

MEDICAID OVERSIGHT AND ADVISORY BOARD

7th Minutes of the 2025 Interim

October 22, 2025

Call to Order and Roll Call

The seventh meeting of the Medicaid Oversight and Advisory Board was held on October 22, 2025, at 3:00 PM in Room 154 of the Capitol Annex. Representative Ken Fleming, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Julie Raque Adams, Co-Chair; Representative Ken Fleming, Co-Chair; Senators Donald Douglas, Karen Berg, Danny Carroll, Stephen Meredith, and Craig Richardson; Representatives Adam Bowling, Jason Petrie, Samara Heavrin, Mary Lou Marzian, Kimberly Poore Moser, and Wade Williams; and William Baker, Laura Sudkamp (Proxy for Allison Ball), John Hicks, Lisa Lee, Sheila Schuster, Steven Stack, Tom Stephens, Vickie Yates Glisson, Hollie Harris, Joe Petrey, and Steve Shannon.

Guests: Allison Ball, Auditor of Public Accounts; Alex Magera, General Counsel, Office of the Auditor of Public Accounts; Bart Baldwin, Founder and Chief Executive Officer, Baldwin Consulting; Stephen Robertson, DMD, Executive Director, Kentucky Dental Association (KDA); Tara Clark, Member, Myers and Stauffer LC; Bradford Johnson, Senior Manager, Myers and Stauffer LC; Wesley Duke, General Counsel, Cabinet for Health and Family Services (CHFS); Prisalla Easterling, Director of Outreach Enrollment, Kentucky Voices for Health; Andy Moore, CPO/L, MPO, Treasurer, Kentucky Orthotic Prosthetic Association (KOPA); Sydney Adkisson, Citizen; and Caleb Wheat, Kentucky United Methodist Church.

LRC Staff: Chris Joffrion, Cameron Franey, and DJ Burns.

Approval of Minutes

A motion to approve the minutes from the October 7, 2025, meeting was made by Senator Berg, seconded by Co-Chair Raque Adams, and approved after a voice vote.

Update on Special Examination of the Medicaid Program

Allison Ball, Auditor of Public Accounts, presented an overview of the September 2025 report on Medicaid waste, detailing \$800 million of concurrent Medicaid capitation

payments to managed care organizations (MCO) by two or more states for a single Medicaid recipient.

In response to Chair Fleming, Auditor Ball stated an annual Statewide Single Audit of the Commonwealth of Kentucky (SSWAK) showed Medicaid issues involving recipients using the same social security number and citizenship verification. She stated her office is looking into kinship care not being funded by CHFS.

In response to Senator Berg, Auditor Ball stated during the time period in the report, the Commonwealth was not able to remove recipients from Medicaid unless they were not a resident of Kentucky. Alex Magera, General Counsel, Office of the Auditor of Public Accounts, stated capitation payments per recipient can range from \$300 to \$1400 per month and the report references roughly 70,000 individuals concurrently enrolled in more than one state's Medicaid program.

In response to Representative Marzian, Auditor Ball stated the \$800 million in waste is the total for all states.

In response to Mr. Stephens, Auditor Ball stated with recertification moving to every six months there will be additional opportunities to identify if someone has moved out of state and no longer needs to be on Kentucky Medicaid.

In response to Chair Fleming, Auditor Ball stated her office has been attempting to learn what the Independent Support Branch (ISB) within CHFS is and if that department is duplicating the role of the Ombudsman which was moved from CHFS to the Office of the Auditor of Public Accounts. Secretary Stack stated the ISB is a call center for citizens to call since the Ombudsman was moved out of CHFS.

Medicaid Reimbursement Rates and Network Adequacy

A. Behavioral Health Services

Bart Baldwin, Founder and Chief Executive Officer, Baldwin Consulting, presented on behavioral health network inadequacies, Medicaid reimbursement rates in surrounding states, and policy recommendations.

