MEDICAID OVERSIGHT AND ADVISORY BOARD

5th Minutes of the 2025 Interim

September 24, 2025

Call to Order and Roll Call
The fifth meeting of the Medicaid Oversight and Advisory Board was held on September 24, 2025, at 3:00 PM in Room 154 of the Capitol Annex. Senator Julie Raque Adams, Chair, called the meeting to order, and the secretary called the roll.

Present were:
Members: Representative Ken Fleming, Co-Chair; Senator Julie Raque Adams, Co-Chair; Senators Donald Douglas, Karen Berg, Stephen Meredith, and Craig Richardson; Representatives Adam Bowling, Jason Petrie, Samara Heavrin, and Mary Lou Marzian; and Beth Bowling (Proxy for William Baker), Laura Sudkamp (Proxy for Allison Ball), John Hicks, Lisa Lee, Sheila Schuster, Steven Stack, Katherine North (Proxy for Tom Stephens), Vickie Yates Glisson, Hollie Harris, Joe Petrey, and Steve Shannon.

Guests: Dr. Leslie Hoffman, 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; Allison Adams, President and Chief Executive Officer, Foundation for a Healthy Kentucky; and Dennis Smith, Medicaid Strategies.

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

Approval of Minutes
A motion to approve the September 9, 2025, minutes was made by Co-Chair Fleming, seconded by Senator Douglas, and approved by a voice vote.

Question and Answer on Medicaid Waivers
Dr. Leslie Hoffman, Deputy Commissioner, DMS, CHFS, and Carmen Hancock, Director, Division of Long-Term Services and Support, DMS, CHFS, appeared before the board to answer questions related to 1915(c) Medicaid waivers.

In response to Co-Chair Fleming, Ms. Hancock stated recommendations from the 2024 waitlist management report are on schedule, with implementation timelines of August 2026 for standardizing application and eligibility review, and modernizing waitlist

management data collection systems, and March 2027 for aligning administrative regulations and policies across waivers.

In response to Co-Chair Fleming, Dr. Hoffman gave the average claim amount for individual members for each waiver for fiscal years 2023, 2024, and 2025. She stated the average figures are an estimate, and the averages compiled cannot be multiplied by the number of members in a waiver program to get the total amount. These figures are aggregated for budget neutrality.

In response to Chair Raque Adams, Dr. Hoffman stated if a waiver slot is billed for just one 15-minute service and then vacated, that waiver slot cannot be reallocated until the next waiver year, unless the slot was vacated due to death. She stated funding for different waivers is based on allocation requests, and at this time, shifting funding from a waiver with unused slots could cause a waitlist in the future.

In response to Co-Chair Fleming, Dr. Hoffman stated per-member costs provided to the board do not include administrative costs.

In response to Ms. Sudkamp, Dr. Hoffman stated DMS has met the requirements of 2024 RS HB 6 pertaining to the Community Health for Improved Lives and Development (CHILD) waiver. Ms. Hancock stated the Department for Community Based Services (DCBS) is dedicated to keeping children who utilize the CHILD waiver within their communities. Dr. Hoffman stated any faith-based organization can apply to be a provider if all requirements are met.

In response to Representative Marzian, Ms. Hancock stated when a waiver slot holder dies, that slot can be reallocated at the beginning of the next waiver month.

In response to Co-Chair Fleming, Dr. Hoffman stated she could not speak on the Center for Medicaid Services' (CMS) reasoning for the prohibition on reallocating waiver slots, but suspects it is due to budget concerns.

In response to Dr. Schuster, Dr. Hoffman stated once the Michelle P. Waiver slots were filled, many waitlisted individuals shifted to the Home and Community Based (HCB) waiver, causing HCB waiver slots to be filled. Ms. Hancock stated the breakdown of demographics on the HCB waiver was previously shared in a presentation, and that information could be shared with members after the meeting.

In response to Co-Chair Fleming, Ms. Hancock stated the average time from application to services started for all waivers is approximately 80 days. She further broke down the

average number of days into two categories: initial application to DMS approval for each waiver, and from DMS approval to services rendered.

In response to Co-Chair Fleming, Dr. Hoffman stated all funds appropriated in the biennial budget for Medicaid rate increases have been spent.

In response to Mr. Shannon, Ms. Hancock stated the average number of days on the waiver waitlist for HCB is 115, Michelle P. is 1,264, and Supports for Community Living is 2,823. Dr. Hoffman stated the average costs for waiver slots provided earlier cannot be used to estimate the cost for multiple waiver slots.

Medicaid Delivery Models

A. Accountable Care Organizations

Allison Adams, President and Chief Executive Officer, Foundation for a Healthy Kentucky, presented on accountable health models, including accountable health communities (AHC), accountable communities for health (ACH), and accountable care organizations (ACO).

In response to Senator Meredith, Ms. Adams stated if she had to choose one model, it would be ACH, but a blend of each model is the approach she believes would benefit Kentucky most.

In response to Senator Douglas, Ms. Adams stated a blend of all three models will hold patients accountable for health outcomes, particularly aspects from the ACH model.

In response to Co-Chair Fleming, Ms. Adams stated she could not speak to the differences between ACO models and provider-led entity (PLE) models as she is not familiar with the latter.

In response to Ms. Yates Glisson, Ms. Adams stated other states have successfully implemented an accountable health model and she believes if Kentucky is to implement one, access to information for providers and patients would be paramount for success.

B. Other Medicaid Delivery Models

Dennis Smith, Medicaid Strategies, presented on Medicaid service delivery models, including managed care organizations (MCO) and the reasons they are used.

In response to Co-Chair Fleming, Mr. Smith stated every state is different and what works for one state does not always work for another in regards to Medicaid delivery models.

In response to Senator Meredith, Mr. Smith stated he agrees there are enough funds to take care of all Medicaid members if the funding is spent correctly. He stated living in a rural area is an indicator of poor health outcomes due to the lack of providers, and figuring out how to provide access to care is one aspect to consider with delivery models.

Adjournment

There being no further business, the meeting was adjourned at 4:50 PM.