



CABINET FOR HEALTH
AND FAMILY SERVICES

Medicaid Oversight and Advisory Board

August 27, 2025

Lisa Lee, Commissioner

David Verry, Assistant Director

Request

- Timeline of Kentucky's Use of State-Based Marketplace (SBM) and Federally-Facilitated Marketplace (FFM)
- Overview of the Costs Associated with the SBM and FFM
- Enrollment Trends: Average Monthly and Annual Individuals Served
- Share of Enrollees in Medicaid versus Qualified Health Plans (QHP)
- Small Business Participation: Average Monthly and Annual Enrollment through the Exchange

Timeline of SBM vs. FFM

Period	Marketplace Type	Notes
2013 – 2016	State-Based (Kynect)	Original launch, successfully enrolled approximately 85,000 in QHP
2017 – 2020	Federally-Facilitated (FFM)	Individual enrollment was managed via HealthCare.gov
Late 2020	Hybrid transition	Kynect relaunched for benefits access; still linked to FFM
Nov 2021 – Present	State-Based Marketplace (SBM)	Fully state-run exchange restored and operational

Funding Model for State-Based Exchange (SBE)

• **Insurer Assessments / Fees**

- Health insurance carriers that sell **Qualified Health Plans (QHPs)** through SBEs pay a **fee (percentage of premiums or per-member-per-month charge)**.
- This functions similarly to the federal user fee for states that rely on HealthCare.gov (currently ~2.25% of premiums).
- The revenue from these fees funds exchange operations: technology platform, consumer assistance, call centers, outreach, and plan management.

Funding Model for State-Based Exchange

- **Medicaid & Program Integration**

- Kynect is an Integrated Eligibility and Enrollment System (IEES): determines eligibility for **Medicaid, SNAP, TANF, and Child Care as well as products sold on the State-Based Exchange** some administrative costs are supported by **federal Medicaid matching funds** (for eligibility system operations)
- This integration reduces the net cost to the state, since IT systems and staff overlap between Medicaid and kynect

