

MEDICAID OVERSIGHT AND ADVISORY BOARD

9th Minutes of the 2025 Interim

December 10, 2025

Call to Order and Roll Call

The ninth meeting of the Medicaid Oversight and Advisory Board was held on December 10, 2025, at 10:00 AM 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: Senator Julie Raque Adams, Co-Chair; Representative Ken Fleming, Co-Chair; Senators Donald Douglas, Karen Berg, Danny Carroll, Stephen Meredith, and Craig Richardson; and Representatives Adam Bowling, Jason Petrie, Samara Heavrin, Mary Lou Marzian, Kimberly Poore Moser, and Wade Williams; Laura Sudkamp (proxy for Allison Ball), William Baker, John Hicks, Lisa Lee, Sheila Schuster, Steven Stack, Tom Stephens, Vickie Yates Glisson, Hollie Harris, Joe Petrey, and Steve Shannon.

Guests: Former Governor Ernie Fletcher; Dave Johnson, Chief Executive Officer, The Fletcher Group; Chris Fox, Executive Director, Voices for Non-Opioid Choices; Dr. Bethany Snider, Chief Medical Officer, Everent Health; Representative Amy Neighbors; Dr. Taylor Williams, Director Government Affairs, Kentucky Pharmacists Association; Representative Lisa Willner; Jackie McGranahan, Senior Policy Strategist, American Civil Liberties Union (ACLU); Representative Joshua Watkins; Shemika Whiteside, LCSW, Perinatal Psychotherapist, Perinatal Princess, PLLC; Representative Adam Moore; Matt Kleinert, Executive Director, Office of Medicaid Fraud and Abuse Control, Office of the Attorney General; and Rewa Zakharia, Criminal Chief, Office of the Attorney General.

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

Approval of Minutes

A motion to approve the minutes from the November 12, 2025, meeting was made by Co-Chair Fleming, seconded by Representative Moser, and approved after a voice vote.

An Effective Model for Substance Use Disorder Treatment and Continuum of Care

Former Governor Ernie Fletcher, MD, Chief Medical Officer, The Fletcher Group, presented on a care model for substance use disorder (SUD) continuum of care, including background and statistics on SUD, Medicaid cost of care, and a proposed

recovery ecosystem with recovery housing and recovery coordinators. Dave Johnson, Chief Executive Officer, The Fletcher Group, discussed the benefits of recovery housing in a patient's treatment for SUD.

In response to Co-Chair Fleming, Dr. Fletcher stated on-going services for SUD treatment is imperative to success. A recovery coordinator ensures a patient has the resources they need for successful treatment. Mr. Johnson discussed evolving practices in recovery continuum of care such as text messaging with patients to assess mental state or risk of relapse.

In response to Senator Berg, Dr. Fletcher stated a recovery coordinator would be certified in mental health and biopsychosocial assessments including the American Society of Addiction Medicine level of the care. He stated recovery coordinators' and peer support specialists' number of patients would depend on what stage of recovery the patient is in and level of care each patient would need.

In response to Representative Moser, Dr. Fletcher stated a collaborative model including a recovery coordinator, case management, and peer support specialists is the model he proposes.

In response to Mr. Shannon, Dr. Fletcher stated, in a pilot program supported by The Fletcher Group, the services provided by recovery houses are reimbursed and data shows the economic impact yields a \$24.61 return per dollar invested.

Review of Medicaid-Related Legislation for the Upcoming 2026 Regular Session

A. 2026 RS BR 1027: AN ACT relating to utilization controls for nonopioid analgesics in the Medicaid Program

Chris Fox, Executive Director, Voices for Non-Opioid Choices, presented on 2026 RS BR 1027, which prohibits the Department for Medicaid Services (DMS) and any Medicaid managed care organizations (MCOs) from denying coverage for nonopioid analgesic in favor of opioid analgesic.

B. 2026 RS BR 988: A CONCURRENT RESOLUTION directing the Legislative Research Commission to procure a vendor to conduct a feasibility study for an Accountable Communities for Health Medicaid delivery model pilot project.

