

1 AN ACT relating to operations within the Cabinet for Health and Family Services.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 79.080 is amended to read as follows:

4 (1) The term "health maintenance organization" for the purposes of this section, means  
5 a health maintenance organization as defined in KRS 304.38-030, which has been  
6 licensed by the ***Cabinet for Health and Family Services***~~[Kentucky Health Facilities  
7 and Health Services Certificate of Need and Licensure Board]~~ and issued a  
8 certificate of authority by the Department of Insurance as a health maintenance  
9 organization and which is qualified under the requirements of the United States  
10 Department of Health, Education and Welfare, except as provided in subsection (4)  
11 of this section.

12 (2) Cities of all classes, counties, and urban-county governments and the agencies of  
13 cities, counties, charter county, and urban-county governments are authorized to  
14 establish and operate plans for the payment of retirement, disability, health  
15 maintenance organization coverage, or hospitalization benefits to their employees  
16 and elected officers, and health maintenance organization coverage or  
17 hospitalization benefits to the immediate families of their employees and elected  
18 officers. The plan may require employees to pay a percentage of their salaries into a  
19 fund from which coverage or benefits are paid, or the city, county, charter county,  
20 urban-county government, or agency may pay out of its own funds the entire cost of  
21 the coverage or benefits. A plan may include a combination of contributions by  
22 employees and elected officers and by the city, county, charter county, urban-county  
23 government, or agency into a fund from which coverage or benefits are paid, or it  
24 may take any form desired by the city, county, charter county, urban-county  
25 government, or agency. Each city, county, charter county, urban-county  
26 government, or agency may make rules and regulations and do all other things  
27 necessary in the establishment and operation of the plan.

1 (3) Cities of all classes, counties, charter counties, urban-county governments, the  
2 agencies of cities, counties, charter counties, and urban-county governments, and all  
3 other political subdivisions of the state may provide disability, hospitalization, or  
4 other health or medical care coverage to their officers and employees, including  
5 their elected officers, through independent or cooperative self-insurance programs  
6 and may cooperatively purchase the coverages.

7 (4) Any city, county, charter county, or urban-county government which is a  
8 contributing member to any one (1) of the retirement systems administered by the  
9 state may participate in the state health insurance coverage program for state  
10 employees as defined in KRS 18A.225 to 18A.229. Should any city, county, charter  
11 county, or urban-county government opt at any time to participate in the state health  
12 insurance coverage program, it shall do so for a minimum of three (3) consecutive  
13 years. If after the three (3) year participation period, the city, county, charter county,  
14 or urban-county government chooses to terminate participation in the state health  
15 insurance coverage program, it will be excluded from further participation for a  
16 period of three (3) consecutive years. If a city, county, charter county, or urban-  
17 county government, or one (1) of its agencies, terminates participation of its active  
18 employees in the state health insurance coverage program and there is a state  
19 appropriation for the employer's contribution for active employees' health insurance  
20 coverage, neither the unit of government, or its agency, nor the employees shall  
21 receive the state-funded contribution after termination from the state employee  
22 health insurance program. The three (3) year participation and exclusion cycles shall  
23 take effect each time a city, county, charter county, or urban-county government  
24 changes its participation status.

25 (5) Any city, county, charter county, urban-county government, or other political  
26 subdivision of the state which employs more than twenty-five (25) persons and  
27 which provides hospitalization benefits or health maintenance organization

1 coverage to its employees and elected officers, shall annually give its employees an  
2 option to elect either standard hospitalization benefits or membership in a qualified  
3 health maintenance organization which is engaged in providing basic health  
4 services in a health maintenance service area in which at least twenty-five (25) of  
5 the employees reside; except that if any city, county, charter county, urban-county  
6 government, or agencies of any city, county, charter county, urban-county  
7 government, or any other political subdivision of the state which does not have a  
8 qualified health maintenance organization engaged in providing basic health  
9 services in a health maintenance service area in which at least twenty-five (25) of  
10 the employees reside, the city, county, charter county, urban-county government, or  
11 agencies of the city, county, charter county, urban-county government, or any other  
12 political subdivision of the state may annually give its employees an option to elect  
13 either standard hospitalization benefits or membership in a health maintenance  
14 organization which has been licensed by the Kentucky Health Facilities and Health  
15 Services Certificate of Need and Licensure Board and issued a certificate of  
16 authority by the Department of Insurance as a health maintenance organization and  
17 which is engaged in providing basic health services in a health maintenance service  
18 area in which at least twenty-five (25) of the employees reside. Any premium due  
19 for health maintenance organization coverage over the amount contributed by the  
20 city, county, charter county, urban-county government, or other political subdivision  
21 of the state which employs more than twenty-five (25) persons for any other  
22 hospitalization benefit shall be paid by the employee.

23 (6) If an employee moves his place of residence or employment out of the service area  
24 of a health maintenance organization, under which he has elected coverage, into  
25 either the service area of another health maintenance organization or into an area of  
26 the state not within a health maintenance organization service area, the employee  
27 shall be given an option, at the time of the move or transfer, to elect coverage either

1 by the health maintenance organization into which service area he moves or is  
2 transferred or to elect standard hospitalization coverage offered by the employer.

3 (7) Any plan adopted shall provide that any officer or member of a paid fire or police  
4 department who has completed five (5) years or more as a member of the  
5 department, but who is unable to perform his duties by reason of heart disease or  
6 any disease of the lungs or respiratory tract, is presumed to have contracted his  
7 disease while on active duty as a result of strain or the inhalation of noxious fumes,  
8 poison or gases, and shall be retired by the pension board under terms of the  
9 pension system of which he is a member, if the member passed an entrance physical  
10 examination and was found to be in good health as required.

11 (8) The term "agency" as used herein shall include boards appointed to operate  
12 waterworks, electric plants, hospitals, airports, housing projects, golf courses, parks,  
13 health departments, or any other public project.