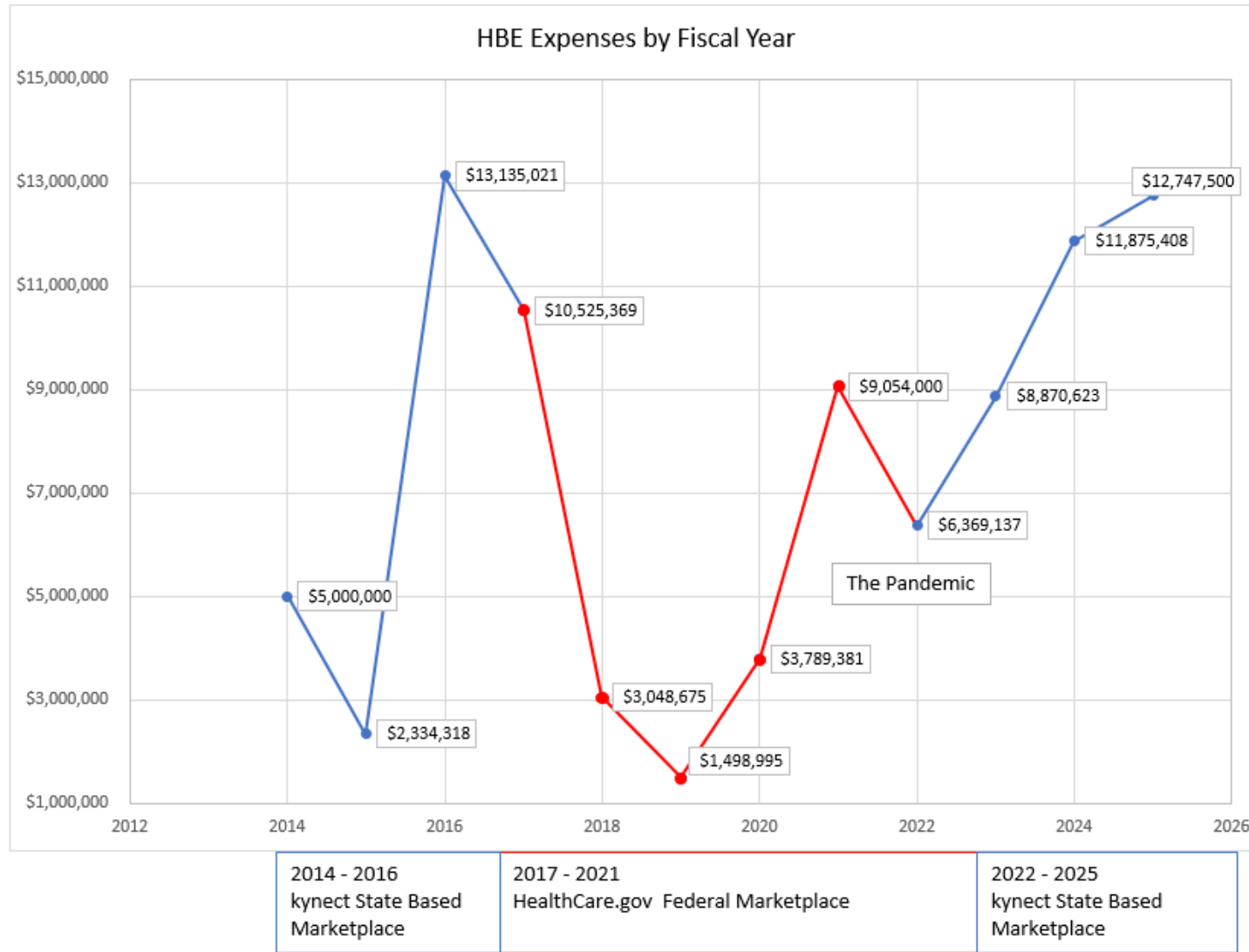
- **State Budget / General Funds**

- Kentucky **does not rely on general fund appropriations** for the ongoing operations of the State-Based Exchange
- The Exchange is designed to be **self-sustaining** through carrier fees, supplemented by federal cost-sharing when eligibility systems overlap with Medicaid.

- **Startup vs. Ongoing Costs**

- Original startup (2013) was financed with **federal establishment grants under the ACA**
- Today, Kentucky must cover ongoing operating expenses through the insurer assessments

Exchange Costs by Year



Kentucky's **State-Based Marketplace (SBM)** – kynect is funded the same way most SBMs across the country are: through **assessments on health insurance plans sold through the exchange** rather than general state funds.

