



CABINET FOR HEALTH  
AND FAMILY SERVICES

**Budget Subcommittee**

**Lisa Lee, DMS Commissioner**

**Steve Bechtel, DMS Chief Financial Officer**

**February 19, 2025**

# Medicaid

- Largest program that provides medical and health-related services to low-income individuals
- Governed by Title XIX of the Social Security Act
- Partnership between federal government and states
- Federal government sets broad guidelines:
  - Populations
  - Benefits, mandatory and optional
  - Guarantees minimum of 50% match for qualified services
- State responsible for administering program and have flexibility regarding:
  - Eligibility for enrollment
  - Which services are covered
  - How payments to providers are established
  - How to deliver care
  - How much to reimburse providers

# Federal Medical Assistance Percentage (FMAP)

- Traditional Medicaid
  - Benefits: 71.48%
  - Administration – 50%
  - Personnel – 50%
  - Nurses – 75%
  - Information Technology
    - 90% for Design and development
    - 75% for Maintenance and Operations
- Benefits for Expansion Population – 90%
- KCHIP – 80.04%

# Kentucky Medicaid at a Glance

Approximately 1.4 million members

Over 600,000 children – more than half of the children in Kentucky (includes KCHIP)

485,000 expansion members

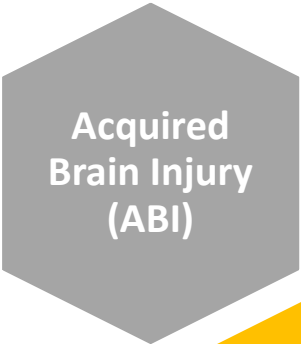
Over 69,000 enrolled providers

\$18.5 billion in total SFY 2024 expenditures (Administrative and Benefits combined)

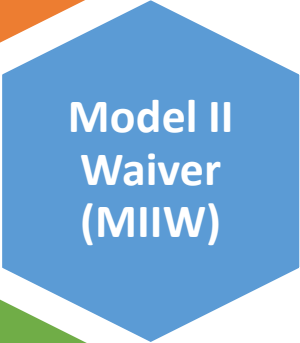


# Kentucky's 1915(c) HCBS Waivers

**ABI & ABI LTC:** For individuals age 18 or older with an acquired brain injury



**HCB:** For individuals age 65 and older or individuals of any age with a physical disability



**MIIW:** For individuals dependent on a ventilator 12 or more hours a day or on an active, physician monitored weaning program



**MPW & SCL:** For individuals with intellectual or developmental disabilities

# Who Is Eligible for 1915(c) Waiver Services?

Individuals must meet either nursing facility or intermediate care facility level of care.

## **Nursing Facility (NF)**

- Requires high-intensity nursing care or rehabilitation services
- Complex medical needs that can only be performed or supervised by a professional
- Unstable medical condition with at least two care needs in specific areas
- Stable medical condition with at least two care needs in specific areas

## **Intermediate Care Facility (ICF)**

- Intellectual disability or related condition diagnosed prior to age 18 or 22 (depending on condition)
- Has deficits in at least one activity of daily living
- Requires a planned treatment program or protected environment to live safely in the community

NF and ICF level of care is defined in [907 KAR 1:022](#)

# Who Is Eligible for Waiver Services?

## Financial Eligibility

Individuals must meet the financial qualifications for Medicaid; however, special financial considerations are made when applying for 1915(c) HCBS waivers.



# 1915(c) Waiver Services Offered in Kentucky

Services vary by waiver and may include, but are not limited to:

- Goods and Services
- Environmental and Minor Home Modifications
- Respite
- Personal Care and Homemaking
- Adult Day Health or Adult Day Training
- Counseling and Behavior Services
- Residential Services
- Supported Employment
- Skilled Services (MIIW only)
- A full listing of services is available at <https://bit.ly/kyHCBSbywaiver>.

Waiver participants also have access to services offered by Kentucky's Medicaid state plan.

