

CHAPTER 46**(SJR 54)**

A JOINT RESOLUTION directing the Department for Medicaid Services to study and examine Medicaid reimbursements.

WHEREAS, the United Health Foundation in their 2022 America's Health Rankings report ranked Kentucky as the 43rd overall healthiest state; and

WHEREAS, in 2019 Kentucky ranked 45th among the United States in its primary care physician workforce with just 58 primary care physicians per 100,000 residents; and

WHEREAS, roughly 40% of Kentuckians live in rural areas but only 17% of the state's primary care physicians practice in rural areas; and

WHEREAS, it is difficult to recruit and retain healthcare providers to serve in rural and socioeconomically disadvantaged suburban and urban areas; and

WHEREAS, a growing field of research shows that individuals who live in socioeconomically disadvantaged or deprived communities, regardless of whether the community is urban or rural, suffer higher rates of chronic disease including diabetes, cardiovascular disease, and other chronic conditions, utilize healthcare services more frequently, and experience higher rates of premature death; and

WHEREAS, the health-related social needs of individuals who reside in socioeconomically disadvantaged or deprived communities are often far greater than the needs of individuals who reside in more prosperous communities; and

WHEREAS, health interventions and policies that fail to consider a community's level of disadvantage or deprivation and the health-related social needs of the community's residents are likely to be ineffective at addressing the health disparities and challenges often observed in many socially disadvantaged communities; and

WHEREAS, a better understanding of variations in community deprivation could lead to improved insights into the sociobiologic mechanisms that underlie health disparities; and

WHEREAS, the Area Deprivation Index was originally developed by the Health Resources and Services Administration, an agency of the United States Department of Health and Human Services, nearly three decades ago and is comprised of 17 education, employment, housing, and poverty measures originally drawn from long-form Census data and updated to incorporate more recent American Community Survey Data; and

WHEREAS, there has been extensive research on the Area Deprivation Index and the updated index has been validated for a range of health outcomes and disease domains; and

WHEREAS, numerous academic health systems and state and federal collaborators are already using the Area Deprivation Index to inform research, outreach, and policy; and

WHEREAS, the Area Deprivation Index can be used to inform risk-adjustment strategies, financial incentives, payment reform, infrastructure targeting, benefit decisions, and program eligibility; and

WHEREAS, several states including Massachusetts, Maine, Washington, and Hawaii, have taken steps to account for social risks and health-related social needs in health care payment models; and

WHEREAS, failure to improve health outcomes and address health disparities now will create a larger financial liability for the state in the future;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. The Department for Medicaid Services shall:

(1) Study efforts undertaken by other states to account for social risks and health-related social needs in Medicaid payment models;

(2) Review federal regulations related to Medicaid reimbursements and the ability of states to design reimbursement models that effectively address social risks and health-related social needs;

(3) Assess the appropriateness of the Area Deprivation Index as valid measure of social risks and health-related social needs in Kentucky; and

(4) Develop a proposal to modify Kentucky's current Medicaid reimbursement model to better account for the social risks and health-related social needs at the community level by modifying reimbursement rates for providers based on the Area Deprivation Index score of the location in which the provider practices.

➔Section 2. The Department for Medicaid Services shall submit its findings and proposal for the modification of the state's Medicaid reimbursement model to the Legislative Research Commission for referral to the appropriate committee or committees no later than November 1, 2023.

➔Section 3. The Department for Medicaid Services is hereby directed to examine the current reimbursement rates paid to outpatient pediatric therapy providers, including providers of pediatric audiology services, behavioral therapy services, occupational therapy services, physical therapy services, and speech therapy services, develop a proposal for increasing those reimbursement rates, and submit a report containing the findings of the examination and the proposal for rate increases to the Interim Joint Committees on Appropriations and Revenue and Health, Welfare, and Family Services no later than July 15, 2023.

➔Section 4. Whereas improving health outcomes and effectively addressing health disparities is crucial to the success, health, and financial well-being of all citizens of the Commonwealth and to the Commonwealth as a whole, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Signed by Governor March 22, 2023.