

Kentucky Association of Private Providers (KAPP)

Kentucky Association of Regional Providers
(KARP)

Joint Presentation for:

Medicaid Oversight Advisory Board

September 9, 2025

Overview

1. 2020 and 2021 1915(c) Waivers Interim Legislative Taskforce
2. 1915(c) Waivers Rate Study
3. Eliminating the 1915(c) Waivers Waitlists
4. Recommendations

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2020 and 2021 Interim Legislative Task Force

2021 Interim: 1915c Waiver Services Task Force

- Bi-Partisan Legislative Task Force
- 6 Findings
- 15 Recommendations

Task Force Findings:

- Providing services in a home or community based setting is more cost effective than providing similar care in an institutionalized setting.
- There is a well documented 1915(c) waiver workforce crisis largely driven by low wages.

Task Force Recommendations:

- Crisis services
- Regular analysis of reimbursement rates with focus on wage analysis and COLAs.
- Develop strategies to significantly reduce waitlists. Including: creating emergency criteria for all waivers and developing categories of need.



Rate Study

Identified Issues:

- Out of Date at Implementation
- Implemented at 70%
- Appropriation Discrepancy
- Inflation:
 - Future Inflation
 - Wage Inflation Errors



Eliminating the Waitlist

Reducing HCB Waivers Wait Lists @ 50/Year

Wait List as of August 5, 2025

Waiver	Wait List Count	50 Persons/Year	Year Wait List Ends
ABI – LTC	N/A		
ABI – Acute	N/A		
HCB	5,225	105 Years	2130
MII	N/A		
MPW	9,642	193 Years	2218
SCL	3,710	74 Years	2099

1915(c) Waiver Waitlists

Assumptions Guiding Wait List Funding Models

1. There are three (3) funding models:
 1. Reduce wait lists to zero (0) in two-years (SFY '25 & '26)
 2. Reduce wait lists to zero (0) in four-years (SFY '25, '26, '27 & '28); only two (2) years are included since 2024 General Assembly will enact the SFY '25 & '26 biennium budget
 3. Reduce wait list to zero (0) in six-years ((SFY '25, '26, '27, '28, '29 & '30); only two (2) years are included since 2024 General Assembly will enact the SFY '25 & '26 biennium budget
2. It should be noted that new names will be continually added to the wait lists, so this model only addresses the point-in-time wait list.
3. Wait list growth projections could be incorporated

1915(c) Waiver Waitlists

Assumptions Guiding Wait List Funding Models (cont'd)

4. The wait list approach includes phasing in the total number of new individuals served throughout the year. It is not feasible to support 100% of new individuals projected for the fiscal year in July.
 1. The phase-in model is one-twelfth ($1/12$) of the total to be added each month.
 2. New enrollees in July will have twelve (12) months of services, in August, eleven (11) months . . . In June, one (1) month of services in that fiscal year.
5. Year 1 – SFY 2025 is based upon the phase-in $1/12$ model for new waiver participants.
6. Year 2 – SFY 2026 is based upon (1) 12 full month of service from SFY '25 waiver participants plus the phase-in $1/12$ model for new waiver participants added in the second year of the biennium.

1915(c) Waiver Wait Lists

Assumptions Guiding Wait List Funding Models (cont'd)

7. It should be noted there is most likely some duplication on the waiver wait lists which should reduce some of the wait time toward the goal of completely eliminating the current wait list.
8. Federal Match Rate: **0.7217**
9. KY Match Rate: **0.2783**

1915(c) Waiver Wait Lists

Wait List Proposal 2 – 4 – 6 – 8 Years Phase In Summary

Two-Year Wait List Cost		Total Cost	SGF	FFP	People Served
Year 1 - Total	SFY '25	\$ 219,148,405	\$ 60,989,001	\$ 158,159,404	6,362
Year 2 - Total	SFY '26	\$ 623,803,505	\$ 173,604,515	\$ 450,198,990	12,724
	Total	\$ 842,951,910	\$ 234,593,517	\$ 608,358,393	12,724
Four Year Wait List Cost		Total Cost	SGF	FFP	People Served
Year 1 - Total Cost	SFY '25	\$ 109,591,313	\$ 30,499,262	\$ 79,092,051	3,181
Year 2 - Total Cost	SFY '26	\$ 311,844,661	\$ 86,786,369	\$ 225,058,292	6,362
	Total	\$ 421,435,974	\$ 117,285,632	\$ 304,150,342	6,362
Six Year Wait List Cost		Total Cost	SGF	FFP	People Served
Year 1 - Total Cost	SFY '25	\$ 73,071,950	\$ 20,335,924	\$ 52,736,026	2,121
Year 2 - Total Cost	SFY '26	\$ 207,979,465	\$ 57,880,685	\$ 150,098,780	4,242
	Total	\$ 281,051,415	\$ 78,216,609	\$ 202,834,806	4,242
Eight Year Wait List Cost		Total Cost	SGF	FFP	People Served
Year 1 - Total Cost	SFY '25	\$ 54,797,079	\$ 15,250,027	\$ 39,547,052	1,590
Year 2 - Total Cost	SFY '26	\$ 155,923,752	\$ 43,393,580	\$ 112,530,172	3,180
	Total	\$ 210,720,831	\$ 58,643,607	\$ 152,077,224	3,180



Recommendations

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- Implement the recommendations of the 2020 and 2021 1915(c) Legislative Task Forces.
- Require CHFS to perform an annual analysis of 1915(c) waiver reimbursement rates and direct care worker wages and report results to the General Assembly.
- Implement regular, required cost of living adjustments for 1915(c) waiver services tied to the Medicare Economic Index (MEI) or other economic index.
- Include funding for the 2/4/6/8 year wait list phase-out proposal in the upcoming budget.
- Require CHFS to increase all waiver reimbursement rates to at least 100% of the rate study recommendation.
- Require CHFS to update all waiver regulations to accurately reflect current regulatory standards.