Advantages of Integrated SBM

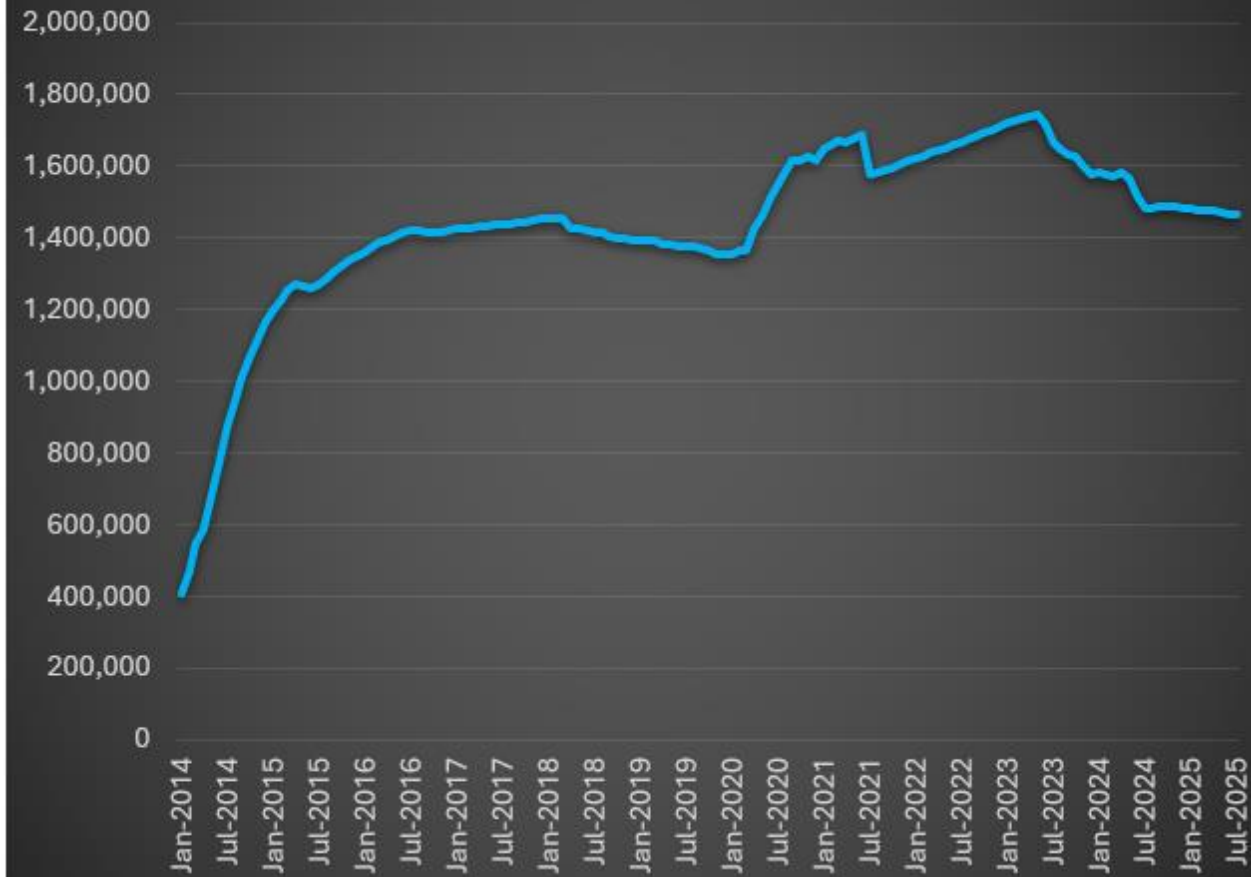


kynect health coverage: Kentucky's State Based Marketplace. One Stop Shop to seek eligibility and enroll in health coverage including Medicaid, KCHIP, and ACA compliant Qualified Health Plans (QHPs) with financial assistance if eligible.

