

1 AN ACT relating to the Medicaid program and declaring an emergency.

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

3 ➔Section 1. KRS 205.5372 is amended to read as follows:

4 (1) Notwithstanding any provision of law to the contrary, *including but not limited to*
5 *Sections 2 and 3 of this Act*, the cabinet shall not, *unless required by federal law*,
6 exercise the state's option to develop a basic health program as permitted under 42
7 U.S.C. sec. 18051 *or make any change to eligibility, coverage, benefits, or*
8 *reimbursements rates in the Medicaid program including by pursuing or applying*
9 *for a waiver of federal Medicaid law under Title 42 of the United States Code,*
10 *seeking to amend to renew an existing waiver granted under Title 42 of the*
11 *United States Code, or pursuing a state plan amendment* without first obtaining
12 specific authorization from the General Assembly to do so.

13 (2) *If the cabinet seeks authorization from the General Assembly to establish a basic*
14 *health program, apply for a waiver under Title 42 of the United States Code,*
15 *amend an existing waiver granted under Title 42 of the United States Code,*
16 *submit a state plan amendment, or make any other change to eligibility, coverage,*
17 *benefits, or reimbursement rates in the Medicaid program, the cabinet shall*
18 *submit a detailed assessment of the potential fiscal impact of the change for*
19 *which it is seeking authorization to the Legislative Research Commission for*
20 *referral to the Interim Joint Committee on Appropriations and Revenue, the*
21 *Interim Joint Committee on Families and Children, the Interim Joint Committee*
22 *on Health Services, and the Office of Budget Review. The fiscal impact*
23 *assessment required by this subsection shall include a review of any anticipated*
24 *expenditures related to the change and any projected savings that may be*
25 *generated by the change for at least two (2) consecutive state fiscal years.*

26 (3) *If the cabinet seeks authorization from the General Assembly to renew an*
27 *existing waiver granted under Title 42 of the United States Code, the cabinet shall*

1 be required to submit a fiscal impact assessment as described in subsection (2) of
2 this section and an assessment of the efficacy and necessity of the existing waiver.
3 The assessments required by this subsection shall be submitted to the Legislative
4 Research Commission for referral to the Interim Joint Committee on
5 Appropriations and Revenue, the Interim Joint Committee on Families and
6 Children, the Interim Joint Committee on Health Services, and the Office of
7 Budget Review at least twelve (12) calendar months prior to the date on which the
8 existing waiver is set to expire.

9 (4) (a) Nothing in this section shall be interpreted as limiting the General
10 Assembly's ability to direct the cabinet to make changes to the Medicaid
11 program including but not limited to changes to existing waivers, eligibility,
12 coverage, benefits, or reimbursement rates.

13 (b) Any act of the General Assembly directing the Cabinet for Health and
14 Family Services or the Department for Medicaid Services to make a change
15 to the Medicaid program shall constitute authorization for that change as
16 required by subsection (1) of this section.

17 (5) (a) Nothing in this section shall be interpreted as limiting the cabinet's ability
18 to make changes to the Medicaid program that it determines are necessary:

- 19 1. To comply with any requirements that may be imposed by federal law;
- 20 2. In response to a national emergency declaration issued by the
21 President of the United States;
- 22 3. In response to a federal disaster declaration issued by the President of
23 the United States; or
- 24 4. In response to a state of emergency declared by the Governor of the
25 Commonwealth.

26 (b) If the cabinet determines that a change to the Medicaid program is
27 necessary to comply with requirements imposed by federal law, the cabinet

1 shall, at least ninety (90) days prior implementing the necessary changes,
2 submit an assessment of the potential fiscal impact, as described in
3 subsection (2) of this section, of those changes to the Legislative Research
4 Commission for referral to the Interim Joint Committee on Appropriations
5 and Revenue, the Interim Joint Committee on Families and Children, the
6 Interim Joint Committee on Health Services, and the Office of Budget
7 Review.

8 (c) If the cabinet determines that a change to the Medicaid program is
9 necessary to respond to a national emergency declaration or federal disaster
10 declaration issued by the President of the United States or a state of
11 emergency declared by the Governor of the Commonwealth, any such
12 change shall be temporary in nature and shall only be in effect for the
13 duration of the emergency or disaster declaration.

14 (6) As used in this section, the term "Medicaid program" includes the Kentucky
15 Medical Assistance Program established in KRS 205.510 to 205.5630 and the
16 Kentucky Children's Health Insurance Program established in KRS 205.6483.

