

MEDICAID OVERSIGHT AND ADVISORY BOARD

7th Minutes of 2026

September 23, 2026

Call to Order and Roll Call

The seventh meeting of the Medicaid Oversight and Advisory Board was held on September 23, 2026, at 1:00 PM ET/12:00 PM CT 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; Senator Julie Raque Adams, Co-Chair; Senators Donald Douglas, Karen Berg, Stephen Meredith, and Craig Richardson; Representatives Adam Bowling, Samara Heavrin, and Kimberly Poore Moser; and William Baker, Jonathan Grate (proxy for Allison Ball), John Hicks, Lisa Lee, Sheila Schuster, Steven Stack, Tom Stephens, Vickie Yates Glisson, Hollie Harris, Joe Petrey, and Steve Shannon.

Guests: Veronica Judy-Cecil, Senior Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services.

LRC Staff: Stephanie Bates, DJ Burns, Julia Sprague, James Baggett, and Elizabeth Bradshaw.

Approval of Minutes

A motion was made by Senator Meredith and seconded by Representative Moser to approve the minutes of the August 26, 2026, meeting. Minutes were approved by voice vote without objection.

Review of the Medicaid and Kentucky Children's Health Insurance Program (KCHIP) State Plans

Lisa Lee, Commissioner, and Veronica Judy-Cecil, Senior Deputy Commissioner, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS), provided an overview of the Medicaid and Kentucky Children's Health Insurance Program (KCHIP) state plans including mandatory and optional services covered, State Plan Amendments (SPA) submitted to the Center for Medicare and Medicaid Services (CMS), and fee schedules.

In response to Mr. Shannon, Commissioner Lee stated the Certified Community Behavioral Health Clinic (CCBHC) demonstration ends December 31, 2027, and requires funding in the budget to include CCBHC's in the Medicaid state plan. Deputy Commissioner Judy-Cecil stated the process to file a SPA takes many months and legislation would need to be filed and passed at the beginning of the 2027 RS by the General Assembly to begin work on the SPA for CCBHC's,

In response to Senator Berg, Deputy Commissioner Judy-Cecil stated in regards to the Medicaid budget, state directed payments to hospitals have increased the budget over the last 5 years. Commissioner Lee stated on average 75% of the budget is funded with federal funds.

In response to Ms. Yates Glisson, Deputy Commissioner Judy-Cecil stated the waiver to extend the Recovery Audit Contractor (RAC) to June 30, 2028, is due to the old contractor not renewing the contract with the state due to Managed Care Organizations conducting claims audits internally which only left fee-for-service claims and no entity could sustain a business model off those alone. She stated Unified Program Integrity Contractors (UPIC) are federally contracted entities that travel from state to state to complete specific audits directed by CMS. She stated once UPIC provides their findings to the state, CMS makes the final decision as to whether a recoupment letter is sent on behalf of the state. She stated it is a unique situation that requires alignment between the Cabinet and UPIC. She stated to follow-up with the terms of the UPIC contract with members later.

In response to Mr. Stephens, Commissioner Lee stated there are no other known states that have a codified definition of sepsis within their statutes. She stated in Kentucky the Sepsis diagnosis code continues to stay in the top 5 MCO claims each month. Deputy Commissioner Judy-Cecil stated having clinical criteria within a state statute creates a barrier for movement with the everchanging healthcare landscape.

In response to Co-Chair Fleming, Commissioner Lee stated she would provide a breakdown of optional services for members under 21 after the meeting. Deputy Commissioner Judy-Cecil stated examples of the other diagnostic, screening, preventative, and rehabilitation services include any early and periodic screening, diagnostic, and treatment (EPSDT) services and waiver services.

Discussion of Newly Filed Medicaid State Plan Amendments and Regulations

Co-Chair Fleming stated there is a copy of the newly filed Medicaid State Plan amendments and regulations included in the board members packets for their review.

Adjournment

There being no further business to discuss, the meeting was adjourned at 1:41 PM.