



CABINET FOR HEALTH
AND FAMILY SERVICES

**Department for Medicaid Services Update
Prepared for the Interim Joint Committee on Health Services**

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Single Pharmacy Benefit Manager (PBM)

- Primary reduction in cost is due to increased rebates from preferring brands over generics
- Managed care organizations must spend at least 90% of the capitation payment for all health care related services which includes pharmacy
 - If below 90%, the state will claw back the difference between 90% and what the MCO achieved, and repay the federal share

Public Health Emergency (PHE) Unwinding Overall Trends

578,567 Kentuckians had Renewals due since May*

357,925 were approved

83% renewed through ex parte
7% through reinstatements

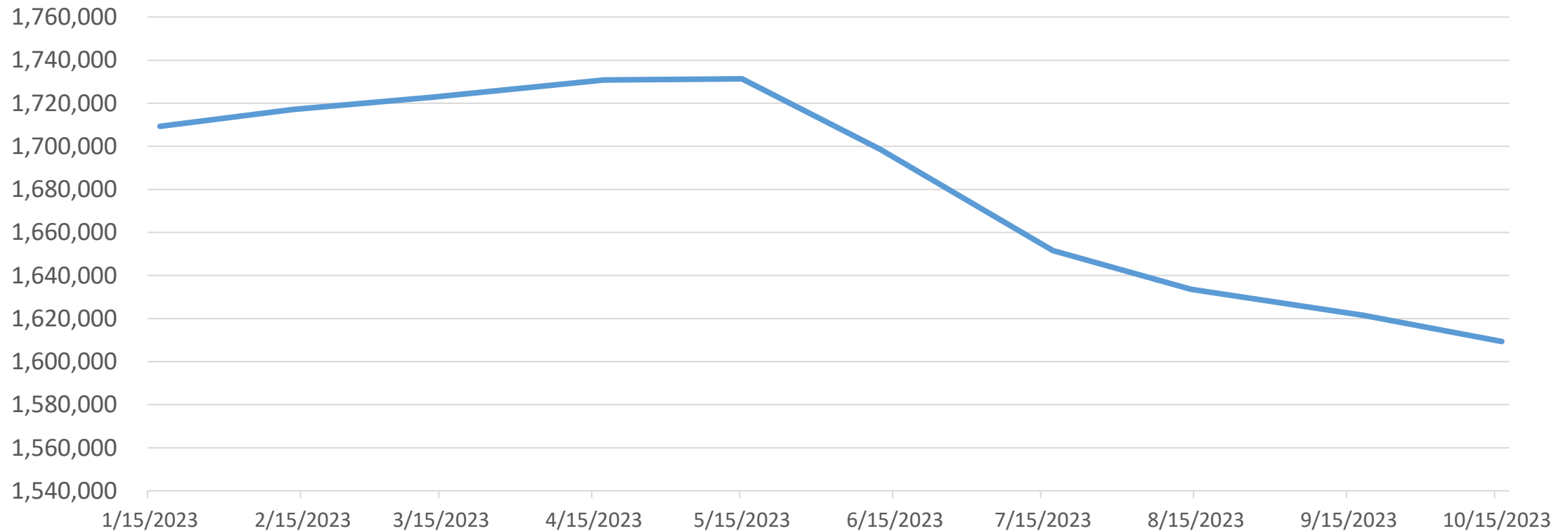
156,063 were terminated

43% based on eligibility
➤ 61% eligible for Qualified Health Plan
with premium assistance
57% for procedural reasons