# Operating Agencies

**Acquired Brain Injury  
Acquired Brain Injury Long Term Care  
Model II**

Department for Medicaid Services  
Division of Long Term Services and Supports

**Home and Community Based  
Participant Directed Services  
(all waivers)**

Department for Aging and Independent Living

**Michelle P  
Supports for Community Living**

Department for Behavioral Health, Developmental  
and Intellectual Disabilities

**Medicaid Waiver Management  
Application Technical Support**

(844) 784-5614, option 1  
[Medicaidpartnerportal.info@Ky.gov](mailto:Medicaidpartnerportal.info@Ky.gov)

# Participant Directed Services (PDS)

- Participant Directed Services (PDS) allows individuals receiving 1915(c) HCBS Medicaid waiver services to hire their own providers for non-medical, non-residential waiver services. These providers can be friends, neighbors, or certain family members. This option gives waiver participants more choice, flexibility and control over their supports and services. PDS used to be known as the Consumer-Directed Option (CDO).
- **Eligibility**
  - Individuals receiving services through the [Acquired Brain Injury and Acquired Brain Injury Long-Term Care](#), [Home and Community Based](#), [Michelle P.](#) or [Supports for Community Living](#) waivers may participate in the PDS program.

# Waiver Enrollment and Waitlist Numbers

Current HCBS 1915 (C) Waiver Enrollment and WL Data as of 02/03/2025 (SFY25)

Waiver	Funded Slots	Filled Slots	Reserved	Available	Total on WL
ABI Acute	383	278	20	85	0
ABI LTC*	463	437	12	14	0
HCBS*	17,300	16,532	688	80	2846
Model II	100	14	16	70	0
MP	10,850	10,181	590	79	9480
SCL	5166	4951	81	134	3530
<b>Total Number on Waitlist Across All Waivers Unduplicated</b>					<b>13933</b>

# 1915(c) HCBS Waivers: State Fiscal Year (SFY) 2025 / 2026 Slot Allocation

*The 2024-2026 biennial budget authorized additional slots during SFY 2025 and 2026. 2025 slots have been allocated. Allocation of 2026 slots will begin 07/01/2025*

Waiver Program	New Slots in SFY 2025	New Slots in SFY 2026	Waiver Slots SFY 2026
1. Acquired Brain Injury (ABI)	0	0	383
2. Acquired Brain Injury Long Term Care (ABI-LTC)	+25 slots	+25 slots	488
3. Home and Community Based Waiver (HCB)	+250 slots	+500 slots	17,800
4. Michelle P. Waiver (MPW)	+250 slots	+500 slots	11,350
5. Model II Waiver (MIIW)	0	0	100
6. Supports for Community Living (SCL)	+125	+250 slots	5,416
<b>Total</b>	<b>+650 slots</b>	<b>+1,275 slots</b>	<b>35,537</b>

# Reimbursement

- Social Security Act 1902(a)(30)(A) requires states to “provide such methods and procedures relating to the utilization of, and the payment for, care and services available under the plan”
- Kentucky had no defined rate methodology for 1915(c) waiver reimbursement
- Department contracted with Guidehouse to conduct rate study for all 1915(c) waivers
- Cost and wage survey used to gather data from providers
- Did not include services reimbursed at cost, physical therapy, occupational therapy, or speech therapy
- Occupational, physical, and speech requires a separate review
- Rates based on assumptions and industry data when provider data was unavailable or insufficient

# Objectives of Rate Study

- Develop rates that:
  - Reflect individual participant needs
  - Consider reasonable and necessary costs of providers
  - Provide fiscal stability for providers, participants, and the Commonwealth
  - Create rate parity across waivers for like services
  - Balance efficiency and economy with appropriate access to quality care
- Increase transparency for providers and participants

# Rate Study Activities

- **Provider cost and wage surveys:** gathered data from providers for rate review and rebasing efforts
- **Partner engagement:** facilitating meetings with providers, legislators, and state staff to obtain feedback through the rate development process
- **Rate modeling and benchmark rate development:** Developing rate models through research and cost analysis on the current model and alternative models for in-home services and developing new proposed benchmark rates applicable to each HCBS waiver

