

2020 REGULAR SESSION

HOUSE STANDING COMMITTEE ON APPROPRIATIONS & REVENUE

BUDGET REVIEW SUBCOMMITTEE ON HEALTH & FAMILY SERVICES

3rd Meeting

February 12, 2020

The Budget Review Subcommittee on Health & Family Services of the House Standing Committee on Appropriations & Revenue held its 2nd meeting of the 2020 Regular Session on February 12, 2020, at 10:00 AM, in Room 129 of the Capitol Annex. The Chair called the meeting to order, and the secretary called the roll.

Members Present: Representative Danny Bentley, Chair; Representative Melinda Gibbons Prunty, Vice Chair; Representatives Adam Bowling, Deanna Frazier, Kimberly Poore Moser, Cherlynn Stevenson, Susan Westrom, and Lisa Willner.

Guests: Lisa Lee, Commissioner, Department for Medicaid Services; Steve Bechtel, Chief Financial Officer, Department for Medicaid Services; Shannon Gadd, Commissioner, Department for Aging and Independent Living; Amy Metzger, Assistant Director, Department for Aging and Independent Living; Juan Moran, MBA, Division Director, Administrative and Financial Services, Office for Children with Special Health Care Needs; Karen Mercer, RN, BSN, Division Director, Clinical and Augmentative Services, Office for Children with Special Health Care Needs; Eric Lowery, Executive Director, Office of Finance and Budget, Cabinet for Health and Family Services.

LRC Staff: Miriam Fordham, Kevin Newton, Ben Thompson, Dillard Collier, and Jim Thornton.

**Department for Medicaid Services**

Commissioner Lisa Lee and Chief Financial Officer Steve Bechtel of the Department for Medicaid Services (DMS) provided an overview of the proposed budget for the fiscal biennium 2020-2022. Commissioner Lee discussed the Department's aim to expand access, especially in children's services, because Kentucky is losing children in the Kentucky Children's Health Insurance Program (KCHIP). Commissioner Lee also stated that a report will be coming out in June 2020, which will use Fiscal Year (FY) 2019 expenditures to establish a baseline that can be used to improve or change policies with the intent of improving state health.

In response to a question from Chairman Bentley, Commissioner Lee answered that no additional funding for the acquired brain injury waiver program is projected because the current funding is sufficient.

In response to a question from Representative Bowling, Commissioner Lee said the \$1 million proposed appropriation for KCHIP will be used for outreach activities.

In response to questions from Representative Prunty, Mr. Bechtel answered that the baseline is the FY 2020 enacted allocations. He also stated that both expenditures over a three to five year period and consensus forecasting are used to trend out projections. Commissioner Lee stated that she was not aware of any abuse of waiver services and that a level of care standard has to be met.

In response to a question from Representative Frazier, Commissioner Lee stated that the 1915c waiver redesign will reduce the administrative burden for providers. She also stated that DMS will seek to avoid unintended consequences from the redesign.

In response to a question from Representative Westrom, Commissioner Lee stated that though she did not have the information on the overall Kentucky birthrate, the Department for Medicaid Services pays for about 50 percent of all births in Kentucky.

In response to questions from Representative Moser, Mr. Bechtel said the \$450 million increase in the fiscal biennium 2020-2022 proposed budget is not due to the Kentucky Medicaid expansion but is due to inflationary adjustments and the decreases in the federal matching funds. Commissioner Lee said that any program coverage for additional children would not have a large impact.

### **Department for Aging and Independent Living**

After an overview of the responsibilities of the Department for Aging and Independent Living (DAIL), Commissioner Shannon Gadd discussed the impact of the proposed budget for fiscal biennium 2020-2022. She referenced the approaching demographic shift where adults over age 65 will outnumber children 18 years of age and younger. Commissioner Gadd discussed food insecurity for adults over age 60 and the impact on DAIL. She noted that Kentucky has low rankings in the 2019 senior healthcare report. Commissioner Gadd also noted that the caseload for social workers is higher in Kentucky than other states.

In response to a question from Representative Willner, Commissioner Gadd said the approach to raising more funds to combat food insecurity was multi-layered. She stated that she was appreciative of the absence of cuts in the proposed budget and that the department is seeking grants to support state efforts.

In response to a question from Representative Frazier, Commissioner Gadd said that under the National Family Care Giving program, there is a cap on the funding which can be given to caregivers for direct services. There is now discussion on eliminating the cap, which would help disabled adults age in place.

In response to questions from Representative Prunty, Commissioner Gadd said the Hart-Supported Living program helps the disabled get funding for home modifications which allow them to remain at home. She also said she would provide data on the savings of home versus institutional treatment.

In response to a question from Representative Westrom, Commissioner Gadd said DAIL works with all state area development districts to provide services.

In response to questions from Chairman Bentley, Commissioner Gadd said the hiring of new social workers proposed in the Governor's budget would not include social workers for DAIL. She also said DAIL does not contract with Meals on Wheels but does contract with other similar agencies.

### **Office for Children with Special Health Care Needs**

Juan Moran, Division Director Administrative and Financial services, and Karen Mercer, Division Director for Clinical and Augmentative Services, Office for Children with Special Healthcare Needs (OCSHCN) gave an overview of the office's responsibilities and the impact of the Governor's proposed budget for fiscal biennium 2020-2022. The presentation highlighted the efforts with early hearing detection and intervention efforts, as well as the Autism Spectrum Disorder Program.

In response to a question from Representative Prunty, Ms. Mercer said that if there is a delay in getting a patient into one of the OCSHCN facilities, there are referral agreements with other agencies which can be used.

In response to a question from Representative Willner, Mr. Eric Lowery said the \$2 million general fund reduction in FY 2021 is offset by restricted fund increase. He also said he believes the budget proposal is sufficient.

In response to questions from Representative Westrom, Ms. Mercer said autism diagnoses are increasing. Ms. Moran stated that reimbursement rates are sufficient in the state at this time.

There being no further business to come before the subcommittee, the meeting was adjourned at 11:25 a.m.