CABINET FOR HEAL **AMILY SERVICES**
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June 6, 2016

Steve Shannon
Executive Director
Kentucky Association of Regional Programs
152 West Zandale Drive, Suite 201
Lexington, Kentucky 40503

Dear Mr. Shannon:

Thank you for your recent correspondence requesting clarification on the scope of operation and services of Kentucky's Community Mental Health Centers (CMHC). I recently met with representatives of Cabinet for Health and Family Services agencies with significant statutory and/or regulatory CMHC relationships (e.g., Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID); Department for Medicaid Services (DMS); and, Office of the Inspector General) to review and discuss the various relevant statutes, regulations, policies, and existing contractual obligations affecting this issue.

As you note in your letter, CMHCs are obligated to offer specified services to mental health, substance abuse, and developmental and intellectual disability clients within their geographically defined regions. Although referenced in various state statutes, administrative regulations, and related documents generated by Cabinet agencies as part of their administrative and oversight processes, the composition of each regional service area is clearly defined within DBHDID's contracts with CMHCs. Historically, when CMHC services were primarily funded by the Cabinet, these entities had little incentive to serve beyond established geographic borders or practice areas, and private providers had limited pools of potential clients because of insurance coverage limitations. However, beginning in 2011, the behavioral health system began to evolve with the introduction of Medicaid managed care organizations, and in 2014 the implementation of the Affordable Care Act vastly expanded the types of services and providers eligible for reimbursement by insurance providers. At that time, DMS, in concert with DBHDID, opted to transfer several state-funded behavioral health services (historically provided by DBHDID via CMHCs with 100% state funds) to the Medicaid scope of care to maximize federal funding. This has allowed the Cabinet to address two of the core federal requirements of state Medicaid programs: (1) ensuring recipient access to care for each covered service (or category of services such as behavioral health); and, (2) reducing the administrative burdens placed on providers and others.

Both CMHCs and private providers have responded by providing behavioral health care services in a progressive manner, taking advantage of expanded opportunities for service provision according to their administrative and operational capacities. The Cabinet supports the evolution of behavioral health care services that have resulted in expanded access for clients throughout the Commonwealth, and is utilizing its own resources toward supporting these efforts, with both CMHCs and private providers that have entered and expanded the field.

Kentucky Revised Statutes and Kentucky Administrative Regulations related to CMHC licensing, services, and Medicaid reimbursements (primarily KRS 210.370-485, 902 KAR 20:091, 907 KAR 1:044-046, 908 KAR 2:010-065) authorize these entities to provide a vast array of services; require that such services be available to appropriate individuals residing within the CMHC's designated region; and, define conditions for reimbursement and direct funding by Cabinet agencies. At this time, however, these statutes and regulations do not preclude CMHCs from providing additional services, or allow the Cabinet to prohibit them from doing so, as long as they conform with the defined administrative and funding obligations. Therefore, requiring CMHCs to obtain an additional, separate licensure as Behavioral Health Service Organizations (a less expansive category of licensing than CMHCs') would only seem to be duplicative, serve to increase their costs (licensure and related fees), and create additional administrative burdens.

I realize this response may be contrary to some of your members' desires. However, the recent expansion of resources in Kentucky communities provides additional capacity in a field with significantly limited resources. We encourage CMHCs (as well as private providers) to collaborate on mutually beneficial service provision decisions whenever possible, and remain aware of the successful outcomes that benefit both communities and individuals.

Please do not hesitate to contact me or Eric Clark if you have additional questions or need further information.

Sincerely,

Justin D. Clark
General Counsel

cc: Vickie Yates Brown Glisson, Secretary of the Cabinet
Tim Feeley, Deputy Secretary of the Cabinet
Eric T. Clark, Executive Advisor & Legislative Director