14 (9) After August 1, 1988, except as permitted by KRS 65.156, no new retirement plan  
15 shall be created pursuant to this section, and cities which were covered by this  
16 section on or prior to August 1, 1988, shall participate in the County Employees  
17 Retirement System effective August 1, 1988. Any city, county, charter county,  
18 urban-county, or agency thereof which provided a retirement plan for its employees,  
19 pursuant to this section, on or prior to August 1, 1988, shall place employees hired  
20 after August 1, 1988, in the County Employees Retirement System. The city,  
21 county, charter county, urban-county, or agency thereof shall offer employees hired  
22 on or prior to August 1, 1988, membership in the County Employees Retirement  
23 System under the alternate participation plan as described in KRS 78.530(3), but  
24 such employees may elect to retain coverage under this section.

25 ➔Section 2. KRS 200.480 is amended to read as follows:

26 The Commission for Children with Special Health Care Needs shall ~~make a biennial~~  
27 report ~~to the Governor showing~~ the amount of money received and expended and a

1 detailed statement of its activities to the Governor and General Assembly upon  
2 request~~[for such period. A copy of such report shall be furnished each member of the~~  
3 ~~General Assembly at its first session following the filing of such report with the~~  
4 ~~Governor].~~

5       ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO  
6 READ AS FOLLOWS:

7 Notwithstanding the provisions of KRS Chapter 13A, the Cabinet for Health and  
8 Family Services may amend material that had been previously incorporated by  
9 reference in an administrative regulation governing the Supplemental Nutrition  
10 Assistance Program, formerly known as the federal food stamp program, through  
11 technical amendment if the amendment is prescribed by the United States Department  
12 of Agriculture.

13       ➔Section 4. KRS 205.560 is amended to read as follows:

14 (1) The scope of medical care for which the Cabinet for Health and Family Services  
15 undertakes to pay shall be designated and limited by regulations promulgated by the  
16 cabinet, pursuant to the provisions in this section. Within the limitations of any  
17 appropriation therefor, the provision of complete upper and lower dentures to  
18 recipients of Medical Assistance Program benefits who have their teeth removed by  
19 a dentist resulting in the total absence of teeth shall be a mandatory class in the  
20 scope of medical care. Payment to a dentist of any Medical Assistance Program  
21 benefits for complete upper and lower dentures shall only be provided on the  
22 condition of a preauthorized agreement between an authorized representative of the  
23 Medical Assistance Program and the dentist prior to the removal of the teeth. The  
24 selection of another class or other classes of medical care shall be recommended by  
25 the council to the secretary for health and family services after taking into  
26 consideration, among other things, the amount of federal and state funds available,  
27 the most essential needs of recipients, and the meeting of such need on a basis

1 insuring the greatest amount of medical care as defined in KRS 205.510 consonant  
2 with the funds available, including but not limited to the following categories,  
3 except where the aid is for the purpose of obtaining an abortion:

- 4 (a) Hospital care, including drugs, and medical supplies and services during any  
5 period of actual hospitalization;
- 6 (b) Nursing-home care, including medical supplies and services, and drugs during  
7 confinement therein on prescription of a physician, dentist, or podiatrist;
- 8 (c) Drugs, nursing care, medical supplies, and services during the time when a  
9 recipient is not in a hospital but is under treatment and on the prescription of a  
10 physician, dentist, or podiatrist. For purposes of this paragraph, drugs shall  
11 include products for the treatment of inborn errors of metabolism or genetic,  
12 gastrointestinal, and food allergic conditions, consisting of therapeutic food,  
13 formulas, supplements, amino acid-based elemental formula, or low-protein  
14 modified food products that are medically indicated for therapeutic treatment  
15 and are administered under the direction of a physician, and include but are  
16 not limited to the following conditions:

- 17 1. Phenylketonuria;
- 18 2. Hyperphenylalaninemia;
- 19 3. Tyrosinemia (types I, II, and III);
- 20 4. Maple syrup urine disease;
- 21 5. A-ketoacid dehydrogenase deficiency;
- 22 6. Isovaleryl-CoA dehydrogenase deficiency;
- 23 7. 3-methylcrotonyl-CoA carboxylase deficiency;
- 24 8. 3-methylglutaconyl-CoA hydratase deficiency;
- 25 9. 3-hydroxy-3-methylglutaryl-CoA lyase deficiency (HMG-CoA lyase  
26 deficiency);
- 27 10. B-ketothiolase deficiency;

- 1 11. Homocystinuria;
- 2 12. Glutaric aciduria (types I and II);
- 3 13. Lysinuric protein intolerance;
- 4 14. Non-ketotic hyperglycinemia;
- 5 15. Propionic acidemia;
- 6 16. Gyrate atrophy;
- 7 17. Hyperornithinemia/hyperammonemia/homocitrullinuria syndrome;
- 8 18. Carbamoyl phosphate synthetase deficiency;
- 9 19. Ornithine carbamoyl transferase deficiency;
- 10 20. Citrullinemia;
- 11 21. Arginosuccinic aciduria;
- 12 22. Methylmalonic acidemia;
- 13 23. Argininemia;
- 14 24. Food protein allergies;
- 15 25. Food protein-induced enterocolitis syndrome;
- 16 26. Eosinophilic disorders; and
- 17 27. Short bowel syndrome;
- 18 (d) Physician, podiatric, and dental services;
- 19 (e) Optometric services for all age groups shall be limited to prescription services,  
20 services to frames and lenses, and diagnostic services provided by an  
21 optometrist, to the extent the optometrist is licensed to perform the services  
22 and to the extent the services are covered in the ophthalmologist portion of the  
23 physician's program. Eyeglasses shall be provided only to children under age  
24 twenty-one (21);
- 25 (f) Drugs on the prescription of a physician used to prevent the rejection of  
26 transplanted organs if the patient is indigent;
- 27 (g) Nonprofit neighborhood health organizations or clinics where some or all of

1 the medical services are provided by licensed registered nurses or by advanced  
2 medical students presently enrolled in a medical school accredited by the  
3 Association of American Medical Colleges and where the students or licensed  
4 registered nurses are under the direct supervision of a licensed physician who  
5 rotates his services in this supervisory capacity between two (2) or more of the  
6 nonprofit neighborhood health organizations or clinics specified in this  
7 paragraph;

