehealth regulations to comply with provisions outlined in HB140
- Amended regulations were passed at the 06/02/2022 Interim Joint Committee on Health, Welfare, and Family Services
- Study the impact of telehealth on the health care delivery system in Kentucky and submit annual report to Legislative Research Commission to include analysis of:
 - ✓ **The economic impact of telehealth on the Medicaid budget, including any costs or savings as a result of decreased transportation expenditures and office or emergency room visits;**
 - ✓ **The quality of care as a result of telehealth services;**
 - ✓ **Reimbursement and delivery of telehealth among all managed care organizations with whom the department contracts for the delivery of Medicaid services; and**
 - ✓ **Any other issues deemed relevant by the cabinet, including any issues or information deemed relevant by the Division of Telehealth Services.**

HB140 (21RS)

- Key takeaways from 2021 report:
 - ✓ The initial increase in telehealth use has moderated to a more stable pattern as the public health emergency continued.
 - ✓ Mental health services had both the largest initial increase in services as well as the most persistent continual use.
 - ✓ Mental health unit costs have increased continuously and at a greater rate than any other services.
 - ✓ Increased use of hospital provider telehealth services, which have a higher unit cost, is contributing to overall unit cost increases.
 - ✓ Unit costs for all telehealth services are increasing faster than the unit costs for most other medical services.

HB438 (21RS)

- HB69 (18RS) directed DMS to procure a single credentialing verification organization (CVO) to verify credentials of providers on behalf of all MCOs. Became effective 1/1/19. Slightly modified by SB 110 (19RS).
 - ✓ RFP issued 09/2019
 - ✓ Contract awarded 07/2020
 - ✓ Protest filed – received Finance Cabinet approval to begin work
 - ✓ Anticipated go-live set for July 1, 2021
- HB438 (21RS) removed procurement language and directed DMS to formally recognize a credentialing alliance formed in the private sector
 - ✓ If 60% of MCOs have contract with a credentialing alliance, DMS shall discontinue any contract for CVO and each Medicaid MCO shall bear its own cost for provider credentialing
 - ✓ DMS confirmed 3 of 5 MCOs had contracts with statewide provider associations performing credentialing services
 - ✓ CVO contract terminated effective 7/30/21

HB438 (21RS)

- Kentucky Hospital Association providing credentialing for 3 of the 6 MCOs
- Kentucky Primary Care Association providing credentialing for 5 of the 6 MCOs
- Complaints about credentialing and contract loading are minimal and infrequent
- DMS monitors compliance with timelines for credentialing and contracting