

MEDICAID OVERSIGHT AND ADVISORY BOARD

Minutes of the 4th Meeting of the 2025 Interim

September 9, 2025

Call to Order and Roll Call

The fourth meeting of the Medicaid Oversight and Advisory Board was held on September 9, 2025, at 3:00 PM in Room 154 of the Capitol Annex. Representative Ken Fleming, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Ken Fleming, Co-Chair; Senators Donald Douglas, Karen Berg, Danny Carroll, Stephen Meredith, and Craig Richardson; Representatives Adam Bowling, Mary Lou Marzian, Kimberly Poore Moser, and Wade Williams; and William Baker, Laura Sudkamp (proxy for Allison Ball), John Hicks, Sheila Schuster, Steven Stack, Katherine North (proxy for Tom Stephens), Vickie Yates Glisson, Hollie Harris, Steve Robertson (proxy for Joe Petrey), and Steve Shannon.

Guests: Leslie Hoffmann, Deputy Commissioner, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS); Carmen Hancock, Director, Division of Long Term Services and Support, DMS, CHFS; Steve Shannon, Executive Director, Kentucky Association of Regional Programs (KARP); Amy Staed, Chief Executive Officer, Kentucky Association of Private Providers (KAPP); Representative Deanna Gordon; Mark Birdwhistell, Senior Vice President for Health and Public Policy, University of Kentucky (UK); Ken Marshall, Chief Administrative Officer, University of Louisville Health (UofL Health); Steven Stack, Secretary, CHFS; and Mark Lapulme, Senior Consultant, All Together Recovery.

LRC Staff: Chris Joffrion, Cameron Franey, and DJ Burns.

Approval of Minutes

A motion to approve the minutes of the July 30, 2025, meeting was made by Representative Moser, seconded by Senator Douglas, and approved by a voice vote.

University Hospitals and the Medicaid Program

Mark Birdwhistell, Senior Vice President for Health and Public Policy, UK, gave a presentation on the Medicaid university directed payment program at UK Hospital,

including program requirements and quality measures with performance and thresholds.

Ken Marshall, Chief Administrative Officer, UofL Health, gave a presentation on the Medicaid university directed payment program at UofL Health, including quality measures and the impact of funding reductions beginning on January 1, 2028.

In response to Chair Fleming, Mr. Birdwhistell stated UK estimates a \$100 million reduction in funding to the program, but he is optimistic that before January 1, 2028, legislation will be amended to mitigate the magnitude of funding reductions. Mr. Marshall stated a delay in funding reductions is possible.

In response to Senator Meredith, Mr. Marshall stated he would follow-up with the total loss if the 340B program is changed. Mr. Birdwhistell stated the 340B program provides discounts on medications, and hospitals need to do better at explaining the program to the public. Mr. Marshall and Mr. Birdwhistell agreed a six percent return is the goal for both hospitals in regards to the 340B program.

In response to Representative Moser, Mr. Birdwhistell stated the directed payment program has been built collaboratively with the universities, CHFS, and providers. This collaborative approach is a direct representation of the progress and success in improving the health of Kentuckians.

Discussion on the Need for an Assisted Living Waiver

Representative Gordon discussed 2026 RS BR 386 related to the creation of an assisted living waiver.

In response to Senator Berg, Representative Gordon stated this legislation would allow a Medicaid waiver for members to receive assisted living care either in the home or at a facility.

In response to Representative Marzian, Representative Gordon stated the types of services available with the waiver could be designated in the legislation.

In response to Dr. Schuster, Representative Gordon stated the legislation is written for services to be community based.

In response to Ms. Harris, Representative Gordon stated once the waiver is approved, she believes providers will move into communities to provide services covered by the waiver.

Update on 1915(c) Home and Community Based Waivers

Leslie Hoffmann, Deputy Commissioner, DMS, CHFS, discussed Kentucky's 1915c Home and Community Based Services (HCBS) waivers, including slot information and waitlist complexity. Carmen Hancock, Director, Division of Long Term Services and Support, DMS, CHFS, discussed the process from application to services beginning for HCBS waivers and waitlist management.

In response to Chair Fleming, Ms. Hancock stated no funds are disbursed until services are rendered by a provider. Before receiving services, an individual must apply on Kynect, be reviewed and allocated a waiver slot, be assessed by a third party nurse, have the level of care determined, and have a care plan created. Ms. Hoffman stated, depending on the waiver program, the assessor requirements are different.

In response to Senator Carroll, Ms. Hancock stated each HCBS waiver denial was reviewed and many were overturned and services reinstated. She stated problems with CareWise have been resolved.

In response to Senator Berg, Ms. Hoffmann stated she will follow up with the average time from application to approval and services rendered. Ms. Hancock stated, depending on the waiver, slots can open weekly or monthly.

In response to Senator Meredith, Ms. Hoffmann stated she will follow up with information on qualified expenses for the Michelle P. Waiver.

In response to Mr. Shannon, Ms. Hoffmann stated the process for waivers is approved by CMS.

1915(c) Home and Community Based Waivers: The Providers Perspective

Amy Staed, Chief Executive Officer, KAPP, discussed the 2020 Exceptional Support Services Task Force, the 2021 1915c Waiver Services Task Force findings and recommendations, and previous 1915(c) rate studies. Steve Shannon, Executive Director, KARP, discussed recommendations to eliminate the waitlist for 1915(c) waivers.

In response to Senator Carroll, Ms. Staed stated she cannot speak to why the rates were not funded fully.

Update on Rural Health Transformation Fund

Steven Stack, MD, Secretary, CHFS, discussed updates to guidance on the Rural Health Transformation Fund.

Public Comment

Mark Lapulme, Senior Consultant, All Together Recovery, gave testimony on problems with substance abuse recovery facilities in Kentucky.

Adjournment

There being no further business, the meeting was adjourned at 5:00 PM.