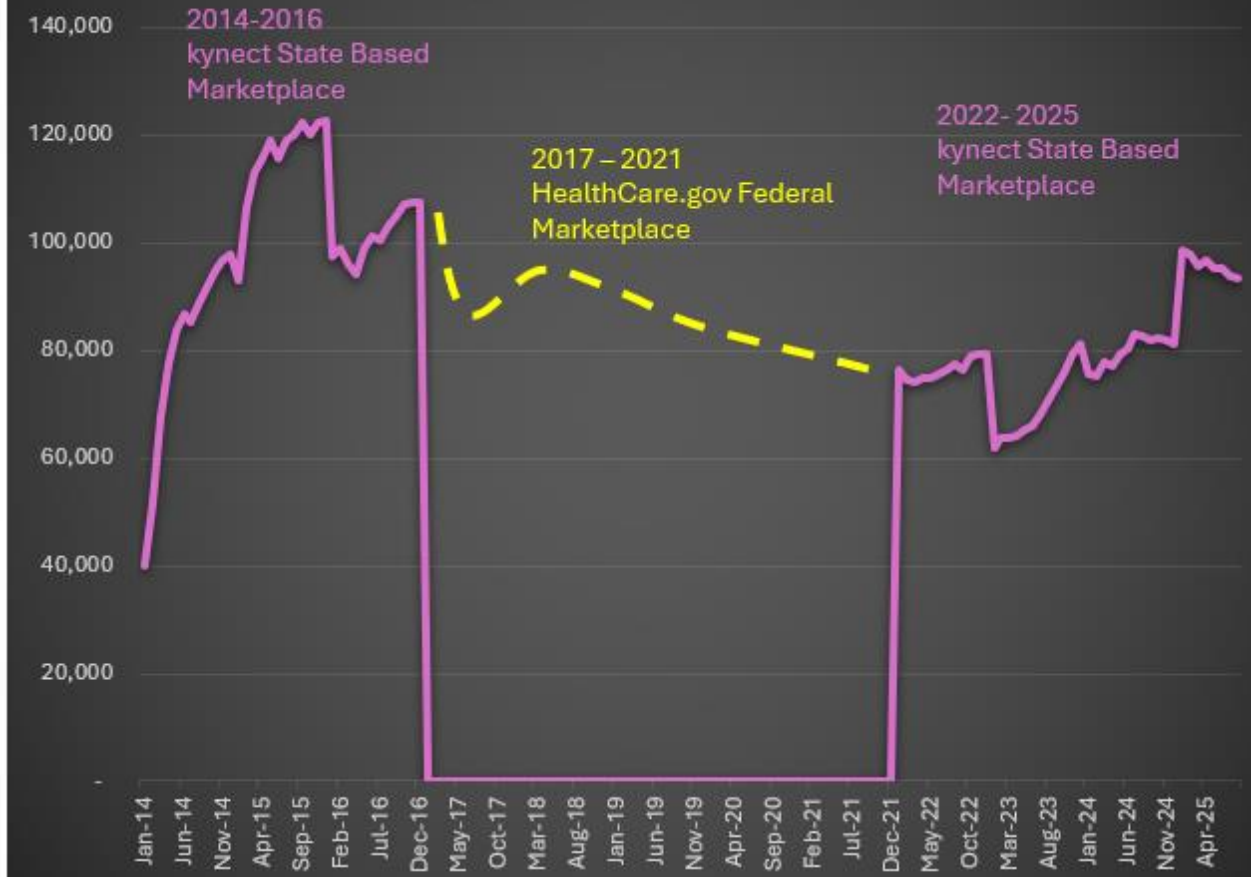
- Kentuckians helping Kentuckians. In all counties, kynectors, state caseworkers and agents know their neighbors and assist.
- Individuals and families can apply and enroll over the phone, with in person assistance, or online using a self-service portal.
- QHPs are an option for comprehensive coverage for many who are self-employed, small business owners, or in the gig economy
- QHP's also act as a bridge from Employer Sponsored Insurance to Medicare for persons who are older but not yet to Social Security age.
- As individuals find new employment or better jobs, the Qualified Health Plans can become stepping-stones to bridge the gap between Medicaid and Employer Sponsored Insurance or between jobs. There is no separate application needed.