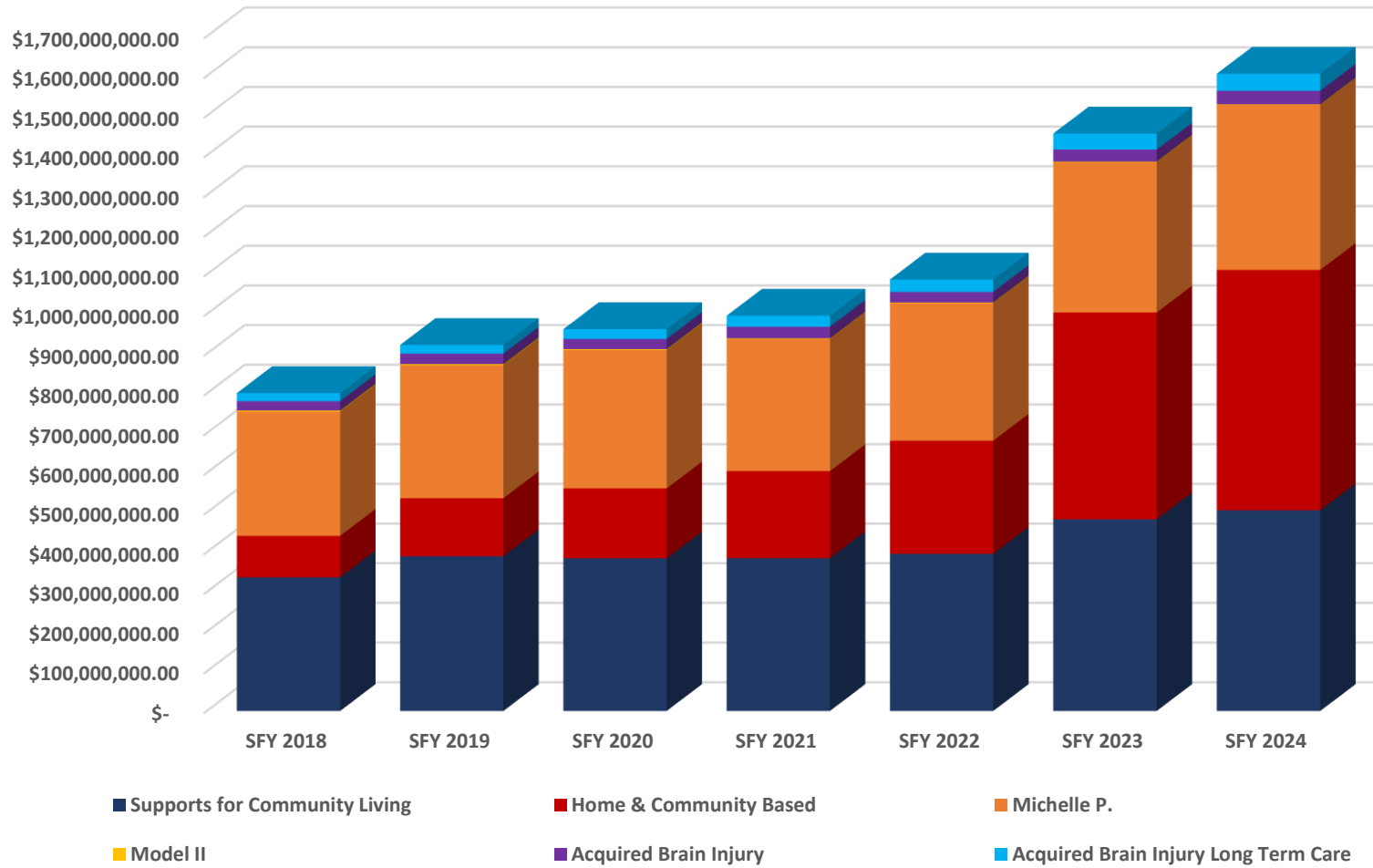


# Rate Modifications Prior to Implementing Rate Study

- Appendix K Rate Increases: During the COVID Public Health Emergency (PHE), the Department implemented a 50% rate increase for providers offering specific services if the provider signed an attestation to pass through 85% of the rate to direct care workers
- 2022-2024 Biennial Budget:
  - Increased rates for all services withing the ABI, ABI-LCT, HCB, SCL, and MPW by 10% for fiscal year 2022-2023 and another 10% in fiscal year 2023-2024
  - Maintained the 50% rate increase authorized by Appendix K for SCL Residential Level 1 and BI Residential services in both fiscal years

# Kentucky Waiver Programs

Cost of Waiver Programs Over Time



# Rate Study Impact

- Beshear Administration budget bill approved an increase to bring all rates to 70% of the rates developed in the rate study
- Total increase to reimbursement is approximately 82% in aggregate due to some rates exceeding 100% of the recommended rates developed as a result of the rate study
- Many providers received a rate increase
- No provider received a rate decrease