60% approval rate overall

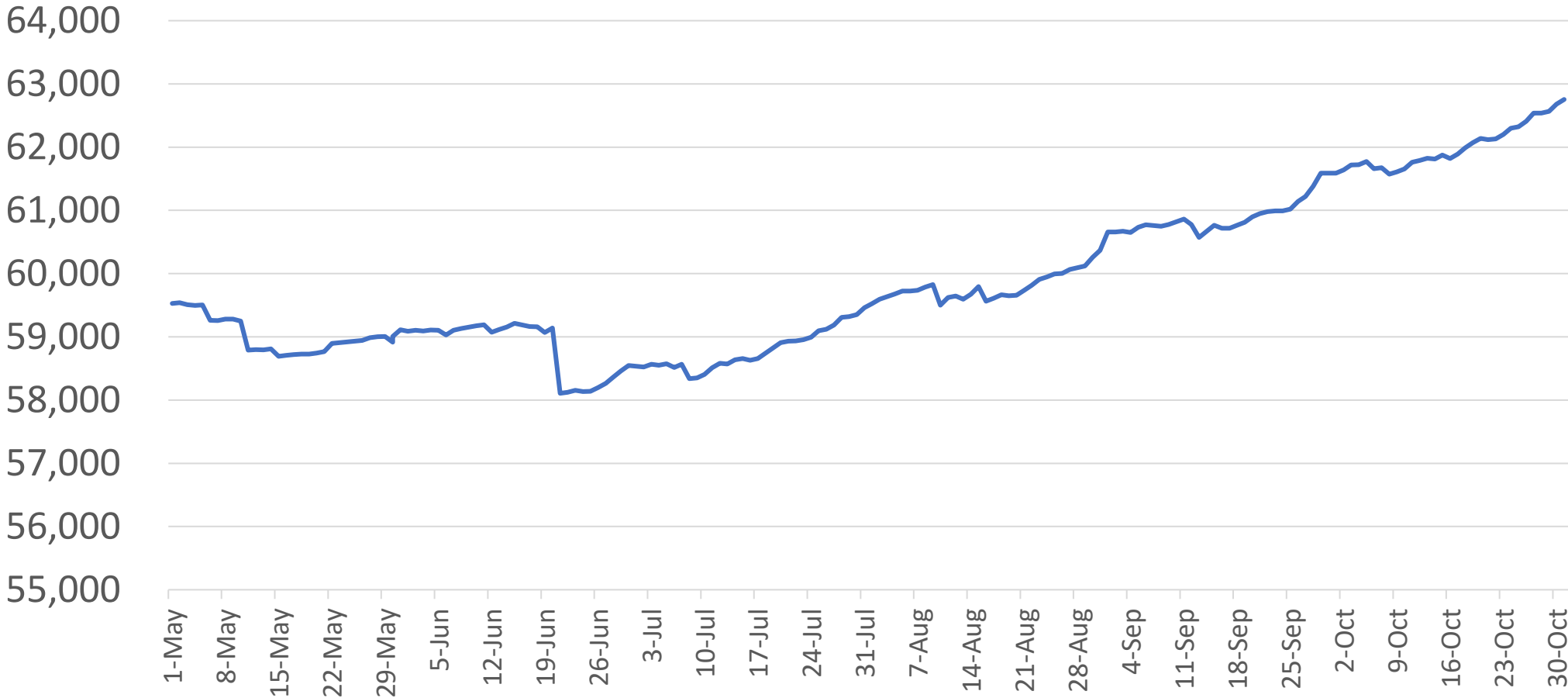
PHE Unwinding - Medicaid Enrollment*

Medicaid Enrollment: January 2023 through October 2023



PHE Unwinding - Qualified Health Plan Enrollment*

Total Members Enrolled for PY2023



PHE Unwinding - Appendix K Flexibilities

01

Allow telehealth as a component of case management, counseling, and therapies

02

Expand case management provider qualifications

03

Reduce age requirement for Respite, Personal Assistance, Attendant Care, and Residential staff from 21 to 18

04

Allow access to respite for participants receiving Residential Support Level II in SCL

05

Allow limited waiver services to be provided in acute hospital settings under extraordinary circumstances

06

Expand Residential in ABI and ABI-LTC to allow up to five participants per house

07

Maintain Appendix K rate increases for all waiver services

- DMS amended all six 1915(c) Home and Community Based waivers to make some Appendix K flexibilities permanent.
- Flexibilities remain in place while the waivers are pending Centers for Medicare and Medicaid Services review and approval.

Medicaid Budget

Medicaid Benefit Payments

Managed Care Organization Capitations

Directed Payments

Non-Emergency Transportation Capitations

Nursing Facility Payments

1915c Waiver Payments

Other Fee-for-Service (FFS) Payments

Drug Rebates Collected

Total Medicaid Benefits

	SFY 2020	SFY 2021	SFY 2022	SFY 2023
Managed Care Organization Capitations	\$ 7,290,308,600	\$ 8,845,420,400	\$ 9,118,585,000	\$ 10,043,735,000
Directed Payments	\$ 929,450,500	\$ 1,970,383,900	\$ 2,677,990,900	\$ 2,957,751,400
Non-Emergency Transportation Capitations	\$ 103,779,100	\$ 142,994,200	\$ 140,657,700	\$ 155,004,800
Nursing Facility Payments	\$ 1,067,106,200	\$ 1,087,279,100	\$ 1,233,348,100	\$ 1,316,085,400
1915c Waiver Payments	\$ 961,976,000	\$ 995,816,500	\$ 1,086,870,500	\$ 1,454,933,500
Other Fee-for-Service (FFS) Payments	\$ 2,149,343,400	\$ 2,170,662,800	\$ 1,881,790,300	\$ 2,149,453,900
Drug Rebates Collected	\$ (659,184,700)	\$ (827,591,000)	\$ (1,246,971,900)	\$ (1,500,857,500)
Total Medicaid Benefits	\$ 11,842,779,100	\$ 14,384,965,900	\$ 14,892,270,600	\$ 16,576,106,500

	SFY 2020	SFY 2021	SFY 2022	SFY 2023
Federal Funds	\$ 9,381,017,300	\$ 11,703,230,300	\$ 12,358,299,200	\$ 13,570,941,900
State General Funds	\$ 1,983,649,500	\$ 2,018,893,700	\$ 1,934,395,200	\$ 1,962,892,300
State Restricted Funds	\$ 478,112,300	\$ 662,841,900	\$ 599,576,200	\$ 1,042,272,300
Total Funds	\$ 11,842,779,100	\$ 14,384,965,900	\$ 14,892,270,600	\$ 16,576,106,500