

# **MEDICAID OVERSIGHT AND ADVISORY COMMITTEE**

## **Minutes**

**July 7, 2022**

### **Call to Order and Roll Call**

The Medicaid Oversight and Advisory Committee meeting was held on Thursday, July 7, 2022, at 9:00 AM, in Room 131 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 Steve Sheldon, and Lisa Willner.

Guests: Dr. Jonathan Rich, DMD, President, Kentucky Dental Association; Ronnie Coleman, Vice President, Government and External Affairs, Benevis; Lisa Lee, Commissioner, Leslie Hoffmann, Deputy Commissioner, and Alisha Clark, Assistant Director, Division of Community Alternatives, Department for Medicaid Services, Cabinet for Health and Family Services; Jeb Duke, Region President, Kentucky Medicaid; Kristan Mowder, Director, Population Health Strategy; and Liz Stearman, Director, Behavioral Health, Humana.

LRC Staff: Chris Joffrion, Becky Lancaster, and Eric Rodenberg.

### **Approval of Minutes**

A motion to approve the June 22, 2022, minutes was made by Senator Meredith, seconded by Senator Alvarado, and approved by a voice vote.

### **Medicaid Reimbursement for Dental Services**

Dr. Jonathan Rich, DMD, President, Kentucky Dental Association (KDA), discussed how Kentucky Medicaid dental providers are facing challenges with staffing shortages, rising labor and supply costs, and low Medicaid reimbursement rates. He discussed how untreated oral health conditions negatively affect a person's overall health. He discussed how regular oral health care can prevent other physical conditions and reduce healthcare costs.

In response to questions and comments from Representative Elliott, Dr. Rich stated that he is no longer taking Medicaid patients because it is not feasible for his office. He stated there are many providers that are enrolled in the Kentucky Medicaid program, but believes the number of providers that are actively seeing new Medicaid patients is lower.

In response to questions and comments from Senator Meredith, Dr. Rich stated that his office had up to 10 percent Medicaid patients in previous years. He stated there is a shortage of dental hygienists with a 15 percent reduction in returning professionals after the COVID-19 pandemic. He stated that new providers may not move to a rural area due to student loan debt, unknown reimbursement payments, and fewer safety nets typically offered by urban area offices.

Ronnie Coleman, Vice President, Government and External Affairs, Benevis, testified that 25 to 30 percent of dental providers participate in Medicaid nationally, however there is a lower percentage of providers that actively see Medicaid patients. He discussed Benevis Dental Practice Management Services and its affiliated dental offices serving Kentucky Medicaid patients, the challenges to recruit and retain dentists, staffing shortages, and the rising labor and supply costs. He compared Medicaid reimbursement rates in Kentucky versus the in-network rates of four large commercial dental plans and Medicaid reimbursement rates paid in Virginia and Massachusetts. He discussed various dental reimbursement rate increases in nine other states and five recommendations for the legislature to take action to increase dental reimbursements to Kentucky providers.

In response to questions and comments from Senator Alvarado, Mr. Coleman stated that there is a low risk of the Lexington Ruby Dental office closing, but there are still shortages of health care staff.

In response to questions and comments from Senator Carroll, Mr. Coleman stated that the managed care organizations (MCOs) have a negotiated rates with dentists. He stated that MassHealth was able to increase rates by 7.3 percent without legislative participation.

In response to questions and comments from Senator Meredith, Senator Alvarado stated that the proposed 2022 Regular Session Senate Bill 87 appropriation factored the cost of dental reimbursements and the cost of requiring reimbursement rates to be at least equal to the state's fee-for-service rates.

### **Update on 1915(c) and 1115 Waiver Applications**

Alisha Clark, Assistant Director, Division of Community Alternatives, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS), gave an overview of the six 1915(c) Home and Community Based Services (HCBS) waivers, an update on the waivers' renewal progress, a timeline of the 1915(c) HCBS rate study, the rate study survey response, and an update on the American Rescue Plan Act of 2021 (ARPA) funds and provider increase.

Leslie Hoffmann, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, discussed the Kentucky 1115 waiver authority,

the pending Substance Use Disorder (SUD) 1115 incarceration amendment timeline for approval. She gave an update on the Serious Mental Illness (SMI) and Serious Emotional Disability (SED) waiver development steps completed and projected next steps.

In response to questions and comments from Senator Carroll, Ms. Clark stated that the rate study will continue and be completed. She stated that federal Appendix K funds allow CHFS to distribute rates to the providers faster, but when the waivers are renewed the rates will be set and sent to the Centers for Medicare & Medicaid Services (CMS) for approval. She stated that the increase to the rates would not be less than 10 percent, the federal Appendix K funds are temporary, and the projection on the rates are 60 percent or more over the current rates. She stated the rate study should be completed winter of 2022 with submission of information in early 2023.

In response to questions and comments from Representative Willner, Ms. Hoffman stated that the waiver requests will try to address all the needs of each different population. She stated that CHFS is reviewing housing supports in a collaboration with Kentucky Health Cooperation and a third party administrator. She stated CHFS is looking for other options in the 1915(c) waiver related to housing supports and options for a member needing a multiple staff residence versus minimal staffing needs. She stated that other than funding, more providers are needed to care for members.