8 (h) Services provided by health-care delivery networks as defined in KRS  
9 216.900; and

10 (i) Services provided by midlevel health-care practitioners as defined in KRS  
11 216.900; ~~and~~

12 ~~(j) Smoking cessation treatment interventions or programs prescribed by a~~  
13 ~~physician, advanced practice registered nurse, physician assistant, or dentist,~~  
14 ~~including but not limited to counseling, telephone counseling through a~~  
15 ~~quitline, recommendations to the recipient that smoking should be~~  
16 ~~discontinued, and prescription and over-the-counter medications and nicotine~~  
17 ~~replacement therapy approved by the United States Food and Drug~~  
18 ~~Administration for smoking cessation].~~

19 (2) Payments for hospital care, nursing-home care, and drugs or other medical,  
20 ophthalmic, podiatric, and dental supplies shall be on bases which relate the amount  
21 of the payment to the cost of providing the services or supplies. It shall be one (1) of  
22 the functions of the council to make recommendations to the Cabinet for Health and  
23 Family Services with respect to the bases for payment. In determining the rates of  
24 reimbursement for long-term-care facilities participating in the Medical Assistance  
25 Program, the Cabinet for Health and Family Services shall, to the extent permitted  
26 by federal law, not allow the following items to be considered as a cost to the  
27 facility for purposes of reimbursement:



- 1 (a) Motor vehicles that are not owned by the facility, including motor vehicles  
2 that are registered or owned by the facility but used primarily by the owner or  
3 family members thereof;
- 4 (b) The cost of motor vehicles, including vans or trucks, used for facility business  
5 shall be allowed up to fifteen thousand dollars (\$15,000) per facility, adjusted  
6 annually for inflation according to the increase in the consumer price index-u  
7 for the most recent twelve (12) month period, as determined by the United  
8 States Department of Labor. Medically equipped motor vehicles, vans, or  
9 trucks shall be exempt from the fifteen thousand dollar (\$15,000) limitation.  
10 Costs exceeding this limit shall not be reimbursable and shall be borne by the  
11 facility. Costs for additional motor vehicles, not to exceed a total of three (3)  
12 per facility, may be approved by the Cabinet for Health and Family Services if  
13 the facility demonstrates that each additional vehicle is necessary for the  
14 operation of the facility as required by regulations of the cabinet;
- 15 (c) Salaries paid to immediate family members of the owner or administrator, or  
16 both, of a facility, to the extent that services are not actually performed and are  
17 not a necessary function as required by regulation of the cabinet for the  
18 operation of the facility. The facility shall keep a record of all work actually  
19 performed by family members;
- 20 (d) The cost of contracts, loans, or other payments made by the facility to owners,  
21 administrators, or both, unless the payments are for services which would  
22 otherwise be necessary to the operation of the facility and the services are  
23 required by regulations of the Cabinet for Health and Family Services. Any  
24 other payments shall be deemed part of the owner's compensation in  
25 accordance with maximum limits established by regulations of the Cabinet for  
26 Health and Family Services. Interest paid to the facility for loans made to a  
27 third party may be used to offset allowable interest claimed by the facility;

- 1 (e) Private club memberships for owners or administrators, travel expenses for  
2 trips outside the state for owners or administrators, and other indirect  
3 payments made to the owner, unless the payments are deemed part of the  
4 owner's compensation in accordance with maximum limits established by  
5 regulations of the Cabinet for Health and Family Services; and
- 6 (f) Payments made to related organizations supplying the facility with goods or  
7 services shall be limited to the actual cost of the goods or services to the  
8 related organization, unless it can be demonstrated that no relationship  
9 between the facility and the supplier exists. A relationship shall be considered  
10 to exist when an individual, including brothers, sisters, father, mother, aunts,  
11 uncles, and in-laws, possesses a total of five percent (5%) or more of  
12 ownership equity in the facility and the supplying business. An exception to  
13 the relationship shall exist if fifty-one percent (51%) or more of the supplier's  
14 business activity of the type carried on with the facility is transacted with  
15 persons and organizations other than the facility and its related organizations.
- 16 (3) No vendor payment shall be made unless the class and type of medical care  
17 rendered and the cost basis therefor has first been designated by regulation.
- 18 (4) The rules and regulations of the Cabinet for Health and Family Services shall  
19 require that a written statement, including the required opinion of a physician, shall  
20 accompany any claim for reimbursement for induced premature births. This  
21 statement shall indicate the procedures used in providing the medical services.
- 22 (5) The range of medical care benefit standards provided and the quality and quantity  
23 standards and the methods for determining cost formulae for vendor payments  
24 within each category of public assistance and other recipients shall be uniform for  
25 the entire state, and shall be designated by regulation promulgated within the  
26 limitations established by the Social Security Act and federal regulations. It shall  
27 not be necessary that the amount of payments for units of services be uniform for

- 1 the entire state but amounts may vary from county to county and from city to city, as  
2 well as among hospitals, based on the prevailing cost of medical care in each locale  
3 and other local economic and geographic conditions, except that insofar as allowed  
4 by applicable federal law and regulation, the maximum amounts reimbursable for  
5 similar services rendered by physicians within the same specialty of medical  
6 practice shall not vary according to the physician's place of residence or place of  
7 practice, as long as the place of practice is within the boundaries of the state.
- 8 (6) Nothing in this section shall be deemed to deprive a woman of all appropriate  
9 medical care necessary to prevent her physical death.
- 10 (7) To the extent permitted by federal law, no medical assistance recipient shall be  
11 recertified as qualifying for a level of long-term care below the recipient's current  
12 level, unless the recertification includes a physical examination conducted by a  
13 physician licensed pursuant to KRS Chapter 311 or by an advanced practice  
14 registered nurse licensed pursuant to KRS Chapter 314 and acting under the  
15 physician's supervision.
- 16 (8) If payments made to community mental health centers, established pursuant to KRS  
17 Chapter 210, for services provided to the intellectually disabled exceed the actual  
18 cost of providing the service, the balance of the payments shall be used solely for  
19 the provision of other services to the intellectually disabled through community  
20 mental health centers.
- 21 (9) No long-term-care facility, as defined in KRS 216.510, providing inpatient care to  
22 recipients of medical assistance under Title XIX of the Social Security Act on July  
23 15, 1986, shall deny admission of a person to a bed certified for reimbursement  
24 under the provisions of the Medical Assistance Program solely on the basis of the  
25 person's paying status as a Medicaid recipient. No person shall be removed or  
26 discharged from any facility solely because they became eligible for participation in  
27 the Medical Assistance Program, unless the facility can demonstrate the resident or

