

MEDICAID OVERSIGHT AND ADVISORY BOARD

8th Minutes of the 2025 Interim

November 12, 2025

Call to Order and Roll Call

The eighth meeting of the Medicaid Oversight and Advisory Board was held on November 12, 2025, at 9:00 AM in Room 154 of the Capitol Annex. Senator Julie Raque Adams, Chair, called the meeting to order, and the secretary called the roll.

Present were:

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

Guests: Dr. John Langefeld, Commissioner, Department for Public Health, Cabinet for Health and Family Services (CHFS); Katherine North, Vice President External Affairs, Kentucky Association of Health Plans (KAHP); and Dr. Chirag Patel, Chief Medical Officer, WellCare Kentucky.

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

Approval of Minutes

A motion to approve the minutes from the October 22, 2025, meeting was made by Senator Carroll, seconded by Senator Richardson, and approved after a voice vote.

Update on Rural Health Transformation Fund

Dr. Steven Stack, Secretary, CHFS, provided an update on the Rural Health Transformation Program (RHTP) application, including funding and scoring factors, strategic goals, budget limitations, and application timeline. Dr. John Langefeld, Commissioner, Department for Public Health, CHFS, presented on RHTP stakeholder engagement, letters of support, and proposed areas of focus and initiatives.

In response to Senator Berg, Secretary Stack stated the RHTP will not stabilize rural hospitals. However, trends in rural healthcare have shown that focusing program funds

on areas such as oral and behavioral health will lead to better health outcomes. Commissioner Langefeld stated collaborative partnerships between local health departments and stakeholders will be used to measure the success of proposed initiatives along with rapid cycle feedback.

In response to Senator Douglas, Secretary Stack stated part of the RHTP proposal includes using consumer applications to be more informed and engaged in programs for chronic disease management. Empowering and encouraging patients to take advantage of proposed programs for better health outcomes is addressed in the RHTP application.

The Medicaid Managed Care Delivery Model in Kentucky

Tom Stephens, President, KAHP, presented on the Medicaid managed care delivery model, including value-added benefits, managed care organizations (MCOs) quality metrics, how MCOs help reduce the cost of the Medicaid program, and prevent and detect fraud and waste. Katherine North, Vice President External Affairs, KAHP, presented on KAHP, rural health grants, community impact, how MCOs improve healthcare network adequacy, and a detailed breakdown of how state Medicaid dollars are spent by MCOs.

In response to Chair Raque Adams, Dr. Chirag Patel, Chief Medical Officer, WellCare Kentucky, stated Kentucky uses a single pharmacy benefit manager (PBM) for prescriptions and the MCOs act as a pass through.

In response to Senator Meredith, Ms. North stated the \$4.3 million in health grant funding from KAHP is in addition to grants provided by MCOs. Dr. Patel stated Kentucky MCOs fund colorectal screening and collaborate to attract young primary care physicians to practice in rural areas. He stated MCOs partner with the Department for Medicaid Services (DMS) to address rural healthcare disparities.

In response to Senator Carroll, Ms. North stated during the pandemic, rates were retroactive and repaid by MCOs once actuarial reports were generated. She stated DMS can request recoupments monthly under new Center for Medicare and Medicaid Services guidelines on redeterminations every six months and reconciliation of state and federal Medicaid enrollment databases budget waste will be decreased. Mr. Stephens stated of the Medicaid waste referenced in the Auditor of Public Accounts report, it is unclear what amount, if any, was paid incorrectly to Kentucky MCOs.

In response to Chair Raque Adams, Ms. North stated if the cost of care exceeds capitation payments made to an MCO, the excess is covered by the MCO. In contrast, if

capitation payments are not fully used for healthcare costs, the excess is recouped by the state. Dr. Patel stated capitation payment recoupments are calculated at the total enrollment level and not per member. He stated any unused capitation payments can be used to subsidize costs of other members.

In response to Dr. Schuster, Mr. Stephens stated MCOs contract with third party vendors for secret shopper surveys to assess network adequacy. Dr. Patel stated he could provide secret shopper survey results to members after the meeting. He stated when MCOs suspect providers are not providing adequate care, it is reported to DMS.

In response to Representative Bowling, Ms. North and Mr. Stephens stated they would provide information on how capitation payments are calculated at a later time.

In response to Dr. Petrey, Dr. Patel stated he agrees dental healthcare deserts exist in rural areas of the state.

In response to Representative Moser, Dr. Patel stated, hypothetically, if a behavioral health provider is found to have billed a member for services not normally rendered to that member, the provider is contacted to discuss services rendered and billing practices to resubmit a claim. If the billing practice is not corrected after dialogue and compliance, the provider is referred to the state at which time communication from the MCO to the provider is limited.

In response to Senator Carroll, Dr. Patel stated the only payment or profit, other than capitation payments, is a quality program withheld under which MCOs are required to meet specific quality metrics in order to earn back withheld funds. He stated questions about the interest from capitation payments would need to be referred to the financial departments for each MCO.

In response to Mr. Shannon, Mr. Stephens stated he would provide specific behavioral health spending at a later time. Dr. Patel stated substance abuse treatment has seen a rise in claims and costs without improved outcomes to match.

Public Comment

Mary Kathryn Delodder, Kentucky Birth Coalition, testified on the need for certified professional midwives to be added as an acceptable provider for Medicaid members.

Adjournment

There being no further business, the meeting was adjourned at 11:00 AM.