

1 A JOINT RESOLUTION directing the Department for Medicaid Services to study
2 and examine Medicaid reimbursements.

3 WHEREAS, the United Health Foundation in their 2022 America's Health
4 Rankings report ranked Kentucky as the 43rd overall healthiest state; and

5 WHEREAS, in 2019 Kentucky ranked 45th among the United States in its primary
6 care physician workforce with just 58 primary care physicians per 100,000 residents; and

7 WHEREAS, roughly 40% of Kentuckians live in rural areas but only 17% of the
8 state's primary care physicians practice in rural areas; and

9 WHEREAS, it is difficult to recruit and retain healthcare providers to serve in rural
10 and socioeconomically disadvantaged suburban and urban areas; and

11 WHEREAS, a growing field of research shows that individuals who live in
12 socioeconomically disadvantaged or deprived communities, regardless of whether the
13 community is urban or rural, suffer higher rates of chronic disease including diabetes,
14 cardiovascular disease, and other chronic conditions, utilize healthcare services more
15 frequently, and experience higher rates of premature death; and

16 WHEREAS, the health-related social needs of individuals who reside in
17 socioeconomically disadvantaged or deprived communities are often far greater than the
18 needs of individuals who reside in more prosperous communities; and

19 WHEREAS, health interventions and policies that fail to consider a community's
20 level of disadvantage or deprivation and the health-related social needs of the
21 community's residents are likely to be ineffective at addressing the health disparities and
22 challenges often observed in many socially disadvantaged communities; and

23 WHEREAS, a better understanding of variations in community deprivation could
24 lead to improved insights into the sociobiologic mechanisms that underlie health
25 disparities; and

26 WHEREAS, the Area Deprivation Index was originally developed by the Health
27 Resources and Services Administration, an agency of the United States Department of

1 Health and Human Services, nearly three decades ago and is comprised of 17 education,
2 employment, housing, and poverty measures originally drawn from long-form Census
3 data and updated to incorporate more recent American Community Survey Data; and

4 WHEREAS, there has been extensive research on the Area Deprivation Index and
5 the updated index has been validated for a range of health outcomes and disease domains;
6 and

7 WHEREAS, numerous academic health systems and state and federal collaborators
8 are already using the Area Deprivation Index to inform research, outreach, and policy;
9 and

10 WHEREAS, the Area Deprivation Index can be used to inform risk-adjustment
11 strategies, financial incentives, payment reform, infrastructure targeting, benefit
12 decisions, and program eligibility; and

13 WHEREAS, several states including Massachusetts, Maine, Washington, and
14 Hawaii, have taken steps to account for social risks and health-related social needs in
15 health care payment models; and

16 WHEREAS, failure to improve health outcomes and address health disparities now
17 will create a larger financial liability for the state in the future;

18 NOW, THEREFORE,

19 ***Be it resolved by the General Assembly of the Commonwealth of Kentucky:***

20 ➔Section 1. The Department for Medicaid Services shall:

21 (1) Study efforts undertaken by other states to account for social risks and health-
22 related social needs in Medicaid payment models;

23 (2) Review federal regulations related to Medicaid reimbursements and the ability
24 of states to design reimbursement models that effectively address social risks
25 and health-related social needs;

26 (3) Assess the appropriateness of the Area Deprivation Index as valid measure of
27 social risks and health-related social needs in Kentucky; and

1 (4) Develop a proposal to modify Kentucky's current Medicaid reimbursement
2 model to better account for the social risks and health-related social needs at
3 the community level by modifying reimbursement rates for providers based
4 on the Area Deprivation Index score of the location in which the provider
5 practices.

6 ➔Section 2. The Department for Medicaid Services shall submit its findings and
7 proposal for the modification of the state's Medicaid reimbursement model to the
8 Legislative Research Commission for referral to the appropriate committee or committees
9 no later than November 1, 2023.

10 ➔Section 3. The Department for Medicaid Services is hereby directed to examine
11 the current reimbursement rates paid to outpatient pediatric therapy providers, including
12 providers of pediatric audiology services, behavioral therapy services, occupational
13 therapy services, physical therapy services, and speech therapy services, develop a
14 proposal for increasing those reimbursement rates, and submit a report containing the
15 findings of the examination and the proposal for rate increases to the Interim Joint
16 Committees on Appropriations and Revenue and Health, Welfare, and Family Services
17 no later than July 15, 2023.

18 ➔Section 4. Whereas improving health outcomes and effectively addressing
19 health disparities is crucial to the success, health, and financial well-being of all citizens
20 of the Commonwealth and to the Commonwealth as a whole, an emergency is declared to
21 exist, and this Act takes effect upon its passage and approval by the Governor or upon its
22 otherwise becoming a law.