1 the resident's responsible party was fully notified in writing that the resident was  
2 being admitted to a bed not certified for Medicaid reimbursement. No facility may  
3 decertify a bed occupied by a Medicaid recipient or may decertify a bed that is  
4 occupied by a resident who has made application for medical assistance.

5 (10) Family-practice physicians practicing in geographic areas with no more than one (1)  
6 primary-care physician per five thousand (5,000) population, as reported by the  
7 United States Department of Health and Human Services, shall be reimbursed one  
8 hundred twenty-five percent (125%) of the standard reimbursement rate for  
9 physician services.

10 (11) The Cabinet for Health and Family Services shall make payments under the Medical  
11 Assistance program for services which are within the lawful scope of practice of a  
12 chiropractor licensed pursuant to KRS Chapter 312, to the extent the Medical  
13 Assistance Program pays for the same services provided by a physician.

14 (12) (a) The Medical Assistance Program shall use the appropriate form and  
15 guidelines for enrolling those providers applying for participation in the  
16 Medical Assistance Program, including those licensed and regulated under  
17 KRS Chapters 311, 312, 314, 315, and 320, any facility required to be  
18 licensed pursuant to KRS Chapter 216B, and any other health care practitioner  
19 or facility as determined by the Department for Medicaid Services through an  
20 administrative regulation promulgated under KRS Chapter 13A. A Medicaid  
21 managed care organization shall use the forms and guidelines established  
22 under KRS 304.17A-545(5) to credential a provider. For any provider who  
23 contracts with and is credentialed by a Medicaid managed care organization  
24 prior to enrollment, the cabinet shall complete the enrollment process and  
25 deny, or approve and issue a Provider Identification Number (PID) within  
26 fifteen (15) business days from the time all necessary completed enrollment  
27 forms have been submitted and all outstanding accounts receivable have been

1 satisfied.

2 (b) Within forty-five (45) days of receiving a correct and complete provider  
3 application, the Department for Medicaid Services shall complete the  
4 enrollment process by either denying or approving and issuing a Provider  
5 Identification Number (PID) for a behavioral health provider who provides  
6 substance use disorder services, unless the department notifies the provider  
7 that additional time is needed to render a decision for resolution of an issue or  
8 dispute.

9 (c) Within forty-five (45) days of receipt of a correct and complete application for  
10 credentialing by a behavioral health provider providing substance use disorder  
11 services, a Medicaid managed care organization shall complete its contracting  
12 and credentialing process, unless the Medicaid managed care organization  
13 notifies the provider that additional time is needed to render a decision. If  
14 additional time is needed, the Medicaid managed care organization shall not  
15 take any longer than ninety (90) days from receipt of the credentialing  
16 application to deny or approve and contract with the provider.

17 (d) A Medicaid managed care organization shall adjudicate any clean claims  
18 submitted for a substance use disorder service from an enrolled and  
19 credentialed behavioral health provider who provides substance use disorder  
20 services in accordance with KRS 304.17A-700 to 304.17A-730.

21 (e) The Department of Insurance may impose a civil penalty of one hundred  
22 dollars (\$100) per violation when a Medicaid managed care organization fails  
23 to comply with this section. Each day that a Medicaid managed care  
24 organization fails to pay a claim may count as a separate violation.

25 (13) Dentists licensed under KRS Chapter 313 shall be excluded from the requirements  
26 of subsection (12) of this section. The Department for Medicaid Services shall  
27 develop a specific form and establish guidelines for assessing the credentials of

1 dentists applying for participation in the Medical Assistance Program.

2 ➔Section 5. KRS 205.561 is amended to read as follows:

3 (1) The cabinet shall submit a report to the Governor and the Legislative Research  
4 Commission on the dispensing of prescription medications to persons eligible under  
5 KRS 205.560 upon request~~[, on or before October 31, 2003, and every third year~~  
6 ~~thereafter]~~. The report shall also include current data on the most utilized and  
7 abused drugs in the Kentucky Medicaid program, a determination of factors causing  
8 high drug costs and drug usage rates of Medicaid recipients, and the effectiveness of  
9 the drug formulary and prior authorization process in managing drug costs. The  
10 report shall be reviewed by the Drug Management Review Advisory Board created  
11 under KRS 205.5636.

12 (2) A reasonable fee for dispensing prescription medications shall be determined by the  
13 Department for Medicaid Services.