Kentucky Medicaid (MA) and QHP Enrollments by Month Trends 2014 - 2015

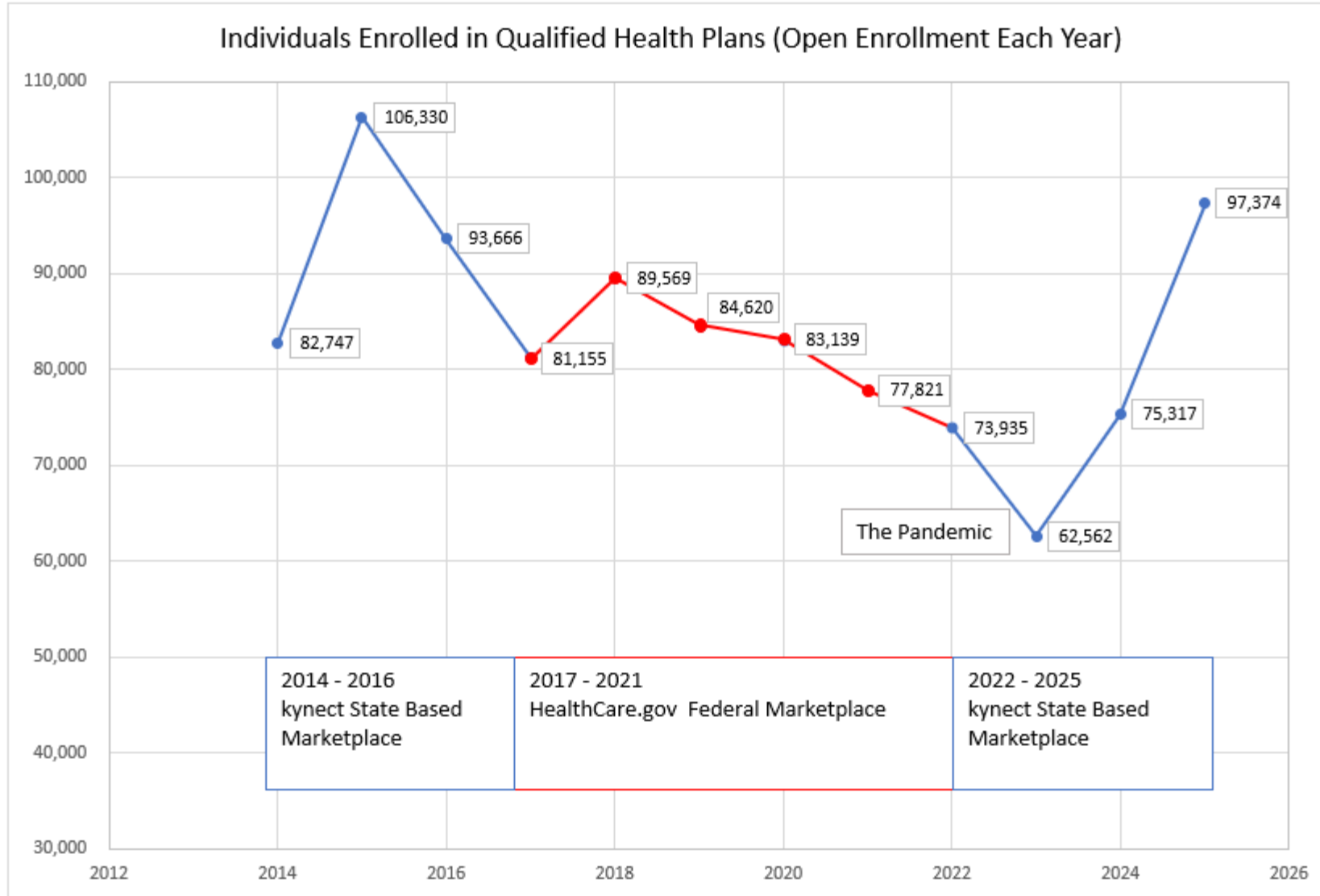
Overall Count of MA Enrollments (Jan-14 to Jul-25)



QHP Enrollments



QHP Enrollments in Kentucky by Year



QHP and Medicaid Enrollments by Month 2014

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2014	408,253	39,929	19	151
Feb 2014	468,594	51,705	34	306
Mar 2014	545,561	67,598	48	391
Apr 2014	587,519	82,747	52	419
May 2014	681,603	83,763	59	452
Jun 2014	773,859	86,891	65	496
Jul 2014	874,061	85,389	68	519
Aug 2014	946,615	88,583	70	532
Sep 2014	1,009,672	91,390	70	540
Oct 2014	1,065,854	94,621	73	554
Nov 2014	1,116,622	96,584	75	582
Dec 2014	1,164,906	97,819	82	688

