

205.5355 Identification and disenrollment of nonresidents and individuals concurrently enrolled in multiple states -- Procedures -- Notice -- Penalties.

For the purpose of identifying and, when appropriate, disenrolling individuals from the Kentucky Medicaid program who are concurrently enrolled, or suspected of being concurrently enrolled, in one (1) or more other states' Medicaid programs or are otherwise ineligible for enrollment in the Kentucky Medicaid program because they no longer reside in Kentucky, to the extent permitted under federal law:

- (1) The cabinet shall:
 - (a) On at least a quarterly basis, review the Public Assistance Reporting Information System, or PARIS, match files submitted to the state by the federal Administration for Children and Families;
 - (b) Identify individuals enrolled in the Kentucky Medicaid program who may be concurrently enrolled in one (1) or more other states' Medicaid programs;
 - (c) Notify any individual suspected of being concurrently enrolled in the Kentucky Medicaid program and one (1) or more other states' Medicaid programs within thirty (30) days of identification under paragraph (b) of this subsection. Notifications made under this paragraph shall inform individuals:
 1. That they are required to submit proof of current residency in the Commonwealth within thirty (30) days;
 2. Of the process for submitting proof of current residency to the cabinet and the documents required to be submitted to validate current residency in the Commonwealth; and
 3. That failure to submit proof of current residency in the Commonwealth within thirty (30) days shall result in the individual being disenrolled from the Medicaid managed care organization in which the individual is enrolled or assigned;
 - (d) For individuals who fail to respond as required under paragraph (c) of this subsection:
 1. Disenroll the individual from the Medicaid managed care organization in which the individual is enrolled or assigned and place the individual in the Medicaid fee-for-service program; and
 2. Make a second attempt to notify the individual within forty-five (45) days from the date on which the notice required under paragraph (c) of this subsection was made. Notifications made under this subparagraph shall inform individuals:
 - a. That they must submit proof of current residency in the Commonwealth within thirty (30) days;
 - b. Of the process for submitting proof of current residency to the cabinet and the documents required to be submitted to validate current residency in the Commonwealth; and
 - c. That failure to submit proof of current residency in the Commonwealth within thirty (30) days shall result in the individual being disenrolled from the Kentucky Medicaid

program;

- (e) Not make capitation payments to any managed care organization with whom the cabinet contracts for the delivery of Medicaid services on behalf of any individual disenrolled from managed care in accordance with paragraphs (c) and (d) of this subsection;
 - (f) Upon receipt of a notification required under subsection (2)(b) of this section, provide notice in accordance with paragraphs (c) and (d) of this subsection to the individual identified by the managed care organization and disenroll the individual as required under paragraphs (c) and (d) of this subsection; and
 - (g) Establish administrative penalties for any managed care organization that fails to comply with the requirements of subsection (2) of this section;
- (2) Each managed care organization with whom the cabinet contracts for the delivery of Medicaid services shall:
- (a) On at least a monthly basis, make all reasonable efforts to identify any individual who is:
 - 1. Enrolled in the Kentucky Medicaid program;
 - 2. Served by, enrolled with, or assigned to the managed care organization; and
 - 3. Covered by, insured by, or enrolled with the managed care organization, the managed care organization's parent company, or any subsidiary of the managed care organization or its parent company in another state, regardless of the type of coverage provided in the other state;
 - (b) Promptly notify the cabinet of any individual identified in accordance with paragraph (a) of this subsection; and
 - (c) On a monthly basis, report to the Department for Medicaid Services efforts and activities undertaken to comply with paragraph (a) of this subsection; and
- (3) (a) The cabinet shall impose a penalty of one thousand dollars (\$1,000) for each violation of:
- 1. Subsection (2)(a) and (c) of this section with each month in which a managed care organization fails to comply with subsection (2)(a) and (c) of this section constituting a separate violation; and
 - 2. Subsection (2)(b) of this section.
- (b) Penalties collected under this subsection shall be deposited into the Medicaid managed care organization compliance fund established in KRS 205.5357.

Effective: April 14, 2026

History: Created 2026 Ky. Acts ch. 179, sec. 6, effective April 14, 2026.