

# GOVERNMENT CONTRACT REVIEW COMMITTEE

## Committee Minutes

December 9, 2019

### Call to Order and Roll Call

The Government Contract Review Committee met on Monday, December 9, 2019, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Stan Lee, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Stan Lee, Co-Chair; Senator Paul Hornback; Representatives Charles Booker, Chris Fugate, and Mark Hart.

Guests: Joan Graham and Amy Monroe.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

A motion was made by Representative Fugate to approve Minutes of the November 2019, meeting of the committee. Representative Booker seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed without objection.

**THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED  
WITHOUT OBJECTION:**

**DEPARTMENT OF HIGHWAYS**

Aecom Technical Services, Inc., 2000000830; HDR Engineering, Inc., 2000000832; Palmer Engineering County, 2000000836; Bacon Farmer Workman Engineering & Testing, Inc., 2000000838; QK4, Inc., 2000000839; WSP USA, Inc., 2000000983.

**DEPARTMENT OF INSURANCE**

Renee Hanshaw Consulting, LLC, 2000000987.

**EASTERN KENTUCKY UNIVERSITY**

English, Lucas, Priest & Owsley, 20-289.

**ECON DEV - OFFICE OF THE SECRETARY**

The Pace Group, Inc., 2000000828.

**EDUCATION - OFFICE OF THE SECRETARY**

McBrayer, McGinnis, Leslie & Kirkland-Frankfort, PLLC, 2000001047.

**KENTUCKY RETIREMENT SYSTEMS**

Hirschler Fleischer, A Professional Corporation, 1900004776.

**KENTUCKY STATE POLICE**

Robert Morris, 2000000899.

**KY HOUSING CORPORATION**

Cavanaugh MacDonald Consulting, LLC, 2020-36.

MURRAY STATE UNIVERSITY

Academic Partnerships, LLC, 019-20.

NORTHERN KENTUCKY UNIVERSITY

Ayers, Saint, Gross, Inc., 2020-109.

UNIVERSITY OF KENTUCKY

Ekhoff, Ochenkoski, Polk Architects, A201150; Isaacson Miller, Inc., K20-139;  
Smith Management Group, K20-140.

UNIVERSITY OF LOUISVILLE

Korn Ferry, 20-047.

WESTERN KENTUCKY UNIVERSITY

Gensler Architecture, Design & Planning, 181927.

**THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED  
WITHOUT OBJECTION:**

BOARD OF ELECTIONS

McBrayer McGinnis Leslie & Kirkland, PLLC, 1900002068.

DEPARTMENT OF CORRECTIONS

KPMG, LLP, 1900002851.

DEPARTMENT OF HIGHWAYS

Florence & Hutcheson, 1100003026; ICA Engineering, Inc. f/k/a Florence & Hutcheson, Inc., 1400000810; Palmer Engineering Company, 1400003301; URS Corporation, 1600000934; QK4, Inc., 1700002590; Strand Associates, Inc., 1800000402; Strand Associates, Inc., 1800000409; Strand Associates, Inc., 1800000638; Palmer Engineering County, 1800002021; Michael Baker International, Inc., 1800002105; Vaughn & Melton Consulting Engineers, Inc., 1800002226; QK4, Inc., 1800002274; Corradino Group, 1900002032; Michael Baker International, Inc., 1900003824; Vaughn & Melton Consulting Engineers, Inc., 1900005012.

FACILITIES & SUPPORT SERVICES

Kohrs Lonnemann Heil Engineers, PSC, 1600000312; Ensafe, Inc., 1600002252; Stantec Consulting Services, Inc., 1700001105; Staggs and Fisher Consulting Engineers, Inc., 1700002742; Redwing Ecological Services, Inc., 1800002056; Omni Architects, 1900003527.

TOURISM - OFFICE OF THE SECRETARY

Lofthouse Enterprises, 2000000492.

TRANSPORTATION - OFFICE OF THE SECRETARY

Legacy Title Company, LLC, 1900004054.

UNIVERSITY OF KENTUCKY

THP Limited, Inc., A181150; JRA Architects, A191080; CMTA, Inc., A191150; Apax Software, K20-127.

UNIVERSITY OF LOUISVILLE

Walker Parking Consultants, 19-072.

**THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED  
WITHOUT OBJECTION:**

ADMINISTRATIVE OFFICE OF THE COURTS

Morehead State University, 2000001059; Morehead State University, 2000001060; Morehead State University, 2000001061; Morehead State University, 2000001063.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL  
DISABILITIES

Mountain Comprehensive Care Center, 2000000903.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Family Scholar House, Inc., 2000000528.

DEPARTMENT FOR LOCAL GOVERNMENT

City of Mount Sterling, 2000000578; Campbell County Fiscal Court, 2000000694; City of Paducah, 2000000728; City of Beattyville, 2000000840; City of Booneville,

2000000845; City of Stanton, 2000000869; Wolfe County Fiscal Court, 2000000888; McCreary County Industrial Development Authority, 2000001009; Union County Fiscal Court, 2000001015; Monticello-Wayne County Industrial Development Authority, 2000001017; City of Hopkinsville, 2000001019; Menifee County Fiscal Court, 2000001037.

#### DEPARTMENT FOR PUBLIC HEALTH

Lewis County Primary Care Center, Inc., 2000000257.