# Rate Comparison

Service - Waiver	Benchmark Rate Based on Rate Study	70% of Benchmark Rate as Funded in 2024-2026 Biennial Budget	Rate as of December 31, 2024	Rates Effective January 1, 2025
<b>Home-Based Services</b>				
Attendant Care - HCB	\$9.08	\$6.36	\$7.26	\$7.26
Attendant Care - MPW	\$9.08	\$6.36	\$3.51	\$6.36
Community Access, Individual - SCL	\$9.08	\$6.36	\$10.65	\$10.65
Community Access, Group - SCL	\$4.54	\$3.18	\$5.32	\$5.32
Community Guide - SCL	\$9.08	\$6.36	\$10.65	\$10.65
Community Living Supports - ABI LTC	\$9.08	\$6.36	\$6.73	\$6.73
Community Living Supports - MPW	\$9.08	\$6.36	\$6.70	\$6.70
Companion - ABI-Acute	\$9.08	\$6.36	\$6.73	\$6.73
Homemaker - MPW	\$9.08	\$6.36	\$7.87	\$7.87
Personal Assistance - SCL	\$9.08	\$6.36	\$7.37	\$7.37
Personal Care - ABI-Acute	\$9.08	\$6.36	\$6.73	\$6.73
Personal Care - MPW	\$9.08	\$6.36	\$9.08	\$9.08
Non-Specialized Respite - HCB	\$8.45	\$5.92	\$3.33	\$5.92
Specialized Respite, Level I - HCB	\$8.45	\$5.92	\$4.84	\$5.92
Specialized Respite, Level II - HCB	\$8.54	\$5.98	\$12.10	\$12.10
Respite - ABI-Acute	\$8.45	\$5.92	\$4.84	\$5.92
Respite - ABI LTC	\$8.45	\$5.92	\$4.84	\$5.92
Respite - MPW	\$8.45	\$5.92	\$3.69	\$5.92
Respite - SCL	\$8.45	\$5.92	\$3.69	\$5.92

# Rate Comparison

Service - Waiver	Benchmark Rate Based on Rate Study	70% of Benchmark Rate as Funded in 2024-2026 Biennial Budget	Rate as of December 31, 2024	Rates Effective January 1, 2025
<b>Day Services</b>				
Adult Day Health Care - ABI LTC	\$5.45	\$3.82	\$3.86	\$3.86
Adult Day Health Care - MPW	\$5.45	\$3.82	\$3.33	\$3.82
Adult Day Health Care, Level I - HCB	\$5.45	\$3.82	\$3.42	\$3.82
Adult Day Health Care, Level II - HCB	\$5.45	\$3.82	\$4.15	\$4.15
Adult Day Training - ABI-Acute	\$5.17	\$3.62	\$4.88	\$4.88
Adult Day Training - ABI LTC	\$5.17	\$3.62	\$4.88	\$4.88
Adult Day Training - MPW	\$5.17	\$3.62	\$3.33	\$3.62
Adult Day Training - SCL	\$5.17	\$3.62	\$2.93	\$3.62
Day Training, Licensed Adult Day Health Center - SCL	\$5.45	\$3.82	\$3.99	\$3.99
<b>Behavioral Services</b>				
Behavioral Support Service - MPW	\$30.90	\$21.63	\$40.23	\$40.24
Behavioral Programming Services - ABI-Acute	\$30.90	\$21.63	\$40.67	\$40.67
Behavioral Programming Services - ABI LTC	\$30.90	\$21.63	\$40.31	\$40.67
Consultative Clinical & Therapeutic Services (Counseling, Individual) - SCL	\$30.43	\$21.30	\$29.95	\$29.95
Consultative Clinical & Therapeutic Services (Dietary) - SCL	\$19.34	\$13.54	\$29.95	\$29.95
Consultative Clinical & Therapeutic Services (Behavioral) - SCL	\$30.90	\$21.63	\$29.95	\$29.95
Consultative Clinical & Therapeutic Services (Functional Assessment) - SCL	\$30.66	\$21.46	\$29.95	\$29.95
Counseling, Individual - ABI-Acute	\$30.43	\$21.30	\$28.85	\$28.85
Counseling, Individual - ABI LTC	\$30.43	\$21.30	\$28.85	\$28.85
Counseling, Group - ABI-Acute	\$7.61	\$5.33	\$6.96	\$6.96
Counseling, Group - ABI LTC	\$7.61	\$5.33	\$6.96	\$6.96
Person-Centered Coaching - SCL	\$10.69	\$7.48	\$7.66	\$7.66
Positive Behavior Support Plan - SCL	\$30.90	\$21.63	\$36.88	\$885.12*

