

INTERIM JOINT COMMITTEE ON APPROPRIATIONS & REVENUE

Budget Review Subcommittee on Human Resources

Minutes of the 1st Meeting of the 2021 Interim

June 2, 2021

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Human Resources of the Interim Joint Committee on Appropriations & Revenue was held on Wednesday, June 2, 2021, at 11:00 AM, in Room 129 of the Capitol Annex. Representative Danny Bentley, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Danny Bentley, Co-Chair; Senators Ralph Alvarado, Karen Berg, and Danny Carroll; Representatives Adam Bowling, Deanna Frazier, Kimberly Poore Moser, Jason Petrie, Melinda Gibbons Prunty, Brandon Reed, Steve Sheldon, Russell Webber, Susan Westrom, and Lisa Willner.

Guests: Eric Friedlander, Secretary, Cabinet for Health and Family Services (CHFS); Eric Lowery, Executive Director, Office of Finance and Budget, CHFS; Lisa Lee, Commissioner, Department for Medicaid Services (DMS), CHFS; Pam Smith, Director, Division of Community Alternatives, DMS, CHFS; and Amy Staed, Executive Director, Kentucky Association of Private Providers.

LRC Staff: Miriam Fordham, Kevin Newton, and Benjamin Thompson

Overview of American Rescue Plan Act Funding

Secretary Friedlander and Mr. Lowery provided an update on federal funding related to the American Rescue Plan Act.

Update on Funding and Expenditures for COVID-19 Related Services

Secretary Friedlander and Mr. Lowery presented information regarding federal funds used during the COVID-19 pandemic for associated services.

In response to questions from Representative Gibbons Prunty, Secretary Friedlander stated that the childcare stabilization funds were intended to be used for salaries and other fixed expenditures. Secretary Friedlander noted that the cabinet intends to encourage entrepreneurship and plans to provide grants and loans in order to assist microbusinesses,

such as in-home child care centers. Secretary Friedlander confirmed that no COVID-19 funds were used to support abortion clinics.

In response to a question from Representative Frazier, Secretary Friedlander noted that the cabinet had received proposals from adult day care providers on how the cabinet can best assist them.

In response to questions from Representative Moser, Secretary Friedlander said that the cabinet would be putting funds into hiring roughly fifty community health workers throughout the state, and some funding into a pilot program to assess how to possibly expand the program through Medicaid. The cabinet is also looking to support community based service providers in expanding their outreach.

In response to a question from Senator Carroll, Secretary Friedlander stated that child care providers will receive some one-time funds for support, but to sustain them for a longer term would require decisions as to how and how much the state is willing to support child care providers.

In response to a question from Senator Meredith, Secretary Friedlander noted that the cabinet does not believe in committing to future spending that cannot be sustained. The Secretary does feel that some programs could be restructured to be more sustainable, leading to more long term impact.

In response to a question from Chair Bentley, Mr. Lowery said that no General Fund was used for COVID-19 testing or contact tracing. All contact tracing and testing was paid for by Federal Funds.

Implementation of 21RS HB 183

Commissioner Lee provided a brief update regarding the implementation status of House Bill 183 that was passed during the 2021 Regular Session.

In response to a question from Senator Meredith, Commissioner Lee stated that hospitals would be covering the increased state cost of the Hospital Rate Improvement Program.

Michelle P. and Supports for Community Living Waiver Programs

Commissioner Lee and Ms. Smith provided an overview of the status and needs of the waiver programs.

In response to a question from Representative Gibbons Prunty, Ms. Smith noted that some individuals on the future planning waitlist for a Supports for Community Living waiver may already be receiving home and community based services. Ms. Smith noted

that there is a Kentucky specific Electronic Visit Verification training that was done for providers.

In response to questions from Senator Carroll, Ms. Smith said that the Department for Medicaid Services (DMS) was in the process of evaluating services and utilization of each waiver. DMS is attempting to determine whether some individuals could be better served through a different waiver or through other means.

In response to a question from Representative Frazier, Commissioner Lee noted that the department issued roughly \$5 million in retainer payments to adult day centers. Ms. Smith noted that DMS has allowed adult day providers to branch out into telehealth and in-home services.

In response to questions from Senator Meredith, Ms. Smith stated that in a provider survey, there was an overwhelming response that a lack of personnel did not have a very large impact in providing services. Ms. Smith said that the single thing that would provide the most help was an increase in waiver funding.

Ms. Staed presented private provider concerns regarding the waiver programs.

In response to a question from Representative Webber, Ms. Staed stated that the Kentucky Association of Private Providers believes that the extra \$300 in unemployment assistance has negatively affected the ability to recruit employees.

In response to a question from Representative Moser, Ms. Staed noted that the liability for state mandated services falls on the service provider.

In response to a question from Senator Carroll, Ms. Staed said that residential service providers are struggling the most with regards to staffing, while adult day centers are struggling the most with a lack of revenue.

There being no further business before the subcommittee, Representative Bowling made the motion to adjourn. Representative Moser seconded the motion, and the meeting was adjourned at 12:33PM.