17 ➔Section 2. KRS 205.460 is amended to read as follows:

- 18 (1) The cabinet shall fund, directly or through a contracting entity or entities, in each
19 district, a program of essential services which shall have as its primary purpose the
20 prevention of unnecessary institutionalization of functionally impaired elderly
21 persons. The cabinet may use funds appropriated under this section to contract with
22 public and private agencies, long-term care facilities, local governments, and other
23 providers to provide core and essential services. The cabinet may provide core and
24 essential services when such services cannot otherwise be purchased.
- 25 (2) In providing essential services, all existing community resources available to
26 functionally impaired elderly persons shall be utilized. Additional services may be
27 provided, but shall not be funded from funds appropriated under this section.

1 Volunteers may be used where practicable to provide essential services to
2 functionally impaired elderly persons. The cabinet or contracting entity shall
3 provide or arrange for the provision of training and supervision of volunteers to
4 ensure the delivery of quality services. The cabinet or contracting entity shall
5 provide or arrange for appropriate insurance coverage to protect volunteers from
6 personal liability while acting within the scope of their volunteer duties. In
7 providing essential services under this section, the cabinet shall provide services to
8 meet the needs of the minority elderly as identified by the cabinet pursuant to KRS
9 205.201.

10 (3) Entities contracting with the cabinet to provide essential services under KRS
11 205.455 and this section shall provide a minimum of fifteen percent (15%) of the
12 funding necessary for the support of program operations. No local match is required
13 for assessment and case management. Local contributions, whether materials,
14 commodities, transportation, office space, personal services, or other types of
15 facilities services, or funds may be evaluated and counted toward the fifteen percent
16 (15%) local funding requirements.

17 (4) When possible, funding for core services may be obtained under:

- 18 (a) The Comprehensive Annual Social Services Program plan under Title XX of
19 the Social Security Act;
- 20 (b) The Medical Assistance Plan under Titles XVIII and XIX of the Social
21 Security Act;
- 22 (c) The State Plan on Aging under the Older Americans Act; or
- 23 (d) Veteran's benefit programs under the provisions of 38 U.S.C. secs. 1 et seq.,
24 as amended.

25 The cabinet may, *except as provided in Section 1 of this Act*, seek federal waivers
26 if necessary to enable the use of funds provided through Titles XVIII and XIX of
27 the Social Security Act for the provision of essential services.

1 (5) Providers contracting with the cabinet to provide essential services shall be
2 responsible for the collection of fees and contributions for services in accordance
3 with administrative regulations promulgated by the cabinet. Providers are
4 authorized to assess and collect fees for services rendered in accordance with those
5 administrative regulations. To help pay for essential services received, a
6 functionally impaired elderly person shall pay an amount of money based on an
7 overall ability to pay in accordance with a schedule of fees established by the
8 cabinet. Fees shall reflect the degree to which the cabinet or contracting entity uses
9 volunteers in the provision of services. Where essential services are provided by
10 volunteers, fees shall only be assessed in an amount that will cover the cost of
11 materials and other goods used in the provision of services. The cost of materials
12 and other goods used by volunteers shall be reasonably similar to the cost of goods
13 when paid personnel are used. Fees shall not be required of any person who is
14 "needy aged" as defined in KRS 205.010; however, voluntary contributions may be
15 encouraged. This subsection shall not apply to programs utilizing federal funds
16 when administrative regulations require contributions to revert to the original
17 funding source.

18 ➔Section 3. KRS 205.520 is amended to read as follows:

- 19 (1) KRS 205.510 to 205.630 shall be known as the "Medical Assistance Act."
20 (2) The General Assembly of the Commonwealth of Kentucky recognizes and declares
21 that it is an essential function, duty, and responsibility of the state government to
22 provide medical care to its indigent citizenry; and it is the purpose of KRS 205.510
23 to 205.630 to provide such care.
24 (3) Further, it is the policy of the Commonwealth to take advantage of all federal funds
25 that may be available for medical assistance. To qualify for federal funds the
26 secretary for health and family services may, **except as provided in Section 1 of**
27 **this Act**, by regulation comply with any requirement that may be imposed or

1 opportunity that may be presented by federal law. Nothing in KRS 205.510 to
2 205.630 is intended to limit the secretary's power in this respect.

3 (4) It is the intention of the General Assembly to comply with the provisions of Title
4 XIX of the Social Security Act which require that the Kentucky Medical Assistance
5 Program recover from third parties which have a legal liability to pay for care and
6 services paid by the Kentucky Medical Assistance Program.

7 (5) The Kentucky Medical Assistance Program shall be the payor of last resort and its
8 right to recover under KRS 205.622 to 205.630 shall be superior to any right of
9 reimbursement, subrogation, or indemnity of any liable third party.