#### DEPARTMENT FOR WORKFORCE INVESTMENT

Bracken County Board of Education, 2000000763; Breathitt County Board of Education, 2000000764; Caldwell County Board of Education, 2000000766; Calloway County Board of Education, 2000000767; Christian County Board of Education, 2000000769; Dawson Springs Board of Education, 2000000771; Fairview Independent School District, 2000000772; Fulton County Board of Education, 2000000776; Fulton Independent Board of Education, 2000000777; Hopkins County Board of Education, 2000000786; Johnson County Board of Education, 2000000788; Owensboro Independent School District, 2000000795; Paducah Independent School District, 2000000797; Robertson County Board of Education, 2000000799; Washington County Board of Education, 2000000804.

#### DEPARTMENT OF AGRICULTURE

Kentucky 4-H Foundation, 2000000734; Kentucky FFA Foundation, 2000000735.

#### DEPARTMENT OF CORRECTIONS

Kentucky Administrative Office of the Courts, 2000000456; Grant County Fiscal Court, 2000000586.

#### DEPARTMENT OF EDUCATION

Ashland Board of Education, 2000000706; Montgomery County Board of Education, 2000000848; Jefferson County Board of Education, 2000000889; Jefferson County Board of Education, 2000000891; Jefferson County Board of Education, 2000000892; University of Kentucky Research Foundation, 2000000893; Fayette County Board of Education, 2000000996.

#### DEPARTMENT OF JUVENILE JUSTICE

Foothills Academy, Inc., 1900003311; Ramey Estep Homes, Inc., 2000000660.

DEPARTMENT OF MILITARY AFFAIRS

Boyd County Fiscal Court, 2000000542.

KENTUCKY STATE FAIR BOARD

Louisville Jefferson County Metro Government, 2000000725.

**THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE  
REVIEWED WITHOUT OBJECTION:**

ADMINISTRATIVE OFFICE OF THE COURTS

Morehead State University, 1700001015.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL  
DISABILITIES

Chrysalis House, Inc., 1900003003; Green River Regional MHMR Board, Inc., 1900004141; Western Kentucky Regional Mental Health & Retardation Advisory Board, 1900004144; Pathways, Inc., 1900004169; Communicare, Inc., 1900004178; Centerstone of Kentucky, Inc., 1900004187; Mountain Comprehensive Care Center, 1900004217; Lake Cumberland Mental Health Mental Retardation Board, 1900004222; Bluegrassorg, 1900004235; Kentucky River Community Care, Inc., 1900004241.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 1900000633; Multi, 1900000816; Multi, 1900000876.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Louisville Jefferson County Metro Government, 1800001665.

DEPARTMENT FOR LOCAL GOVERNMENT

Perry County Fiscal Court, 1900003310; The Appalachian Wildlife Foundation, Inc., 1900003822; Ohio County Fiscal Court, 2000000336.

DEPARTMENT FOR PUBLIC HEALTH

University of Kentucky Research Foundation, 1800001731; University of Kentucky Research Foundation, 1900003156; Multi, 1900004001.

DEPARTMENT FOR WORKFORCE INVESTMENT

Connected Nation, Inc., 2000000299.

DEPARTMENT OF AGRICULTURE

Multi, 1900003211.

DEPARTMENT OF EDUCATION

Utah State University, 1900003851; Estill County Board of Education, 1900004158; Jefferson County Board of Education, 2000000302.

TRANSPORTATION - OFFICE OF THE SECRETARY

University of Kentucky Research Foundation, 1800001354-1.

**DISCUSSION ON MANAGED CARE ORGANIZATION CONTRACTS (MCO's):**

Joan Graham, Executive Director, Office of Procurement, Finance and Administration Cabinet and Amy Monroe, Division Director, Office of Procurement, Finance and Administration Cabinet were present to testify regarding five (5) Managed Care Organization (MCO) Contracts: Molina Healthcare of Kentucky, MA 758-2000000190; United Healthcare of Kentucky, Ltd, d/b/a/ United Healthcare Community Plan of Kentucky, MA 758-2000000191; WellCare Health Insurance of Kentucky, Inc. MA 758-2000000192; Aetna Better Health of Kentucky, Assignee for Coventry Health and Life, MA 758-2000000193; Humana Health Plan, Inc. MA 758-2000000194. Senator Meredith stated that since the Kentucky Medicaid Programs inception in 1965 until 2001 it was administered by a single entity. In 2011, with the introduction of the managed care model, the Medicaid program has been administered by as many as six managed care organizations; even though the Centers for Medicare and Medicaid Services only requires a minimum of two organizations. The present arrangement of contracting with five managed care organizations to administer the Medicaid program has compromised the commonwealth's ability to take advantage of economies of scale and negotiate more favorable rates; and thereby reduce the administration cost of the program. Contracting with five managed care organizations has also created unnecessary and excessive bureaucracy and increased cost for all organizations contracting with the commonwealth to provide health care services to Medicaid recipients. These excessive costs are compromising the financial position of healthcare providers and their ability to provide needed medical services with a disproportionate and prejudicial burden being placed on healthcare providers in rural communities. A motion was made by Senator Meredith to

add the five (5) contracts to agenda. Representative Hart seconded the motion, which passed. A motion was made by Senator Meredith to disapprove the contracts. Senator Hornback seconded the motion, which passed.

There being no further business, the meeting adjourned at 10:28 AM.