



CABINET FOR HEALTH  
AND FAMILY SERVICES

## **Medicaid HB 695 Update**

**Prepared for the Budget Review Subcommittee on Health and Family Services**

**Lisa Lee, DMS Commissioner**  
**Steve Bechtel, DMS Chief Financial Officer**

**June 4, 2025**

# Kentucky Medicaid at a Glance

Approximately 1.4 million members

Over 600,000 children – more than half of the children in Kentucky

485,000 expansion members

Over 69,000 enrolled providers

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

# HB695

- Requires General Assembly Authorization to make any change to eligibility, services or benefits in a state plan amendment or for a new, amended or renewed waiver
  - Sets up the timing and type of fiscal impact, efficacy, and necessity information to be provided to LRC
  - Excludes Medicaid preferred drug list and previously approved directed or supplemental payment programs
  - Excludes federal requirements, national emergency and disaster declarations, and Governor's declaration of emergency – along with submitting a fiscal impact assessment to LRC

# Submission of Waivers

Home and Community Based Services (HCBS)  
Waivers must be renewed every 5 years

Waivers that need to be renewed:

1915C Waivers - 6

1915B Waivers – 2

1115 Waivers – 1

1915 I - 1

Waivers can be amended at any time

DMS will concurrently provide a copy, summary, and statement of benefits of the application for a waiver, waiver amendment or renewal, or request for a state plan amendment to LRC upon request

Increase in slots

Policy changes

Increase in reimbursement

## Community Engagement Waiver

- Community Engagement waiver is currently in the public comment period. Anticipated to meet deadline for submission to CMS

# Medicaid Pharmacy Rebate Fund

- Completed

# MCO Expenditure Data Collection

- Submitted May 14, 2025

## New Reports to LRC

---

Budget Analysis quarterly report—  
submitted May 7, 2025

---

MCO quarterly expenditure report—  
submitted May 14, 2025

---

Enrollee quarterly report— expected late  
June, 2025

---

Provider tax assessment report—in  
progress

---

Behavioral Health annual trend report—in  
progress

# Legislative Medicaid Impact Notice

If the Cabinet believes there to be any barrier to implementing a Medicaid-related bill or resolution under consideration by the General Assembly, the cabinet shall notify the LRC in writing of anticipated implementation barriers within seven calendar days following a standing committee's report that the bill or resolution should pass.

Implemented. DMS has developed a process to be in compliance.

# Non-Codified HB 695 Language

- Reinstatement of all behavioral health prior authorizations for services in place and required January 1, 2020 – completed
- By December 31, 2025 develop a scorecard for behavioral health and substance use disorder treatment services and providers to be used by all MCOs that DMS has contracted for the delivery of services – in progress

# 2025 Budget - Total

Total	Budget	Expenses (as of 5/23/2025)	Remaining Budget	Remaining Expenses (Projected)	% Spent
Federal Funds	\$ 16,010,888,800	\$ 14,365,080,000	\$ 1,645,808,800	\$ 1,484,757,100	98.99%
General Funds	\$ 2,630,085,500	\$ 2,576,575,300	\$ 53,510,200	\$ 53,510,200	100.00%
Restricted Funds	\$ 2,195,061,100	\$ 1,646,906,100	\$ 548,155,000	\$ 444,322,500	95.27%
	<u><b>\$ 20,836,035,400</b></u>	<u><b>\$ 18,588,561,400</b></u>	<u><b>\$ 2,247,474,000</b></u>	<u><b>\$ 1,982,589,800</b></u>	<u><b>98.73%</b></u>

# 2025 Budget - Benefits

Benefits - 748	Budget	Expenses (as of 5/23/2025)	Remaining Budget	Remaining Expenses (Projected)	% Spent
Federal Funds	\$ 15,697,533,400	\$ 14,207,824,800	\$ 1,489,708,600	\$ 1,438,368,800	99.67%
General Funds	\$ 2,563,029,800	\$ 2,511,042,400	\$ 51,987,400	\$ 51,987,400	100.00%
Restricted Funds	\$ 2,160,294,500	\$ 1,617,330,200	\$ 542,964,300	\$ 439,131,800	95.19%
	<u><b>\$ 20,420,857,700</b></u>	<u><b>\$ 18,336,197,400</b></u>	<u><b>\$ 2,084,660,300</b></u>	<u><b>\$ 1,929,488,000</b></u>	<u><b>99.24%</b></u>

# 2025 Budget - Administration

<b>Admin-746 (by Object Type)</b>	<b>Budget</b>	<b>Expenses (as of 5/23/2025)</b>	<b>Remaining Budget</b>	<b>Remaining Expenses (Projected)</b>	<b>% Projected</b>
Personnel Cost	\$ 300,415,700	\$ 191,117,200	\$ 109,298,500	\$ 44,233,600	78.34%
Operating Expenses	\$ 14,692,000	\$ 14,000,000	\$ 692,000	\$ 692,000	100.00%
Grants, Loans, Benefits	\$ 100,070,000	\$ 47,246,800	\$ 52,823,200	\$ 8,176,200	55.38%
Capital	\$ -	\$ -	\$ -	\$ -	
	<b><u>\$ 415,177,700</u></b>	<b><u>\$ 252,364,000</u></b>	<b><u>\$ 162,813,700</u></b>	<b><u>\$ 53,101,800</u></b>	<b><u>73.57%</u></b>

# Department for Medicaid Services Staffing

- 211 filled
- 11 vacant

**QUESTIONS  
and/or  
Comments?**