14 ➔Section 6. KRS 205.590 is amended to read as follows:

15 (1) The following technical advisory committees shall be established for the purpose of  
16 acting in an advisory capacity to the council with respect to the administration of the  
17 medical assistance program and in performing the function of peer review:

18 (a) A Technical Advisory Committee on Physician Services consisting of five (5)  
19 physicians appointed by the council of the Kentucky State Medical  
20 Association;

21 (b) A Technical Advisory Committee on Hospital Care consisting of five (5)  
22 hospital administrators appointed by the board of trustees of the Kentucky  
23 Hospital Association;

24 (c) A Technical Advisory Committee on Dental Care consisting of five (5)  
25 dentists appointed by the Kentucky Dental Association;

26 (d) A Technical Advisory Committee on Nursing Service consisting of five (5)  
27 nurses appointed by the board of directors of the Kentucky State Association

1 of Registered Nurses;

2 (e) A Technical Advisory Committee on Nursing Home Care consisting of six (6)  
3 members of which five (5) members shall be appointed by the Kentucky  
4 Association of Health Care Facilities, and one (1) member shall be appointed  
5 by the Kentucky Association of Nonprofit Homes and Services for the Aging,  
6 Inc.;

7 (f) A Technical Advisory Committee on Optometric Care consisting of five (5)  
8 members appointed by the Kentucky Optometric Association;

9 (g) A Technical Advisory Committee on Podiatric Care consisting of five (5)  
10 podiatrists appointed by the Kentucky Podiatry Association;

11 (h) A Technical Advisory Committee on Primary Care consisting of five (5)  
12 primary care providers, two (2) of whom shall represent licensed health  
13 maintenance organizations, appointed by the Governor, until such time as an  
14 association of primary care providers is established, whereafter the association  
15 shall appoint the members;

16 (i) A Technical Advisory Committee on Home Health Care consisting of five (5)  
17 members appointed by the board of directors of the Kentucky Home Health  
18 Association;

19 ~~(j) A Technical Advisory Committee on Consumer Rights and Client Needs~~  
20 ~~consisting of five (5) members, with one (1) member to be appointed by each~~  
21 ~~of the following organizations: the Kentucky Combined Committee on Aging,~~  
22 ~~the Kentucky Legal Services Corporation, the Arc of Kentucky, the~~  
23 ~~Department of Public Advocacy, and the National Association of Social~~  
24 ~~Workers Kentucky Chapter;~~

25 ~~(k)~~ A Technical Advisory Committee on Behavioral Health consisting of six (6)  
26 members, with one (1) member to be appointed by each of the following  
27 organizations: the Kentucky Mental Health Coalition, the Kentucky

1 Association of Regional Programs, the National Alliance on Mental Illness  
2 (NAMI) Kentucky, a statewide mental health consumer organization, the  
3 People Advocating Recovery (PAR), and the Kentucky Brain Injury Alliance;

4 ~~(k)(4)~~ A Technical Advisory Committee on Children's Health consisting of ten  
5 (10) members, with one (1) member to be appointed by each of the following  
6 organizations: the Kentucky Chapter of the American Academy of Pediatrics,  
7 the Kentucky PTA, the Kentucky Psychological Association, the Kentucky  
8 School Nurses Association, the Kentucky Association for Early Childhood  
9 Education, the Family Resource and Youth Services Coalition of Kentucky,  
10 the Kentucky Youth Advocates, the Kentucky Association of Hospice and  
11 Palliative Care, a parent of a child enrolled in Medicaid or the Kentucky  
12 Children's Health Insurance Program appointed by the Kentucky Head Start  
13 Association, and a pediatric dentist appointed by the Kentucky Dental  
14 Association;

15 ~~(l)(m)~~ A Technical Advisory Committee on Intellectual and Developmental  
16 Disabilities consisting of nine (9) members, one (1) of whom shall be a  
17 consumer who participates in a nonresidential community Medicaid waiver  
18 program, one (1) of whom shall be a consumer who participates in a  
19 residential community Medicaid waiver program, one (1) of whom shall be a  
20 consumer representative of a family member who participates in a community  
21 Medicaid waiver program, and one (1) of whom shall be a consumer  
22 representative of a family member who resides in an ICF/ID facility that  
23 accepts Medicaid payments, all of whom shall be appointed by the Governor;  
24 one (1) member shall be appointed by the Arc of Kentucky; one (1) member  
25 shall be appointed by the Commonwealth Council on Developmental  
26 Disabilities; one (1) member shall be appointed by the Kentucky Association  
27 of Homes and Services for the Aging; and two (2) members shall be appointed



1 by the Kentucky Association of Private Providers, one (1) of whom shall be a  
2 nonprofit provider and one (1) of whom shall be a for-profit provider;

3 ~~(m)~~~~(n)~~ A Technical Advisory Committee on Therapy Services consisting of six  
4 (6) members, two (2) of whom shall be occupational therapists and shall be  
5 appointed by the Kentucky Occupational Therapists Association, two (2) of  
6 whom shall be physical therapists and shall be appointed by the Kentucky  
7 Physical Therapy Association, and two (2) of whom shall be speech therapists  
8 and shall be appointed by the Kentucky Speech-Language-Hearing  
9 Association; and

10 ~~(n)~~~~(o)~~ A Technical Advisory Committee on Pharmacy consisting of five (5)  
11 pharmacists appointed by the Kentucky Pharmacists Association.

12 (2) The members of the technical advisory committees shall serve until their successors  
13 are appointed and qualified.

14 (3) Each appointive member of a committee shall serve without compensation but shall  
15 be entitled to reimbursement for actual and necessary expenses in carrying out his  
16 duties with reimbursement for expenses being made in accordance with state  
17 regulations relating to travel reimbursement.

18 ➔Section 7. KRS 205.690 is amended to read as follows:

19 The secretary shall submit a written report to the General Assembly ~~during each regular~~  
20 ~~session thereof and shall~~ upon written request~~, submit a written report to~~ or appear in  
21 person before any joint interim committee of the General Assembly within thirty (30)  
22 days of ~~a~~~~such~~ request~~,~~~~]~~The following information related to the implementation of  
23 KRS 205.2003 ***shall be provided:***

24 (1) The number of recipients placed in public and private work experience programs;

25 (2) The number of recipients placed in regular full-time employment; and

26 (3) The costs to the Commonwealth and participating local agencies or organizations of  
27 the implementation of the work program required under KRS 205.2003.

