

BUDGET REVIEW SUBCOMMITTEE ON HEALTH AND FAMILY SERVICES

Minutes of the 3rd Meeting of the 2024 Interim

September 18, 2024

Call to Order and Roll Call

The 3rd meeting of the Budget Review Subcommittee on Health and Family Services was held on September 18, 2024, at 10:30 AM in Room 129 of the Capitol Annex. Senator Donald Douglas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Donald Douglas Co-Chair; Senators Christian McDaniel, and Lindsey Tichenor; Representatives Kimberly Poore Moser, Adam Bowling, Rebecca Raymer, and Sarah Stalker.

Guests: Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Steve Bechtel, Chief Financial Officer, Department for Medicaid Services, Cabinet for Health and Family Services; Leslie Hoffman, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Angela Sparrow, Behavioral Health Supervisor, Department for Medicaid Services, Cabinet for Health and Family Services; Elzie Burgher, Executive Director, Office of Support Services, Department of Juvenile Justice, Justice and Public Safety Cabinet; Beth Moore, Director, Division of Public Affairs, Department of Corrections, Justice and Public Safety Cabinet

LRC Staff: Miriam Fordham, Kevin Newton, and Benjamin Thompson.

Approval of Minutes

Representative Moser made the motion to approve the minutes of the July 17, 2024, meeting of the subcommittee. Representative Raymer seconded the motion and the minutes were approved without objection.

Medicaid Budget Update: Fiscal Year 2024 Year-End Report and Fiscal Year 2025 Outlook

Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Steve Bechtel, Chief Financial Officer, Department for Medicaid Services, Cabinet for Health and Family Services provided an overview of the budgetary status of the Department for Medicaid Services (DMS).

In response to questions from Senator McDaniel, Mr. Bechtel noted that there were no additional funds used for the Hospital Rate Improvement Program because the increase

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was absorbed by a decrease in the payments required for the Disproportionate Share Hospital Program.

In response to questions from Representative Moser, Mr. Bechtel noted that DMS received roughly sixty million dollars more in pharmacy rebates in FY 24 than in FY 23. Mr. Bechtel noted that contributing factors for the increased rebate numbers are that DMS is now utilizing a single pharmacy benefit manager as well as opting for brand name medications to maximize possible rebates. Mr. Bechtel noted that the savings have offset other expenditures for DMS.

Overview and Update on the Medicaid Incarceration Waiver

Leslie Hoffman, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Angela Sparrow, Behavioral Health Supervisor, Department for Medicaid Services, Cabinet for Health and Family Services; Elzie Burgher, Executive Director, Office of Support Services, Department of Juvenile Justice, Justice and Public Safety Cabinet; Beth Moore, Director, Division of Public Affairs, Department of Corrections, Justice and Public Safety Cabinet provided information regarding the Reentry 1115 Demonstration waiver.

In response to questions from Chair Douglas, Ms. Hoffman noted that DMS chose not to modify its application to the federal government because any modification would delay approval from the Centers for Medicare and Medicaid Services.

In response to questions from Representative Moser, Ms. Sparrow noted that the initial proposal for the waiver does not include treatment of all physical health. Ms. Sparrow noted that the waiver as written would only apply to inmates housed in state prisons. State inmates residing in county jails would not be eligible.

In response to a question from Representative Stalker, Ms. Moore noted that helping inmates acquire vital documents such as a birth certificate, identification card, and social security card is already part of the Department of Corrections reentry process.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:46 AM.