

205.5357 Medicaid managed care organization compliance fund.

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 - (a) There is hereby established in the State Treasury a restricted fund to be known as the Medicaid managed care organization compliance fund.
 - (b) The fund shall consist of all penalties or fines imposed by the cabinet on a managed care organization for violations of KRS 205.5356, any other contract violation, or any violation of state or federal law related to the Medicaid program, regardless of the manner in which the penalty or fine is paid by a managed care organization, including but not limited to reductions in future capitation payments or any monies withheld by the Department for Medicaid Services for payment of penalties or fines.
 - (c) The fund shall be administered by the cabinet.
 - (d) Notwithstanding KRS 45.229, fund amounts not appropriated at the close of a fiscal year shall not lapse but shall be carried forward into the next fiscal year.
 - (e) Any interest earnings of the fund shall become a part of the fund and shall not lapse.
 - (f) Notwithstanding KRS 48.630, expenditures shall not be made from this fund unless expressly appropriated by the General Assembly.
 - (g) It is the intent of the General Assembly that monies in the fund shall provide financial support for future Medicaid reimbursement rate increases upon appropriation by the General Assembly.
- (2) The cabinet shall submit specific recommendations for the use of monies in the Medicaid managed care organization compliance fund to increase certain Medicaid reimbursement rates to the Legislative Research Commission for referral to the Interim Joint Committees on Appropriations and Revenue and Health Services and the Medicaid Oversight and Advisory Board established in KRS 7A.273 by November 1, 2027, and November 1 of each following odd-numbered year.

Effective: April 14, 2026

History: Created 2026 Ky. Acts ch. 179, sec. 11, effective April 14, 2026.