Senator Meredith presented on 2026 RS BR 988, which directs the Legislative Research Commission to procure a vendor to conduct a feasibility study for an Accountable Communities for Health Medicaid delivery pilot project.

C. 2026 RS BR 996: AN ACT relating to Medicaid coverage for palliative care.

Chair Adams and Dr. Bethany Snider, Chief Medical Officer, Everent Health, presented on 2026 RS BR 996, which requires Medicaid coverage for palliative care services.

D. 2026 RS BR 1083 and 1086: AN ACT relating to reimbursements for pharmacist services.

Senator Richardson, Representative Neighbors, and Dr. Taylor Williams, Director Government Affairs, Kentucky Pharmacists Association, presented on 2026 RS BR 1083 and 1086, which require reimbursement for clinical services rendered by pharmacists to Medicaid patients.

E. 2026 RS BR 72: AN ACT relating to Medicaid coverage for doula services.

Representative Willner and Jackie McGranahan, Senior Policy Strategist, ACLU, presented on 2026 RS BR 72 which requires DMS and MCOs to provide coverage for doula services.

F. 2026 RS BR 849: AN ACT relating to Medicaid eligibility.

Representative Watkins and Shemika Whiteside, LCSW, Perinatal Psychotherapist Perinatal Princess, PLLC, presented on 2026 RS BR 849, which requires DMS to extend Medicaid eligibility for new parents from 12 months to 24 months postpartum.

G. 2026 RS BR 1067: AN ACT relating to chronic pain treatments.

Representative Moore presented on 2026 RS BR 1067, which requires coverage for chronic pain treatment and health care practitioners to discuss and refer or prescribe alternative chronic pain treatments before initially prescribing a controlled substance.

H. 2026 RS BR 834: AN ACT relating to cost-sharing requirements in the Medicaid program.

Co-Chair Fleming presented on 2026 RS BR 834, which requires DMS and MCOs to impose cost sharing requirements when required under federal law.

I. 2026 RS BR 879: AN ACT relating to Medicaid oversight.

Co-Chair Fleming presented on 2026 RS BR 879, which requires the Legislative Research Commission, the University of Kentucky, and the University of Louisville to enter into a partnership to design and develop a web-based healthcare transparency dashboard.

Update from the Attorney General's Office of Medicaid Fraud and Abuse Control

Rewa Zakharia, Criminal Chief, Office of the Attorney General, presented on the role and composition of the Medicaid Fraud Control Unit (MFCU), including detectives, audit staff, and prosecutors. Matt Kleinert, Executive Director, Office of Medicaid Fraud and Abuse Control, Office of the Attorney General, presented on MFCU coordination with DMS, examples of Medicaid fraud with financial cost estimates, and trends of fraud.

In response to Senator Carroll, Mr. Kleinert stated under the screening process for fraud, MCOs report fraud to the Cabinet for Health and Family Services (CHFS), CHFS then compiles a referral to the Attorney General's Office.

In response to Mr. Stephens, Mr. Kleinert stated investigations and prosecutions of fraud are done as quickly as possible, but with criminal prosecutions being complex it can take several years. Ms. Zakharia stated cases are lengthy due to coordination with state and federal agencies.

In response to Dr. Schuster, Mr. Kleinert stated he did not have a breakdown of the number of member claims for each behavioral health service organization's (BHSO's) procedure codes, but could provide that to members at a later time. He stated MFCU currently has numerous open cases involving BHSOs.

In response to Ms. Glisson, Ms. Zakharia stated MFCU would be interested in providing recommendations to the board on how to streamline processes and timelines for fraud cases at a future meeting.

In response to Representative Williams, Mr. Kleinert stated from December 1, 2024 to November 30, 2025, MFCU received 58 referrals from the Medicaid fraud tip line or website on the Kentucky Attorney General's homepage and 10 MCO referrals.

In response to Senator Berg, Ms. Zakharia stated she could not comment on current open cases involving BHSOs.

Discussion of Findings and Recommendations

Members of the board engaged in a round table discussion of proposed finding and recommendations.

Adjournment

There being no further business, the meeting was adjourned at 3:32 PM.