In response to Chair Fleming, Mr. Baldwin stated one way to save costs is by improving network adequacy for preventative care and by initiating claw backs with contracted managed care organizations (MCOs) to allow penalties for every day a patient waits on requested services past the federally permitted 30 days.

In response to Co-Chair Adams, Mr. Baldwin stated providers place Medicaid recipients on waitlists and schedule services once appointments become available.

In response to Ms. Yates Glisson, Mr. Baldwin stated Medicaid reimbursement rates depend on the contract between a provider and a MCO and can be a percentage of the Medicaid fee schedule.

B. Dental Services

Stephen Robertson, DMD, Executive Director, KDA, presented on Kentucky's oral health, Medicaid dental reimbursement rates, network adequacy, and policy recommendations.

In response to Representative Marzian, Dr. Robertson stated KDA is working on an appropriation request with the Department for Medicaid Services (DMS) to increase Medicaid dental reimbursement rates.

In response to Senator Carroll, Dr. Robertson stated dentists in the Commonwealth are leaving the Medicaid program or limiting the number of Medicaid patients they see because of the low reimbursement rate. He stated private insurance has similar issues due to contracts not adjusting to keep up with the market. Dr. Robertson stated dentists on the border with other states are leaving the Commonwealth for those states because the Medicaid reimbursement rate is 50 to 60 percent higher causing health disparities in those regions.

In response to Dr. Petrey, Dr. Robertson stated without changes in the Medicaid program, dental providers will not be able to participate. He stated a substantial increase would need to be made to reimbursement rates, but they have not been changed since 1997.

In response to Representative Petrie, Dr. Robertson stated reimbursement rates for children are significantly higher than adults.

C. Medicaid Rate Setting Activities

Tara Clark, Member, Myers and Stauffer LC, presented on federal requirements for Medicaid provider reimbursement including state plan amendments, the Benefit Improvement Protection Act, and upper payment limit tests for reasonableness.

In response to Chair Fleming, Ms. Clark stated Myers and Stauffer has a contract for roughly \$17 million per fiscal year and at the end of the 2025 fiscal year, \$15.5 million was expended. She stated she is unaware who sets the fee schedule within DMS for services Myers and Stauffer are not contracted to set.

In response to Ms. Yates Glisson. Ms. Clark stated only provider types listed in the materials provided to the board were looked at by Myers and Stauffer.

In response to Chair Fleming, Ms. Clark stated Myers and Stauffer may assist in fiscal impact statements but they are not responsible for posting statements.

In response to Dr. Schuster, Commissioner Lee stated employees within DMS set the fee schedule for providers not listed on the Myers and Stauffer contract.

Regulations for Informational Review

Dr. Steven Stack, Secretary, CHFS, gave a procedural overview of the administrative regulation process within CHFS, clarification on changes within regulations currently in the open comment phase, and an update on the Rural Health Transformation Fund application.

In response to Chair Fleming, Secretary Stack stated none of the administrative regulations require a change to the state health plan. He stated CHFS is being cautious to not over promise outcomes in the Rural Health Transformation Fund application and many issues are universal among states.

In response to Co-Chair Adams, Secretary Stack stated CHFS, with the help of consultants, are writing the application for the Rural Health Transformation Fund.

Public Comment

Prisalla Easterling, Director of Outreach Enrollment, Kentucky Voices for Health, discussed the importance of the Kynect system to help families apply for the services they need.

Andy Moore, CPO/L, MPO, Treasurer, Kentucky Orthotic Prosthetic Association, discussed Medicaid reimbursement rates for orthotic and prosthetic services. Sydney Adkisson, Citizen, gave personal testimony about her experience with losing a limb and navigating insurance to get treatment and prosthetics covered.

Caleb Wheat, Kentucky United Methodist Church, gave personal testimony about Kentucky Children's Health Insurance Program (KCHIP).

Adjournment

There being no further business, the meeting was adjourned at 5:20 PM.