\*Positive Behavior Support Plan changed from 15-minute unit to per plan. Benchmark rate was calculated at \$741.60 per 6-hour plan

# Rate Comparison

Service - Waiver	Benchmark Rate Based on Rate Study	70% of Benchmark Rate as Funded in 2024-2026 Biennial Budget	Rate as of December 31, 2024	Rates Effective January 1, 2025
<b>Nursing</b>				
Nursing Supports - ABI LTC	\$22.85	\$16.00	\$30.25	\$30.25
Skilled Services LPN - MIIW	\$66.19	\$46.33	\$29.10	\$46.33
Skilled Services RN - MIIW	\$91.38	\$63.97	\$31.98	\$63.97
Skilled Services RT - MIIW	\$76.32	\$53.42	\$27.42	\$53.42
<b>Residential Services</b>				
Supervised Residential Care, Level I - ABI-Acute	\$365.98	\$256.19	\$300.00	\$300.00
Supervised Residential Care, Level I - ABI LTC	\$365.98	\$256.19	\$300.00	\$300.00
Supervised Residential Care, Level II - ABI-Acute	\$277.55	\$194.29	\$225.00	\$225.00
Supervised Residential Care, Level II - ABI LTC	\$277.55	\$194.29	\$225.00	\$225.00
Supervised Residential Care, Level III - ABI-Acute	\$157.38	\$110.17	\$112.50	\$112.50
Supervised Residential Care, Level III - ABI LTC	\$157.38	\$110.17	\$112.50	\$112.50
Residential Support, Level I, 4-8 residents - SCL	\$272.48	\$190.74	\$215.09	\$215.09
Residential Support, Level I, 3 or less residents - SCL	\$342.80	\$239.96	\$284.57	\$284.57
Residential Support, Level II, 12+ hours supervision - SCL	\$283.85	\$198.70	\$188.59	\$198.70
Residential Support, Level II, Less than 12 hours supervision - SCL	\$185.59	\$129.91	\$105.15	\$129.91
Shared Living - SCL	\$891.14	\$623.80	\$726.00	\$726.00
Technology Assisted Residential - SCL	\$137.15	\$96.01	\$105.15	\$105.15
<b>Case Management</b>				
Case Management - ABI-Acute	\$335.61	\$234.93	\$525.14	\$525.14
Case Management - ABI LTC	\$335.61	\$234.93	\$453.75	\$453.75
Case Management - MPW	\$335.61	\$234.93	\$242.00	\$425.92
Case Management - SCL	\$335.61	\$234.93	\$425.92	\$425.92
Case Management - HCB	\$335.61	\$234.93	\$121.00	\$425.92
PDS Case Management - ABI-Acute	\$335.61	\$234.93	\$453.75	\$425.92
PDS Case Management - ABI LTC	\$335.61	\$234.93	\$453.75	\$453.75
PDS Case Management - MPW	\$335.61	\$234.93	\$320.65	\$453.75
Participant Directed Coordination (PDS Case Management) - HCB	\$335.61	\$234.93	\$196.63	\$425.92
Participant Directed Coordination (Financial Management Services)- HCB	\$140.46	\$98.32	\$121.00	\$425.92

# Rate Comparison

Service - Waiver	Benchmark Rate Based on Rate Study	70% of Benchmark Rate as Funded in 2024-2026 Biennial Budget	Rate as of December 31, 2024	Rates Effective January 1, 2025
<b>Supported Employment Services</b>				
Supported Employment - ABI-Acute	\$15.05	\$10.54	\$9.66	\$10.54
Supported Employment - ABI LTC	\$15.05	\$10.54	\$9.66	\$10.54
Supported Employment - MPW	\$15.05	\$10.54	\$6.70	\$10.54
Supported Employment - SCL	\$15.05	\$10.54	\$13.65	\$13.65
<b>Other Services</b>				
Financial Management Services - ABI-Acute	\$140.46	\$98.32	\$121.00	\$121.00
Financial Management Services - ABI LTC	\$140.46	\$98.32	\$121.00	\$121.00
Financial Management Services - MPW	\$140.46	\$98.32	\$121.00	\$121.00
Financial Management Services - SCL	\$140.46	\$98.32	\$121.00	\$121.00
Home-Delivered Meals - HCB	\$9.92	\$6.94	\$9.08	\$9.08
Transportation - SCL	\$297.32	\$208.12	\$320.65	\$320.65

**QUESTIONS  
and/or  
Comments?**