1           ➔Section 8. KRS 205.712 is amended to read as follows:

- 2       (1) The Department for Income Support, Child Support Enforcement, is established in  
3       the Cabinet for Health and Family Services.
- 4       (2) The duties of the Department for Income Support, Child Support Enforcement, or  
5       its designee, shall include:
- 6           (a) Serve as state agency authorized to administer Part D of Title IV of the Social  
7           Security Act, 42 U.S.C. secs. 651 to 669;
- 8           (b) Serve as the information agency as provided in the Uniform Interstate Family  
9           Support Act, KRS Chapter 407;
- 10          (c) Serve as collector of all court-ordered or administratively ordered child  
11          support payments pursuant to Part D of Title IV of the Social Security Act;
- 12          (d) Serve as the agent for enforcement of international child support obligations,  
13          and respond to requests from foreign reciprocating countries;
- 14          (e) Establish and enforce an obligation upon receipt of a completed, notarized  
15          voluntary acknowledgment-of-paternity form;
- 16          (f) Enforce Kentucky child support laws, including collection of court-ordered or  
17          administratively ordered child support arrearages and prosecution of persons  
18          who fail to pay child support;
- 19          (g) Publicize the availability of services and encourage the use of these services  
20          for establishing paternity and child support;
- 21          (h) Pay the cost of genetic testing to establish paternity, subject to recoupment  
22          from the alleged father, when paternity is administratively or judicially  
23          determined; and obtain additional testing when an original test is contested,  
24          upon request and advance payment by the contestant;
- 25          (i) Establish child support obligations and seek modification of judicially or  
26          administratively established child support obligations in accordance with the  
27          child support guidelines of the Commonwealth of Kentucky as provided under

1 KRS 403.212;

2 (j) Administratively establish child support orders which shall have the same  
3 force and effect of law;

4 (k) Issue an administrative subpoena to secure public and private records of utility  
5 and cable companies and asset and liability information from financial  
6 institutions for the establishment, modification, or enforcement of a child  
7 support obligation;

8 (l) Impose a penalty for failure to comply with an administrative subpoena;

9 (m) Provide notices, copies of proceedings, and determinations of support  
10 amounts to any parties or individuals who are applying for or receiving Title  
11 IV-D services, or who are parties to cases in which Title IV-D services are  
12 being provided; **and**

13 (n) Issue interstate administrative subpoenas to any individual or entity for  
14 financial or other information or documents which are needed to establish,  
15 modify, or enforce a child support obligation pursuant to Part D of Title IV of  
16 the Social Security Act, 42 U.S.C. secs. 651 et seq. An administrative  
17 subpoena lawfully issued in another state to an individual or entity residing in  
18 this state shall be honored and enforced in the Circuit Court where the  
19 individual or entity resides. ~~[- and]~~

20 ~~(3)~~ ~~(e)~~ **The Department for Income Support, Child Support Enforcement, or its**  
21 **designee** may promulgate administrative regulations to implement this section and  
22 adopt forms or implement other requirements of federal law relating to interstate  
23 administrative subpoenas, **and may amend forms by technical amendment that are**  
24 **mandated by the federal Office of Child Support Enforcement and incorporated**  
25 **by reference in administrative regulation.**

26 ~~(4)~~ ~~(3)~~ Effective September 30, 1999, the cabinet shall establish a system to receive  
27 and process all child support payments. The system shall include existing computer

1 systems to record the payments. The automated system shall include a state case  
2 registry that contains records with respect to each case in which services are being  
3 provided by the cabinet and each child support order established or modified in the  
4 state on or after October 1, 1998.

5 ~~(5)~~~~(4)~~ The cabinet shall establish and operate a state disbursement unit for the  
6 collection, disbursement, and recording of payments under support orders for all  
7 Title IV-D cases and for all cases initially issued in the state on or after January 1,  
8 1994, in which a wage withholding has been court-ordered or administratively  
9 ordered, pursuant to Part D of Title IV of the Social Security Act. Establishment of  
10 the state unit may include the designation and continuation of existing local  
11 collection units to aid efficient and effective collection, disbursement, and recording  
12 of child support payments.

13 ~~(6)~~~~(5)~~ After the establishment of the disbursement unit child support collection  
14 system, the cabinet or its designee shall serve as collector of all court-ordered or  
15 administratively ordered child support payments pursuant to Part D of Title IV of  
16 the Social Security Act.

17 ~~(7)~~~~(6)~~ Where establishment of paternity and enforcement and collection of child  
18 support is by law the responsibility of local officials, the cabinet shall refer cases to  
19 the appropriate official for such action. The cabinet may enter into cooperative  
20 arrangements with appropriate courts and law enforcement officials to assist the  
21 cabinet in administering the program of child support recovery, including the  
22 entering into of financial arrangements with such courts and officials as provided  
23 for under the provisions of federal law and regulations. The local county attorney  
24 shall be considered the designee of the cabinet for purposes of administering the  
25 program of child support recovery within a county, subject to the option of the  
26 county attorney to decline such designation. Nothing in this section shall prevent the  
27 secretary from taking such action, with prior written notice, as appropriate if the

1 terms and conditions of the cooperative agreement are not met. When a cooperative  
2 agreement with a contracting official is canceled for good cause, the cabinet may  
3 not offer that cooperative agreement to that official during the official's tenure.

4 ~~(8)~~~~(7)~~ Where the local county attorney, friend of the court, domestic relations agent,  
5 or other designee of the cabinet has been contracted for the purpose of  
6 administering child support enforcement pursuant to Title IV-D of the Social  
7 Security Act, the contracting official shall be deemed to be representing the cabinet  
8 and as such does not have an attorney-client relationship with the applicant who has  
9 requested services pursuant to Title IV-D of the Social Security Act nor with any  
10 dependent on behalf of the individuals for whom services are sought.

11 ~~(9)~~~~(8)~~ The cabinet shall determine the name of each obligor who owes an arrearage  
12 of at least two thousand five hundred dollars (\$2,500). After notification to the  
13 obligor owing an arrearage amount of two thousand five hundred dollars (\$2,500),  
14 the cabinet shall transmit to the United States secretary of health and human  
15 services the certified names of the individuals and supporting documentation for the  
16 denial, revocation, or limitation of the obligor's passport. The cabinet shall notify  
17 the identified obligor of the determination and the consequences and provide an  
18 opportunity to contest the determination.