10 ➔Section 4. KRS 205.5371 is amended to read as follows:

11 (1) The cabinet, to the extent permitted under federal law, shall no later than April 15,
12 2023, implement a community engagement program for able-bodied adults without
13 dependents who have been enrolled in the state's medical assistance program for
14 more than twelve (12) months.

15 (2) If the federal Centers for Medicare and Medicaid Services approves the
16 implementation of a community engagement program pursuant to subsection (1) of
17 this section:

18 (a) The program may, for the purpose of defining qualifying community
19 engagement activities, utilize the same requirements established in 7 C.F.R.
20 sec. 273.24;

21 (b) Participation in the job placement assistance program established in KRS
22 151B.420 shall constitute qualifying community engagement activities; and

23 (c) The cabinet shall, on a monthly basis, provide the Education and Labor
24 Cabinet with the name and contact information of each individual
25 participating in the community engagement program.

26 (3) **Th cabinet is hereby authorized, as required under Section 1 of this Act, to submit**
27 **a waiver application to the Centers for Medicare and Medicaid Services**

1 requesting approval to establish the community engagement program for able-
2 bodied adults without dependents as described in subsections (1) and (2) of this
3 section.

4 **(4)** As used in this section, "able-bodied adult without dependents" means an individual
5 who is:

- 6 (a) Over eighteen (18) years of age but under sixty (60) years of age;
- 7 (b) Physically and mentally able to work as determined by the cabinet; and
- 8 (c) Not primarily responsible for the care of a dependent child under the age of
9 eighteen (18) or a dependent disabled adult relative.

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

12 **(1) There is hereby established within the Finance and Administration Cabinet a**
13 **restricted fund to be known as the Kentucky Medicaid rebate sequestration fund.**
14 **All moneys contained in the fund shall be considered unappropriated and shall**
15 **not be available to the secretary of the Cabinet for Health and Family Services**
16 **for expenditure.**

17 **(2) All moneys received by the Cabinet for Health and Family Services or the**
18 **Department for Medicaid Services as compensation or rebate, including**
19 **supplemental rebates, from a pharmaceutical drug manufacturer, the state**
20 **pharmacy benefit manager contracted by the department pursuant to KRS**
21 **205.5512, or any other third-party entity contracted to administer or assist in**
22 **administering any aspect of the Medicaid program minus any remittance that**
23 **may be owed to the federal government shall be deposited into the fund.**

24 **(3) Moneys deposited into the fund pursuant to this section shall not be expended or**
25 **appropriated without the express authority of the General Assembly.**

26 **(4) Pursuant to KRS 45.229, any fund balance at the close of the fiscal year shall**
27 **lapse to the surplus account of the general fund.**

1 →Section 6. KRS 205.240 is amended to read as follows:

2 (1) All money appropriated by this state, all money received from the United States or
 3 any agency thereof, and all money received from any other source for the public
 4 assistance functions administered by the cabinet are, except as provided in
 5 subsection (2) of this section, hereby appropriated and shall be available to the
 6 secretary for expenditure consistent with the provisions of this chapter and KRS
 7 Chapter 195.

8 (2) All moneys received by the cabinet or the Department for Medicaid Services as
 9 compensation or rebate from a pharmaceutical drug manufacturer or the state
 10 pharmacy benefit manager contracted by the department pursuant to KRS
 11 205.5512 minus any remittance that may be owed to the federal government shall
 12 be considered unappropriated funds, shall not be available to the secretary for
 13 expenditure, and shall be deposited in the Kentucky Medicaid rebate
 14 sequestration fund established in Section 5 of this Act.

15 →Section 7. KRS 205.525 is amended to read as follows:

16 (1) Concurrent with submitting an application for a waiver, ~~or~~ waiver amendment,
 17 waiver renewal, or a request for a state plan amendment to any federal agency that
 18 approves waivers, waiver amendments, waiver renewals, or ~~and~~ state plan
 19 amendments, the cabinet shall provide to the Interim Joint Committee on Health
 20 Services ~~and~~ and to the Interim Joint Committee on Appropriations and Revenue a
 21 copy, summary, and statement of benefits of the application for a waiver, ~~or~~
 22 waiver amendment, waiver renewal, or request for a state plan amendment.

23 (2) The cabinet shall provide an update on the status of the application for a waiver, ~~or~~
 24 ~~or~~ waiver amendment, waiver renewal, or request for a state plan amendment to
 25 the Legislative Research Commission upon request.

