MEDICAID OVERSIGHT AND ADVISORY BOARD

3rd Minutes of 2026

March 9, 2026

Call to Order and Roll Call
The third meeting of the Medicaid Oversight and Advisory Board was held on March 9, 2026, at 11:00 AM 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 Samara Heavrin, Kimberly Poore Moser, Wade Williams, and Lisa Willner; and Beth Bowling (proxy for William Baker), Heather Walters (proxy for Allison Ball), John Hicks, Lisa Lee, Sheila Schuster, Steven Stack, Tom Stephens, Vickie Yates Glisson, Hollie Harris, Steve Robertson (proxy for Joe Petrey), and Steve Shannon.

Guests: Representatives Amy Neighbors and Steve Riley; Russ Ranallo, Chief Financial Officer, Owensboro Health; Dr. Heidi Murley, Chief Financial Officer, St. Elizabeth Physician Group; Cody Hunt, Director of Health Policy, Kentucky Medical Association (KMA); Missy Newland, Citizen; Maggie Chism, Citizen; Mike Wynn, Director of Community Programs, Grace Health; and Doug Hogan, Government Relations Director, American Cancer Society.

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

Legislative Proposals

2026 RS HB 689
AN ACT relating to the establishment of a Medicaid state-directed payment program.
Sponsor Representative Amy Neighbors
Representative Neighbors; Russ Ranallo, Chief Financial Officer, Owensboro Health; and Dr. Heidi Murley, Chief Financial Officer, St. Elizabeth Physician Group, testified in favor of the bill. 2026 RS HB 689 directs the Department for Medicaid Services (DMS) to develop a directed payment program for physicians and non-physician professional services provided by a qualifying hospital.

In response to Representative Willner, Representative Neighbors stated the University of Kentucky, University of Louisville, and the other four healthcare systems that may qualify would be required to pay the state and no general fund dollars will be used to fund the program.

2026 RS SB 201
AN ACT relating to Medicaid coverage for evaluation and management services.
Sponsor Senator Donald Douglas
Senator Douglas and Cody Hunt, Director of Health Policy, KMA, testified in favor of the bill. 2026 RS SB 201 directs DMS and any managed care organization (MCO) to provide coverage for evaluation and management services and prohibits limiting that coverage to fewer than two units per Medicaid-participating provider, per recipient, per date of service.

In response to Senator Berg, Mr. Hunt stated there will not be a fiscal impact from this proposed legislation. Senator Douglas stated MCOs will ultimately decide how billing and reimbursement rates will change for providers.

In response to Dr. Schuster, Dr. Stack stated the administrative regulation is permissive to all Medicaid-participating providers.

2026 RS HB 583
AN ACT relating to the school-based Medicaid program.
Sponsor Representative Steve Riley
Representative Riley; Emily Beauregard, Executive Director, Kentucky Voices for Health; and Gannon Tagher, Ed.D., APRN, Kentucky Nursing Association, testified in favor of the bill. 2026 RS HB 583 requires school districts that elect to provide health care services through a school nurse to bill the school-based Medicaid program for medically necessary services provided to a student enrolled in Medicaid; establishes third-party vendor contract requirements; permits school nurses to receive preventative oral health training; and permits school districts to bill Medicaid for certain preventative oral health services.

In response to Senator Douglas, Ms. Beauregard stated schools can bill Medicaid for services allowed within the staff's scope of practice.

In response to Senator Carroll, Ms. Beauregard stated each school district would hire the staff, that the administrative cost and salary would serve as the state match, and the billing to Medicaid is in units of time for each service provided.

In response to Co-Chair Adams, Ms. Beauregard stated schools have the choice of which type of health care provider to hire and each one has different billing codes.

In response to Senator Berg, Ms. Beauregard stated schools must provide the documentation and medical necessity for billing but most contract with a third party to submit claims to MCOs.

In response to Senator Douglas, Ms. Beauregard stated most schools use Infinite Campus which has a medical records component that could be used to share information with primary care providers.

In response to Chair Fleming, Ms. Beauregard stated currently the ratio for school healthcare providers is 1:330 but the goal is 1:250. She stated with Medicaid billing a school district will never offset the full cost of a health care providers salary, but it will significantly offset the costs.

2026 RS HB 488
AN ACT relating to the Medicaid home and community based waiver program.
Sponsor Representative Deanna Gordon
Chair Fleming testified in favor of the bill. 2026 RS HB 488 directs the Cabinet for Health and Family Services (CHFS) to submit a waiver amendment application to amend the Home and Community Based waiver to include coverage for assisted living services.

2026 RS HB 2
AN ACT relating to Medicaid, making an appropriation therefor, and declaring an emergency.
Sponsor Representative Ken Fleming
Chair Fleming testified in favor of the bill. 2026 RS HB 2 reforms the Kentucky Medicaid program by requiring CHFS and DMS to comply with recently enacted federal changes to Medicaid, including demonstrated community engagement requirements, cost-sharing requirements, and the frequency of eligibility redeterminations; enhances legislative oversight of the Medicaid program; and establishes statutory requirements for contracts with MCOs, administration of 1915(c) waiver programs, nonemergency medical transportation services, and dental benefits.

In response to Dr. Schuster, Chair Fleming stated the Secretary of CHFS has discretion for hardships in addition to an appeal process. Co-Chair Adams stated that presumptive eligibility should allow applicants to have coverage while appeals and other processes

are taking place. Chair Fleming stated CHFS can use resources to get information out to Medicaid recipients.

In response to Senator Meredith, Chair Fleming stated when MCOs can assist in redirecting Medicaid patients to primary care providers instead of emergency rooms, which would free up resources in hospitals and enable them to provide better care for patients. He stated the cost sharing provisions do not take effect until October 1, 2028. Claw back payments and data collection are areas to discuss for amendments or substitutes as the bill goes through the process in the Senate.

Discussion of Kentucky State Plan Amendment (SPA) 26:0001: School-based Medicaid Services Program

Lisa Lee, Commissioner, DMS, CHFS, testified on Kentucky's Medicaid SPA 26:0001, which aligns the state plan with the 2023 guidance from the Center for Medicaid Services for school-based Medicaid services.

In response to Chair Fleming, Commissioner Lee stated the services outlined in the SPA are currently covered and the clarification is on the type of providers allowed to treat for those services.

Public Comment

Missy Newland, Citizen, testified on concerns within 2026 RS HB 2, including co-pays and funding cuts to the program which will negatively affect citizens.

Maggie Chism, Citizen, gave personal testimony on her experience with the Medicaid waiver program concerning coverage for her child.

Mike Wynn, Director of Community Programs, Grace Health, testified on concerns with provisions in 2026 RS HB 2 and the effects these provisions would have on Medicaid recipients.

Doug Hogan, Government Relations Director, American Cancer Society, testified on concerns on provisions within 2026 RS HB 2 in regards to cancer patients.

Adjournment

There being no further business, the meeting was adjourned at 12:35 PM.