QHP and Medicaid Enrollments by Month 2015

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2015	1,201,110	93,230	78	703
Feb 2015	1,227,083	106,330	78	722
Mar 2015	1,252,060	113,159	80	766
Apr 2015	1,272,036	115,746	86	800
May 2015	1,262,754	119,129	87	849
Jun 2015	1,259,788	115,705	88	880
Jul 2015	1,272,320	119,062	86	851
Aug 2015	1,288,888	120,144	89	865
Sep 2015	1,305,561	122,457	90	868
Oct 2015	1,323,134	120,161	89	852
Nov 2015	1,338,779	122,201	83	744
Dec 2015	1,351,370	122,721	85	749

QHP and Medicaid Enrollments by Month 2016

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2016	1,359,900	93,666	92	733
Feb 2016	1,374,172	98,840	92	700
Mar 2016	1,387,652	96,166	93	690
Apr 2016	1,391,758	94,221	95	704
May 2016	1,406,150	98,942	95	698
Jun 2016	1,414,371	101,250	95	710
Jul 2016	1,421,851	100,413	94	713
Aug 2016	1,418,451	103,127	93	728
Sep 2016	1,414,034	104,989	93	721
Oct 2016	1,413,484	107,109	94	736
Nov 2016	1,414,460	107,625	96	746
Dec 2016	1,419,233	107,604	92	684

QHP and Medicaid Enrollments by Month 2017

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2017	1,425,867	Kentuckians enroll through HealthCare.gov	Small Business Health Option (SHOP) not available on Federal Marketplace, 12 month rolling enrollment periods for group coverage means businesses insurance ends throughout calendar year	
Feb 2017	1,426,331			
Mar 2017	1,428,427			
Apr 2017	1,430,234	NA	22	159
May 2017	1,431,836	NA	20	138
Jun 2017	1,435,125	NA	16	91
Jul 2017	1,437,658	NA	15	81
Aug 2017	1,440,242	NA	11	56
Sep 2017	1,441,207	NA	10	49
Oct 2017	1,442,106	NA	7	37
Nov 2017	1,449,456	NA	6	34
Dec 2017	1,453,670	NA	NA	NA

QHP and Medicaid Enrollments by Month 2018

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2018	1,451,944	Kentuckians enroll through HealthCare.gov	Small Business Health Option (SHOP) not available on Federal Marketplace	
Feb 2018	1,454,567			
Mar 2018	1,455,721	NA	NA	NA
Apr 2018	1,428,003	NA	NA	NA
May 2018	1,425,971	NA	NA	NA
Jun 2018	1,421,492	NA	NA	NA
Jul 2018	1,418,030	NA	NA	NA
Aug 2018	1,415,895	NA	NA	NA
Sep 2018	1,404,766	NA	NA	NA
Oct 2018	1,397,584	NA	NA	NA
Nov 2018	1,399,031	NA	NA	NA
Dec 2018	1,395,374	NA	NA	NA

QHP and Medicaid Enrollments by Month 2019

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2019	1,393,115	Kentuckians enroll through HealthCare.gov	Small Business Health Option (SHOP) not available on Federal Marketplace	
Feb 2019	1,392,985			
Mar 2019	1,390,932	NA	NA	NA
Apr 2019	1,380,948	NA	NA	NA
May 2019	1,380,388	NA	NA	NA
Jun 2019	1,377,858	NA	NA	NA
Jul 2019	1,377,919	NA	NA	NA
Aug 2019	1,377,776	NA	NA	NA
Sep 2019	1,371,298	NA	NA	NA
Oct 2019	1,366,867	NA	NA	NA
Nov 2019	1,356,503	NA	NA	NA
Dec 2019	1,352,368	NA	NA	NA

QHP and Medicaid Enrollments by Month 2020

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2020	1,379,133	Kentuckians enroll through HealthCare.gov	Small Business Health Option (SHOP) not available on Federal Marketplace	
Feb 2020	1,378,080			
Mar 2020	1,386,822	NA	NA	NA
Apr 2020	1,438,978	NA	NA	NA
May 2020	1,472,105	NA	NA	NA
Jun 2020	1,519,304	NA	NA	NA
Jul 2020	1,563,346	NA	NA	NA
Aug 2020	1,597,028	NA	NA	NA
Sep 2020	1,625,958	NA	NA	NA
Oct 2020	1,627,901	NA	NA	NA
Nov 2020	1,637,342	NA	NA	NA
Dec 2020	1,630,231	NA	NA	NA