In response to questions and comments from Senator Higdon, Ms. Clark gave an example of the disparity in reimbursements between the waivers for the same services. She stated that CHFS will provide the proposed rates to the committee members.

In response to questions and comments from Senator Alvarado, Ms. Clark stated that there are waitlists for the Michelle P. and the Supports for Community Living (SCL) waivers. She stated CHFS is looking at ways to revise regulations related to waiver applications. She stated that CHFS would need more funding from the legislature to serve the people on the waitlists and as people fall off the waiver, CHFS will reallocate the slot to the next person on the waitlist.

In response to questions and comments from Representative Elliott, Ms. Clark stated that the rate increases to the waivers will be permanent and that CHFS is looking at additional increases.

In response to questions from Senator Carroll, Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, stated that the budgets are a biennium budget, funding is based on current and projected expenditures, and there is not enough money to cover all members on the waiver waiting lists. She stated almost half of individuals on the Michelle P. waiver waiting list are children, the eligibility is based on income, and if a child is not on Medicaid, then their family makes too much money. She stated that commercial carriers need to be held more accountable to cover more services

because many children on waiver programs primarily use therapy services. She stated that reviewing rates and the assessments of the children for the waiver programs is very important, and the waiver redesign was halted because of concerns from stake holders and the rate study will be a large component of the redesign. She stated that the Appendix K funds are separate from the rate increases and allowed during the public health emergency.

### **Medicaid Managed Care Organizations' Efforts to Improve Health Outcomes, Network Adequacy, and Access to Care – Part 2**

Jeb Duke, Region President, Kentucky Medicaid, Humana, discussed Humana's focus on network adequacy and the tools used for monitoring and expanding network access for providers and members. He discussed supporting rural health providers, communities, and Humana investments to ensure healthcare equity across Kentucky. Kristan Mowder, Director, Population Health Strategy, Humana, discussed four areas that Humana used to identify needs for the Kentucky Medicaid population, the initiatives implemented to improve health outcomes, and the assessment of the those outcomes. Liz Stearman, Director, Behavioral Health, Humana, discussed how Humana is measuring the effectiveness of SUD Treatment and outcomes demonstrating the success of SUD treatment.

In response to questions and comments from Senator Meredith, Mr. Duke stated that Humana has not turned a profit from Medicaid in the past three years, the urban and rural medical loss ratios (MLRs) have been above 90 percent, but Humana is committed to partnering with providers. He stated that in the rural market, MLR is following trends with the entry of new health plans and as the new market begins to settle, the regions will begin to equalize. He stated that the high rural MLR is mostly due to utilization patterns.

In response to questions and comments from Representative Willner, Mr. Duke stated that there is a struggle to convert commercial providers to become Medicaid dental providers. He stated that there are some dental codes that do pay above the fee schedule. Ms. Stearman stated that Humana is contracted with all psychiatric residential facilities, hospitals, and community health centers but there are parts of the state where access is limited.

In response to questions and comments from Senator Carroll, Ms. Stearman stated that if a SUD treatment provider is enrolled with Kentucky Medicaid, then Humana will cover all levels of SUD treatment. Commissioner Lee stated that a being a faith-based provider is not a disqualifier for a provider in Medicaid and that they must meet the Medicaid criteria for enrollment. Mr. Duke stated that Humana negotiates rates according to the market but the standard for most services is the fee schedule.

In response to questions and comments from Senator Higdon, Ms. Stearman stated that CHFS does have a special investigations unit to look into concerns if a provider's address is in-state, but the building and services are listed as being out-of-state. Mr. Duke

stated that DMS determines eligibility for members, and that if Humana has a concern that an out-of-state resident is participating in Kentucky Medicaid, it is reported and investigated but it not a trending issue. Ms. Mowder stated that most members have smart phones to access Humana’s digital application and other internet services. Mr. Duke stated that the members using Humana’s digital application may be dependent on the clinical program, some programs are focused around members that may be more digital savvy. Mr. Duke stated that in regards to administered COVID-19 vaccinations, Kentucky has performed well among neighboring states, but has under-performed nationally. He stated that CHFS has offered various rewards programs, created communications, and worked in partnerships with providers to encourage members to get vaccinated.

In response to questions and comments from Representative Willner, Mr. Duke stated that he can follow up with information regarding implementation of 2021 Regular Session House Bill 48.

### **Medicaid Presumptive Eligibility**

Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, discussed the definition of Kentucky Medicaid Presumptive Eligibility (PE), the total of members enrolled by PE, the number of individuals that qualified for PE during the pandemic, and the number of individuals that qualified for traditional PE. She discussed some of Medicaid’s requirements during a public health emergency and the maintenance of eligibility requirements of enrollment. She gave an overview of the mandates from the 2022 Regular Session House Bill 7 related to PE.

### **Adjournment**

There being no further business, the meeting was adjourned at 11:15 AM.