26 (3) If the cabinet is expressly directed by the General Assembly to submit an
 27 application for a waiver, ~~or~~ waiver amendment, waiver renewal, or a request for a

1 state plan amendment to any federal agency that approves waivers, waiver
2 amendments, waiver renewals, or state plan amendments for public assistance
3 programs administered under this chapter and that application or request is denied
4 by the federal agency, the cabinet shall notify the Legislative Research Commission
5 of the reasons for the denial. If instructed by the General Assembly through
6 legislative action during the next legislative session, the cabinet shall resubmit, with
7 or without modifications based on instructions from the General Assembly, the
8 application for a waiver, ~~waiver~~ waiver amendment, waiver renewal, or request for a
9 state plan amendment.

10 ➔Section 8. KRS 205.6328 is repealed, reenacted, and amended to read as
11 follows:

- 12 (1) (a) No Medicaid managed care contract shall be valid, and no payment to a
13 Medicaid managed care vendor by the Finance and Administration Cabinet
14 or the Cabinet for Health and Family Services shall be made, unless the
15 Medicaid managed care contract contains a provision that the contractor
16 shall collect Medicaid expenditure data by the categories of services paid for
17 by the Medicaid Program. Actual statewide Medicaid expenditure data by
18 all categories of Medicaid services, including mandated and optional
19 Medicaid services, special expenditures/offsets, recoupments and clawbacks,
20 and Disproportionate Share Hospital payments by type of hospital, shall be
21 compiled by the Department for Medicaid Services for all Medicaid
22 providers and forwarded to the Legislative Research Commission for
23 referral to the Interim Joint Committee on Appropriations and Revenue, the
24 Interim Joint Committee on Families and Children, the Interim Joint
25 Committee on Health Services, and the Office of Budget Review on a
26 quarterly basis. Projections of Medicaid expenditures by categories of
27 Medicaid services shall be provided to the Interim Joint Committee on

1 Appropriations and Revenue, the Interim Joint Committee on Families and
2 Children, the Interim Joint Committee on Health Services, and the Office of
3 Budget Review upon request.

4 **(b) Medicaid expenditure data required to be collected and reported pursuant to**
5 **paragraph (a) of this subsection shall include expenditures made by any**
6 **third-party administrator contracted by a managed care organization to**
7 **assist in providing services and benefits to Medicaid beneficiaries including**
8 **but not limited to any dental benefit administrator, vision benefit**
9 **administrator, hearing benefit administrator, or transportation benefit**
10 **administrator.**

11 **(2) The Department for Medicaid Services shall submit a quarterly budget analysis**
12 **report to the Legislative Research Commission for referral to the Interim Joint**
13 **Committee on Appropriations and Revenue, the Interim Joint Committee on**
14 **Families and Children, the Interim Joint Committee on Health Services, and the**
15 **Office of Budget Review no later than seventy-five (75) days after the end of each**
16 **quarter. The report shall provide monthly detail of actual expenditures, eligibles,**
17 **and average monthly cost per eligible by eligibility category along with current**
18 **trailing twelve (12) month averages for each of these figures. The report shall**
19 **also provide actual figures for all categories of noneligible-specific expenditures**
20 **such as Supplemental Medical Insurance premiums, Kentucky Patient Access to**
21 **Care, nonemergency transportation, drug rebates, cost settlements, and**
22 **Disproportionate Share Hospital payments by type of hospital. The report shall**
23 **compare the actual expenditure experience with those underlying the enacted or**
24 **revised enacted budget and explain any significant variances which may occur.**

25 **(3) (a) Except as provided by KRS 61.878, all records and correspondence relating**
26 **to Kentucky Medicaid, revenues derived from Kentucky Medicaid funds,**
27 **and expenditures utilizing Kentucky Medicaid funds of a Medicaid**

1 managed care company operating within the Commonwealth shall be
2 subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. This
3 subsection shall not apply to any records and correspondence relating to
4 Medicaid specifically prohibited from disclosure by the federal Health
5 Insurance Portability and Accountability Act privacy rules.

6 (b) No later than sixty (60) days after the end of each quarter, each Medicaid
7 managed care company operating within the Commonwealth shall prepare
8 and submit to the Department for Medicaid Services sufficient information
9 to allow the department to meet the following requirements ninety (90) days
10 after the end of each quarter. The department shall forward to the
11 Legislative Research Commission for referral to the Interim Joint
12 Committee on Appropriations and Revenue, the Interim Joint Committee on
13 Families and Children, the Interim Joint Committee on Health Services,
14 and the Office of Budget Review a quarterly report detailing monthly actual
15 expenditures by service category, monthly eligibles, and average monthly
16 cost per eligible for Medicaid and the Kentucky Children's Health
17 Insurance Program (KCHIP) along with current trailing twelve (12) month
18 averages for each of these figures. The report shall also provide actual
19 figures for other categories such as pharmacy rebates and reinsurance.
20 Finally, the department shall include in this report the most recent
21 information or report available regarding the amount withheld to meet
22 Department of Insurance reserve requirements, and any distribution of
23 moneys received or retained in excess of these reserve requirements.

