

1 A JOINT RESOLUTION directing the Department for Medicaid Services to
2 develop a proposal to link Medicaid reimbursements to Area Deprivation Index scores
3 and declaring an emergency.

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

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

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

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

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

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

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

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

27 WHEREAS, the Area Deprivation Index was originally developed by the Health

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

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

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

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

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

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

19 NOW, THEREFORE,

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

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

- 22 (1) Study efforts undertaken by other states to account for social risks and health-
23 related social needs in Medicaid payment models;
- 24 (2) Review federal regulations related to Medicaid reimbursements and the ability
25 of states to design reimbursement models that effectively address social risks
26 and health-related social needs;
- 27 (3) Assess the appropriateness of the Area Deprivation Index as valid measure of

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

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

11 ➔Section 3. Whereas improving health outcomes and effectively addressing
12 health disparities is crucial to the success, health, and financial well-being of all citizens
13 of the Commonwealth and to the Commonwealth as a whole, an emergency is declared to
14 exist, and this Act takes effect upon its passage and approval by the Governor or upon its
15 otherwise becoming a law.