QHP and Medicaid Enrollments by Month 2021

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2021	1,662,961	Kentuckians enroll through HealthCare.gov	Small Business Health Option (SHOP) not available on Federal Marketplace	
Feb 2021	1,675,398			
Mar 2021	1,688,181	NA	NA	NA
Apr 2021	1,685,285	NA	NA	NA
May 2021	1,692,066	NA	NA	NA
Jun 2021	170,0517	NA	NA	NA
Jul 2021	1,594,570	NA	NA	NA
Aug 2021	1,601,539	NA	NA	NA
Sep 2021	1,606,520	NA	NA	NA
Oct 2021	1,611,146	NA	NA	NA
Nov 2021	1,619,786	NA	NA	NA
Dec 2021	1,627,088	NA	NA	NA

QHP and Medicaid Enrollments by Month 2022

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2022	1,635,212	73,935	NA	NA
Feb 2022	1,640,996	74,550	NA	NA
Mar 2022	1,647,808	74,235	NA	NA
Apr 2022	1,655,476	74,712	NA	NA
May 2022	1,663,378	75,064	NA	NA
Jun 2022	1,671,840	75,727	NA	NA
Jul 2022	1,679,733	76,542	NA	NA
Aug 2022	1,689,316	77,401	NA	NA
Sep 2022	1,696,850	76,372	NA	NA
Oct 2022	1,706,919	78,926	NA	NA
Nov 2022	1,714,269	79,316	NA	NA
Dec 2022	1,722,916	79,434	NA	NA

QHP and Medicaid Enrollments by Month 2023

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2023	1,731,955	62,562	Small Businesses enroll through Anthem directly and not through the kynect Exchange	
Feb 2023	1,737,786	63,937		
Mar 2023	1,743,747	63,703	NA	NA
Apr 2023	1,748,185	64,198	NA	NA
May 2023	1,751,224	65,061	NA	NA
Jun 2023	1,728,147	66,109	NA	NA
Jul 2023	1,686,997	68,327	NA	NA
Aug 2023	1,675,296	70,913	NA	NA
Sep 2023	1,662,886	73,549	NA	NA
Oct 2023	1,660,709	76,080	NA	NA
Nov 2023	1,640,132	79,289	NA	NA
Dec 2023	1,621,617	81,189	NA	NA

QHP and Medicaid Enrollments by Month 2024

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2024	1,622,138	75,317	Small Businesses enroll through Anthem directly and not through the kynect Exchange	
Feb 2024	1,623,711	75,303		
Mar 2024	1,617,743	77,748	NA	NA
Apr 2024	1,599,651	77,295	NA	NA
May 2024	1,573,822	79,283	NA	NA
Jun 2024	1,528,134	80,277	NA	NA
Jul 2024	1,502,143	82,997	NA	NA
Aug 2024	1,500,110	82,555	NA	NA
Sep 2024	1,496,822	81,972	NA	NA
Oct 2024	1,497,241	82,316	NA	NA
Nov 2024	1,495,424	81,768	NA	NA
Dec 2024	1,489,989	81,356	NA	NA

QHP and Medicaid Enrollments by Month 2025

Month	MA Enrollments	QHP Enrollments	SHOP Enrollments (# Businesses)	SHOP Enrollments (# Individuals)
Jan 2025	1,488,499	97,374	Small Businesses enroll through Anthem directly and not through the kynect Exchange	
Feb 2025	1,486,715	98,033		
Mar 2025	1,484,116	95,681	NA	NA
Apr 2025	1,484,464	96,803	NA	NA
May 2025	1,478,328	95,411	NA	NA
Jun 2025	1,470,100	95,118	NA	NA
Jul 2025	1,465,635	93,893	NA	NA

Questions?