



KENTUCKY MEDICAID OVERSIGHT & ADVISORY BOARD


Findings and Recommendations




INTRODUCTION & **BACKGROUND**



The Medicaid Oversight and Advisory Board (the Board) held its initial meeting on June 25, 2025.



Over the past six months, the Board has heard testimony from stakeholders including community members, enrollees, providers, advocates, managed care organizations, and Cabinet for Health and Family Services leadership, including from the Department of Medicaid Services.



The Board also has reviewed available data, consulted with research firms, and engaged with many other individuals and organizations regarding how to improve the Medicaid program in Kentucky.

GENERAL OBSERVATIONS

As the Board concludes its 2025 meetings, the general observations of Kentucky's Medicaid Program are:

- 1** The Medicaid budget has more than doubled over the past five years to over \$20 billion.
- 2** The Medicaid population has grown from one-fifth to one-third of Kentucky's total population.
- 3** Cost per enrollee has increased by more than 100%.
- 4** Cost per individual taxpayer has swelled by over 200%.
- 5** Leading healthcare indicators have not improved significantly, if at all.
- 6** The number of Medicaid enrollees has significantly increased due to further expansion of the program.

GENERAL **OBSERVATIONS** (CONT.)

One overarching thing is very clear: the current program is not sustainable, and there will be significant financial repercussions to the Commonwealth's budget and operations if sustainability of the Kentucky Medicaid Program is not addressed during the 2026 Session. Most importantly, however, we are not fulfilling our obligation to help those individuals who are covered by Medicaid to improve their quality of health.



FINDINGS: PROGRAM ALIGNMENT WITH HR 1





FINDING 1

ADMINISTRATIVE PROCESS INEFFICIENCIES NEGATIVELY AFFECT
SERVICE OPERATIONS, SERVICE DELIVERY, AND PROVIDER
PARTICIPATION





FINDING 2

MEDICAID PROGRAM IS NOT ALIGNED WITH WORKFORCE
PARTICIPATION TO COMPLY WITH HR1





FINDING 3

MEDICAID BUDGET GROWTH IS UNSUSTAINABLE





FINDING 4

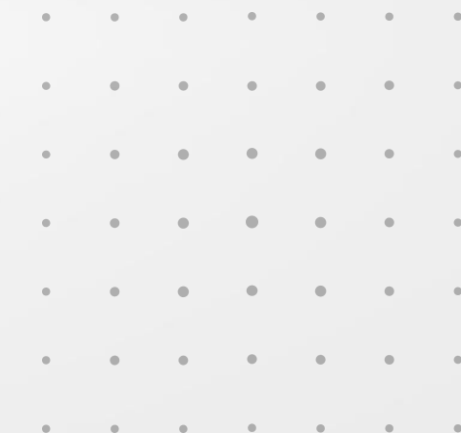
RURAL HEALTH TRANSFORMATION FUND DEVELOPMENT LACKED
TRANSPARENCY AND LEGISLATIVE INVOLVEMENT





FINDING 5

HR 1 REQUIRES PROVIDER TAX CHANGES THAT WILL SIGNIFICANTLY
IMPACT MEDICAID PROVIDERS





FINDING 6

HR 1 REQUIRES STATE DIRECTED PAYMENT PROGRAM CHANGES THAT
WILL SIGNIFICANTLY IMPACT MEDICAID PROVIDERS





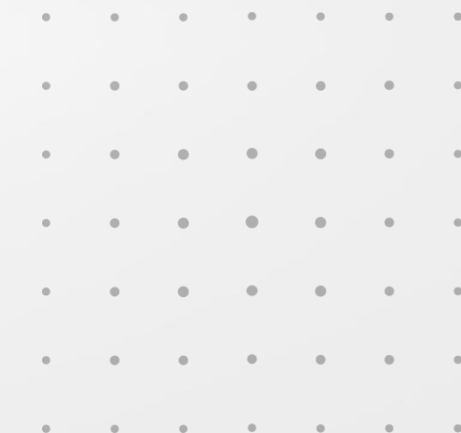
ADDITIONAL FINDINGS





FINDING 7

TRANSPARENCY INTO MEDICAID SPENDING AND PERFORMANCE
IS INSUFFICIENT





FINDING 8

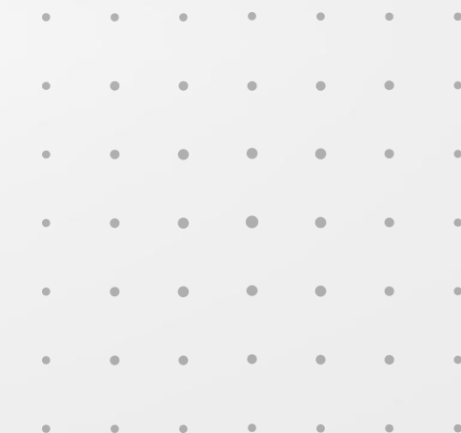
NETWORK ADEQUACY REPORTING IS INACCURATE, LEADING TO
INSUFFICIENT ACCESS TO MEDICALLY NECESSARY SERVICES





FINDING 9

CURRENT MEDICAID DELIVERY MODEL, IN PLACE SINCE 2011,
IS NOT IMPROVING HEALTH OUTCOMES, YET THE
BUDGET IS GROWING UNSUSTAINABLY





FINDING 10

**DMS OVERSIGHT AND ACCOUNTABILITY FOR THE
MEDICAID PROGRAM IS INCONSISTENT**





FINDING 11

**SOLUTIONS AND FOLLOW-UP TO STAKEHOLDER
FEEDBACK AND QUESTIONS IS LACKING**





FINDING 12

BEHAVIORAL HEALTH SERVICE DELIVERY IS FRAGMENTED AND NOT
INTEGRATED WITH PHYSICAL HEALTH SERVICES