19 ~~(10)~~~~(9)~~ The cabinet shall determine the name of an obligor owing an arrearage and  
20 shall indefinitely deny, suspend, or revoke a license or certification that has been  
21 issued if the person has a child support arrearage that equals or exceeds the amount  
22 that would be owed after six (6) months of nonpayment or fails, after receiving  
23 appropriate notice, to comply with subpoenas or warrants relating to paternity or  
24 child support proceedings as provided by 42 U.S.C. sec. 666(a)(16).

25 ~~(11)~~~~(10)~~ The cabinet shall forward the name of the individual to a board of licensure or  
26 board of certification for the notification of the denial, revocation, or suspension of  
27 a driver's license, professional license or certification, occupational license or

1 certification, recreational license, or sporting license.

2 ~~(12)~~~~(11)~~ The denial or suspension shall remain in effect until the child support  
3 arrearage has been eliminated or payments on the child support arrearage are being  
4 made in accordance with a court or administrative order, the person complies with  
5 the subpoena or warrant relating to paternity or child support proceedings, or the  
6 appeal of the denial or suspension is upheld and the license is reinstated.

7 ~~(13)~~~~(12)~~ Except for cases administered by the cabinet under 42 U.S.C. secs. 651 et seq.  
8 which shall be afforded the appeal process set forth by KRS 405.450(3), an  
9 individual who has a license or certification denied, revoked, or suspended shall  
10 have the right to appeal to the licensing or certifying board.

11 ~~(14)~~~~(13)~~ A dispute hearing shall be conducted by the cabinet in accordance with KRS  
12 405.450. The only basis for a dispute hearing shall be a mistake in fact.

13 ~~(15)~~~~(14)~~ The cabinet shall in its discretion enter into agreements with financial  
14 institutions doing business in the Commonwealth to develop and operate, in  
15 coordination with the financial institutions, a data match system as required by KRS  
16 205.772 to 205.778.

17 ~~(16)~~~~(15)~~ The cabinet may issue both intrastate and interstate administrative subpoenas  
18 to any individual or entity for financial or other information or documents that are  
19 needed to establish, modify, or enforce a child support obligation pursuant to Title  
20 IV-D of the Social Security Act, 42 U.S.C. secs. 651 et seq. An administrative  
21 subpoena lawfully issued in another state to an individual or entity in this state shall  
22 be honored and enforced in the Circuit Court of the county in which the individual  
23 or entity resides.

24 ~~(17)~~~~(16)~~ The Cabinet for Health and Family Services shall forward to the Office of the  
25 Attorney General a list of names of delinquent obligors and, in cooperation with the  
26 Office of the Attorney General, shall promulgate administrative regulations in  
27 accordance with KRS Chapter 13A to implement KRS 15.055.

1 ~~(18)~~~~(17)~~ The cabinet shall compare a quarterly report provided by the Finance and  
 2 Administration Cabinet of all tort claims made against the state by individuals with  
 3 the child support database to match individuals who have a child support arrearage  
 4 and may receive a settlement from the state.

5 ~~(19)~~~~(18)~~ The cabinet shall prepare and distribute to the cabinet's designee for the  
 6 administration of the child support program information on child support  
 7 collections and enforcement. The information shall include a description of how  
 8 child support obligations are:

- 9 (a) Established;
- 10 (b) Modified;
- 11 (c) Enforced;
- 12 (d) Collected; and
- 13 (e) Distributed.

14 ~~(20)~~~~(19)~~ The cabinet's designee for the administration of the child support program  
 15 shall distribute, when appropriate, the following:

- 16 (a) Information on child support collections and enforcement; and
- 17 (b) Job listings posted by employment services.

18 ➔Section 9. KRS 216.577 is amended to read as follows:

19 Upon a finding that conditions in a long-term care facility constitute a Type A violation,  
 20 and the licensee fails to correct the violation within the time specified for correction by  
 21 the cabinet, the secretary shall take at least one (1) of the following actions with respect to  
 22 the facility in addition to the issuance of a citation, or the assessment of a civil penalty  
 23 therefor:

- 24 (1) Institute proceedings to obtain an order compelling compliance with the regulations,  
 25 standards, or requirements as set forth by the Cabinet for Health and Family  
 26 Services~~[Kentucky Health Facilities and Health Services Certificate of Need and~~  
 27 ~~Licensure Board]~~, the provisions of KRS 216.510 to 216.525, or applicable federal

1 laws and regulations governing the certification of a long-term care facility under  
2 Title 18 or 19 of the Social Security Act;

3 (2) Institute injunctive proceedings in Circuit Court to terminate the operation of the  
4 facility; or

5 (3) Selectively transfer residents whose care needs are not being adequately met by the  
6 long-term care facility.

7 ➔Section 10. KRS 216.935 is amended to read as follows:

8 As used in KRS 216.935 to 216.939, unless the context requires otherwise:

9 (1) "Home health aide" means an individual who is hired to perform home health aide  
10 services.

11 (2) "Home health agency" means a public agency or private organization, or a  
12 subdivision of such an agency or organization which is licensed as a home health  
13 agency by the Cabinet for Health and Family Services~~[Kentucky Health Facilities~~  
14 ~~and Health Services Certificate of Need and Licensure Board]~~ and is certified to  
15 participate as a home health agency under Title XVIII of the Social Security Act.

16 (3) "Home health aide services" means those services provided by a home health aide  
17 and supervised by a registered nurse which are directed towards the personal care of  
18 the patient. Such services shall include, but not be limited to, the following:

19 (a) Helping the patient with bath and care of mouth, skin, and hair;

20 (b) Helping the patient to the bathroom or in using a bedpan;

21 (c) Helping the patient in and out of bed and assisting with ambulation;

22 (d) Helping the patient with prescribed exercises which the patient and home  
23 health aide have been taught by appropriate professional personnel;

24 (e) Assisting with medication ordinarily self-administered that has been  
25 specifically ordered by a physician or advanced practice registered nurse;

26 (f) Performing incidental household services as are essential to the patient's  
27 health care at home, if these services would have been performed if the patient



1 was in a hospital or skilled nursing facility; and

2 (g) Reporting changes in the patient's condition or family situation to the  
3 professional nurse supervisor.

