

205.5353 Dental services -- Administrative service organization delivery model -- Legislative findings -- Medicaid dental director -- Procurement -- Administrative regulations -- Dental Services Advisory Panel -- Annual report.

- (1) The General Assembly finds and declares that:
 - (a) Effective management of Medicaid-covered dental services is essential for the overall health of Medicaid beneficiaries and that specialized administration of dental services may improve programmatic efficiency, oral health, and overall health outcomes in the Commonwealth; and
 - (b) It is the intent of the General Assembly to authorize the Department for Medicaid Services to administer Medicaid-covered dental services under an administrative service organization delivery model beginning January 1, 2029, and for the administrative service organization contracted in accordance with this section to perform administrative functions necessary to manage or process claims, prior authorization requests, coordination of care, network adequacy, and customer service related to Medicaid-covered dental services.
- (2) As used in this section:
 - (a) "Administrative service organization" or "ASO" means the entity contracted by the department in accordance with subsection (3) of this section to perform specified administrative functions related to the administration of Medicaid-covered dental services without assuming a financial or insurance risk; and
 - (b) "Department" means the Department for Medicaid Services.
- (3) The department shall:
 - (a) Beginning July 1, 2028, employ a full-time Medicaid dental director who shall:
 1. Be licensed under KRS Chapter 313;
 2. Report to the commissioner of the department; and
 3. Be responsible for overseeing the administration of Medicaid-covered dental services;
 - (b) Consider any recommendations that may be made by the Medicaid Oversight and Advisory Board, or a subcommittee thereof, regarding the transition of Medicaid-covered dental services from a managed care delivery model to an ASO delivery model;
 - (c) In accordance with KRS Chapter 45A and subsection (5) of this section, select and contract with a third-party ASO to administer Medicaid-covered dental services. The contract entered into under this paragraph shall have an effective date of January 1, 2029;
 - (d) Promulgate administrative regulations in accordance with KRS Chapter 13A to implement this section;
 - (e) Beginning January 1, 2029:
 1. Transition all Medicaid beneficiaries from Medicaid managed care organization coverage into ASO coverage for the administration of all Medicaid-covered dental services; and
 2. Establish a Dental Services Advisory Panel which shall:

- a. Include the following members:
 - i. The Medicaid dental director employed pursuant to paragraph (a) of this subsection;
 - ii. The members of the Technical Advisory Committee on Dental Care established in KRS 205.590; and
 - iii. A representative from the ASO contracted with pursuant to paragraph (c) of this subsection;
 - b. Be attached to the department for administrative purposes; and
 - c. Provide ongoing consultation, recommendations, and guidance to the department to continually improve administration and delivery of Medicaid-covered dental services; and
 - (f) On January 1, 2029, begin utilizing an ASO delivery model for the administration of all Medicaid-covered dental services.
- (4)
 - (a) The ASO contracted with pursuant to this section shall operate on an administrative-services-only basis. The ASO shall not assume any financial or insurance risk for the cost of dental claims incurred by the Commonwealth, and the Commonwealth shall remain fully financially responsible for all Medicaid-covered dental claims.
 - (b) The duties and responsibilities of the ASO contracted with pursuant to this section shall be limited to the following administrative services:
 - 1. Assisting with and facilitating the transitioning of all Medicaid beneficiaries from Medicaid managed care organization coverage into ASO coverage for dental services;
 - 2. Processing and paying Medicaid-covered dental services claims in accordance with the department's established fee schedule and clinical guidelines;
 - 3. Employing utilization control strategies established by the department and managing all prior authorization requests for Medicaid-covered dental services;
 - 4. Providing coordination of care with a Medicaid beneficiary's Medicaid managed care organization;
 - 5. Providing customer service and support to Medicaid beneficiaries and Medicaid-participating dental providers; and
 - 6. Any other administrative duties or responsibilities contractually assigned to the ASO by the department.
 - (c) The ASO contracted with pursuant to this section shall not include in any analysis of network adequacy an inactive Medicaid provider as defined in KRS 205.5356;
- (5)
 - (a) Notwithstanding any provision of law to the contrary, including subsection (3)(c) of this section, the department shall not initiate a procurement process to contract with a third-party ASO to administer Medicaid-covered dental services prior to January 1, 2028.
 - (b) Any contract entered into under this section shall be submitted to the

Government Contract Review Committee of the Legislative Research Commission for comment and review.

- (6) On an annual basis, the department, in collaboration with the Dental Services Advisory Panel, shall:
- (a) Evaluate the dental ASO's performance based on metrics, including but not limited to the following:
 - 1. Accuracy and timeliness of claims processing;
 - 2. Efficiency of processing prior authorization requests;
 - 3. Observed network adequacy improvements;
 - 4. Availability of and access to services; and
 - 5. Satisfaction ratings from participating dental service providers and Medicaid beneficiaries; and
 - (b) Prepare and submit a report on the evaluation required under this subsection 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 by August 1, 2029, and August 1 of each year thereafter.

Effective: April 14, 2026

History: Created 2026 Ky. Acts ch. 179, sec. 24, effective April 14, 2026.