MEDICAID OVERSIGHT AND ADVISORY BOARD

5th Minutes of 2026

June 24, 2026

Call to Order and Roll Call

The fifth meeting of the Medicaid Oversight and Advisory Board was held on June 24, 2026, at 1:00 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: Representative Ken Fleming, Co-Chair; Senator Julie Raque Adams, Co-Chair; Senators Karen Berg, Stephen Meredith, Craig Richardson, and Donald Douglas; and Representatives Samara Heavrin, Kimberly Poore Moser, Wade Williams, Lisa Willner, Jason Petrie, and Adam Bowling; and Auditor Allison Ball, Secretary Steven Stack, Commissioner Lisa Lee, Dr. Sheila Schuster, Tom Stephens, Vicki Yates Glisson, Rocky Massey (proxy for Hollie Harris), William Baker, John Hicks, Steve Shannon, and Joe Petrey.

Guests: Steve Bechtel, Chief Financial Officer, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS); and Dr. Katherine Marks, Commissioner, Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID), CHFS.

LRC Staff: Stephanie Bates, Julia Sprague, and Elizabeth Quinn.

Approval of Minutes

A motion to approve the minutes from the March 9, 2026, meeting was made by Representative Heavrin, seconded by Co-Chair Raque Adams, and approved after a voice vote.

A motion to approve the minutes from the March 16, 2026, meeting was made by Co-Chair Raque Adams, seconded by Senator Meredith, and approved after a voice vote.

Statutory Reports and Data Requests

Steve Bechtel, Chief Financial Officer, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS), presented on the DMS Quarterly Budget Analysis Report, Enrollee Demographic Quarterly Report, Managed Care Organization (MCO) Quarterly Report, Healthcare Provider Tax and Assessment Report, and 2025 RS HB 695 Pharmaceutical Rebate Fund. Lisa Lee, Commissioner, DMS, CHFS, presented on community engagement and cost-sharing implementation and the withdrawal of 1115 waiver from 2026 RS HJR 24. Katherine Marks, PHD, Commissioner, Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID), CHFS, shared an overview of the behavioral health service provider performance scorecard. Dr. Marks stated 2025 RS HB 695 directed the Cabinet to create a scorecard evaluating mental health and addiction service quality outcome measures used by MCOs.

In response to Ms. Glisson, Mr. Bechtel stated the presentation does not include administrative costs, and those figures can be found in the DMS quarterly budget report provided to the Board. Mr. Bechtel stated that administrative costs are not always 50/50 state/federal match, rather they vary depending on the reason for the funding.

In response to Mr. Shannon, Mr. Bechtel stated he would follow-up on community mental health centers spending analysis and provide those figures to the Board.

In response to Ms. Glisson, Mr. Bechtel stated the reduction in directed payments included in H.R. 1 will cause a reduction in provider reimbursements. He stated new Center for Medicare & Medicaid Services (CMS) proposed guidance will have minimal impact from an administrative perspective but will be substantial for providers.

In response to Chair Fleming, Commissioner Lee stated lines P-Z on the demographic report, are included in the full report but not the paper copies provided. Commissioner Lee stated the data missing is for unspecified individuals, and there are certain eligibility categories for tourists that qualify them for Medicaid. After following up with the eligibility team, she will provide clarification to the Board. Commissioner Lee stated DMS will follow-up with the claim information for the spend categories. She stated spending is not broken down by citizenship.

In response to Senator Meredith, Mr. Bechtel stated the medical loss ratio is an individual report and can be provided in a follow-up request.

In response to Auditor Ball, Commissioner Lee stated there is a focus on fraud, waste, and abuse at DMS. There are changes being made to eligibility programs and community engagement requirements to ensure that individuals who qualify for the program are enrolled.

In response to Auditor Ball, Senator Berg stated she would like to review the Ombudsman annual report. She stated the level of discrepancy in the numbers needs to be addressed and resolved.

In response to Auditor Ball, Mr. Bechtel stated the restricted fund is not included in the Medicaid funding cuts. He stated the appropriation in the report was increased by $300 million, but the total amount spent is the same.

In response to Senator Douglas, Dr. Marks stated there are assessments and concurrent services reviewed by MCOs. She stated the scorecard is a complete capture of all services provided to Medicaid members. Dr. Marks stated the purpose of the dashboard and its potential.

In response to Chair Fleming, Dr. Marks stated the scorecard was developed within CHFS.

In response to Representative Moser, Dr. Marks stated the provider score rankings are being reviewed alongside MCOs to ensure continuous quality improvement for individual providers. She stated the goal is for MCOs and providers to better understand their data and improve programs. Dr. Marks stated it is possible to pivot the data to levels of care.

In response to Senator Meredith, Dr. Marks stated MCO partners can leverage the data to drive value-based purchasing and quality control decisions.

In response to Chair Fleming, Dr. Marks stated the data went live prior to January 1, 2026, as required by 2025 RS HB 695. She stated various providers attended individual focus groups, MCOs were also met with to review dashboards before release.

2025 and 2026 Session Update

Commissioner Lee provided an implementation update on 2026 RS HB 500, 2026 RS HJR 24, and 2026 RS HB 2.

In response to Chair Fleming, Commissioner Lee stated DMS and the Dental Technical Advisory Committee staff have been working closely to ensure proper utilization of appropriations for dental reimbursement rate increases provided in 2026 RS HB 500. She stated the required letter has been submitted to CMS withdrawing 1115 waiver applications required in 2026 RS HJR 24. DMS is working to design a system to meet the new federal regulations outlined by CMS. Commissioner Lee stated the eligibility system is on schedule to be updated by December 2026 for the January 1, 2027, deadline. She stated DMS is working with CMS to ensure guidelines are being met.

In response to Senator Meredith, Mr. Bechtel stated DMS used the consensus forecast to model redeterminations and community engagement numbers; roughly 20% of enrollees subject to the new requirement will not meet the new requirements beginning January 1, 2027.

Board Structure Updates and Subcommittees

Chair Fleming announced the members of the Healthcare Transparency Dashboard Subcommittee, Waiver Waitlist Management Subcommittee, and Non-Emergency Medical Transport (NEMT) Working Group. The chairs of each group will be determined by Chair Fleming and Co-Chair Adams.

In response to Ms. Schuster, Chair Fleming stated that the option for public comments at the subcommittee meetings will be determined by the Co-Chairs.

Public Comments

The following individuals testified on the impact of the Lee Specialty Clinic to their families, friends, and the community; and the need for ongoing funding to the clinic: Scott Brinkman, Bruce Perfect, Bill Connelly, Paula Robinson, Ms. Thompson, Corey Net, Ms. Garcia, Ms. Griffin, Tina Davis, Kay Tillow, Ms. Mudd, Ms. Cutter, Arthur Campbell, Pam Clay Young, Pam Marshall, Bob Heleringer, and Megan Bowden.

Adjournment

There being no further business, the meeting was adjourned at 3:23 PM.