4 (4) "Nurse aide" means an individual, including a nursing student, medication aide, and  
5 a person employed through a nursing pool, who provides nursing or nursing related  
6 services to a resident in a nursing facility or home health agency, excluding:

7 (a) An individual who is a licensed health professional;

8 (b) A volunteer who provides the nursing or nursing-related services without  
9 monetary compensation; and

10 (c) A person who is hired by the resident or family to sit with the resident and  
11 who does not perform nursing or nursing-related services.

12 ➔Section 11. KRS 205.713 is amended to read as follows:

13 All forms, child support orders, wage withholding orders, or orders amending an existing  
14 child support order, entered in any case in Circuit Court, District Court, or family court  
15 that require entry into the state case registry under KRS 205.712 ~~(4)(3)~~ shall be entered  
16 on forms adopted by the Administrative Office of the Courts after consultation with the  
17 Cabinet for Health and Family Services. If the provisions of a child support order are  
18 contained in an order that is narrative in nature, the adopted forms shall be used in  
19 addition to the narrative order.

20 ➔Section 12. KRS 205.802 is amended to read as follows:

21 All forms, child support orders, wage withholding orders, or orders amending an existing  
22 child support order, entered in any case in Circuit, District, or Family Court that require  
23 entry into the state case registry pursuant to KRS 205.712 ~~(4)(3)~~ shall be entered on  
24 forms adopted by the Administrative Office of the Courts in coordination with the  
25 Cabinet for Health and Family Services. If the provisions of a child support order are  
26 contained in an order that is narrative in nature, the adopted forms shall be used in  
27 addition to the narrative order.

1       ➔Section 13. KRS 211.670 is amended to read as follows:

- 2       (1) All lists and medical records maintained by hospitals and medical laboratories  
3       pursuant to KRS 211.660 shall be confidential. All information collected and  
4       analyzed pursuant to KRS 211.660 ~~and 211.665 shall~~ be held confidential as to the  
5       identity of the individual patient. Staff of the cabinet, the department, or its designee  
6       may use the information to notify parents of available medical care and other  
7       services available for the child and family. Further disclosure shall be made only  
8       pursuant to the written consent of the child's parent or legal guardian.
- 9       (2) Access to information assembled by the Kentucky birth surveillance registry shall  
10       be limited to the cabinet, the department, or its designee and to qualified persons or  
11       organizations engaged in demographic, epidemiological or other similar studies  
12       related to health and health care provision. A written agreement to maintain  
13       confidentiality shall be required if access is approved for persons other than  
14       representatives of the cabinet.
- 15       (3) The department shall maintain a record of all persons given access to the  
16       information in the Kentucky birth surveillance registry. The record shall include: the  
17       name of the person authorizing access; name, title, and organizational affiliation of  
18       person given access; dates of access; and the specific purpose for which information  
19       is to be used. This record of access shall be open to public inspection during normal  
20       operating hours of the department.
- 21       (4) Information assembled by the Kentucky birth surveillance registry may be disclosed  
22       in summary, statistical, or other form which does not identify particular individuals  
23       or individual sources of information.
- 24       (5) Any person who, in violation of a written agreement to maintain confidentiality,  
25       discloses any information provided under KRS 211.660 ~~and 211.665~~ may be  
26       denied further access to confidential information maintained by the department.

27       ➔Section 14. KRS 405.411 is amended to read as follows:

1 (1) The Cabinet for Health and Family Services' designee under KRS 205.712 ~~(Z)~~~~(6)~~  
2 for the administration of child support may compile a list of the names of persons  
3 under its jurisdiction who have a child support arrearage that equals or exceeds six  
4 (6) months without payment, or fail, after receiving appropriate notice, to comply  
5 with subpoenas or warrants relating to paternity or child support proceedings as  
6 provided by 42 U.S.C. sec. 666(a)(16). The cabinet may furnish this list to the  
7 newspaper of general circulation in that county for publication.

8 (2) The Department for Income Support, Child Support Enforcement, in the Cabinet for  
9 Health and Family Services shall determine uniform standards for publication. The  
10 cabinet is authorized to promulgate the necessary administrative regulations under  
11 KRS Chapter 13A to implement the provisions of this section.

12 (3) For purposes of this section, "newspaper of general circulation" means a publication  
13 bearing a title or name, regularly issued at least as frequently as once a week for a  
14 definite price, having a second-class mailing privilege, being not less than four (4)  
15 pages, published continuously during the immediately preceding one (1) year  
16 period, which is published for the dissemination of news of general interest, and is  
17 circulated generally in the political subdivision in which it is published and in  
18 which notice is to be given. In any county where a publication fully complying with  
19 this definition does not exist, the Cabinet for Health and Family Services may  
20 publish this list in the publication utilized by the Circuit Court Clerk of the county  
21 for publication of other legal notices in the county. A newspaper that is not engaged  
22 in the distribution of news of general interest to the public, but that is primarily  
23 engaged in the distribution of news of interest to a particular group of citizens, is  
24 not a newspaper of general circulation.

25 ➔Section 15. The following KRS sections are repealed:

26 194A.090 Citizen advisory bodies -- Public Health Services Advisory Council --  
27 Institute for Aging.

- 1 209.400 Legislative intent.
- 2 209.410 Definitions.
- 3 209.420 Senior and Physically Disabled Adult Discount Program for retail goods and  
4 services.
- 5 211.665 Advisory committee -- Duties.
- 6 211.674 Perinatal Advisory Committee -- Membership -- Meetings -- Report.
- 7 213.143 Commemorative copy of birth or marriage certificate -- Fee.
- 8 218A.150 License required to manufacture controlled substances.
- 9 218A.160 Criteria for issuance of license -- Appeal.
- 10 218A.170 Sale, distribution, administration, or prescription of controlled substances by  
11 licensed manufacturers, distributors, wholesalers, pharmacists, or practitioners.