24 (4) The Cabinet for Health and Family Services shall submit a quarterly enrollee
25 demographics report to the Legislative Research Commission for referral to the
26 Interim Joint Committee on Appropriations and Revenue, the Interim Joint
27 Committee on Families and Children, the Interim Joint Committee on Health

1 Services, and the Office of Budget Review no later than seventy-five (75) days
2 after the end of each quarter. The enrollee demographics report shall provide a
3 summary of enrollee demographics and shall include data on at least the
4 following demographic characteristics for enrollees by county:

5 (a) The total number of individuals enrolled in the Medicaid program during
6 each month of the previous quarter by eligibility category;

7 (b) The number of individuals enrolled in the Medicaid program during the
8 previous quarter with fewer than four (4) months of continuous Medicaid
9 program coverage at the end of the previous quarter by eligibility category;

10 (c) 1. The number of individuals described in paragraphs (b) of this
11 subsection, by eligibility category, who had previously been disenrolled
12 or otherwise removed from the Medicaid program for any reason
13 during the previous seven (7) years;

14 2. The average number of times the individuals described in
15 subparagraph 1. of this paragraph had been disenrolled or otherwise
16 removed from the Medicaid program prior to the previous quarter;
17 and

18 3. The average length of time in months the individuals described in
19 subparagraph 1. of this paragraph were without Medicaid program
20 coverage prior to their most recent enrollment into the program;

21 (d) The total number of individuals who were disenrolled or otherwise removed
22 from the Medicaid program for any reason during each month of the
23 previous quarter by eligibility category;

24 (e) 1. The number of individuals described in paragraph (d) of this
25 subsection, by eligibility category, who at the time of disenrollment or
26 removal had fewer than twelve (12) months of continuous Medicaid
27 program coverage; and

- 1 2. The average number of times, by eligibility category, the individuals
- 2 described in subparagraph 1. of this paragraph had been disenrolled
- 3 or removed from the Medicaid program during the previous seven (7)
- 4 years
- 5 (f) The number of individuals enrolled in the Medicaid program by
- 6 employment status, including full-time employment, part-time employment,
- 7 and unemployed;
- 8 (g) The number of individuals enrolled in the Medicaid program by race and
- 9 ethnicity;
- 10 (h) The number of individuals enrolled in the Medicaid program by citizenship
- 11 status, refugee status, legal immigration status, illegal or undocumented
- 12 immigration status, or other status under which an individual is present in
- 13 the United States;
- 14 (i) The number of beneficiaries enrolled in the Medicaid program with
- 15 dependents;
- 16 (j) The total number of dependents enrolled in the Medicaid program; and
- 17 (k) Any other information or data related to Medicaid beneficiaries requested
- 18 by that the Legislative Research Commission.
- 19 (5) The Department for Medicaid Services shall submit a quarterly health care
- 20 provider tax and assessment report to the Legislative Research Commission for
- 21 referral to the Interim Joint Committee on Appropriations and Revenue, the
- 22 Interim Joint Committee on Families and Children, the Interim Joint Committee
- 23 on Health Services, and the Office of Budget Review no later than seventy-five
- 24 (75) days after the end of each quarter. The health care provider tax report shall
- 25 include the total amount of revenue generated during the previous quarter by
- 26 each of the taxes and assessments described below and the corresponding federal
- 27 funding match generated by each tax or assessment during the previous quarter:

- 1 (a) The hospital services tax established in KRS 142.303;
- 2 (b) The healthcare services tax established in KRS 142.307;
- 3 (c) The regional community services tax established in KRS 142.314;
- 4 (d) The psychiatric residential treatment facility tax established in KRS
- 5 142.315;
- 6 (e) The Medicaid managed care organization services tax established in KRS
- 7 142.316;
- 8 (f) The ground ambulance service provider assessment established in KRS
- 9 142.318;
- 10 (g) The intermediate-care facility services tax established in KRS 142.363;
- 11 (h) The inpatient hospital rate improvement program assessment established in
- 12 KRS 205.6406(3)(h);
- 13 (i) The outpatient hospital rate improvement program assessment established
- 14 in KRS 205.6406(3)(j); and
- 15 (j) The rate improvement program for qualified hospitals assessment
- 16 established in KRS 205.6412.
- 17 (6) All reports required to be submitted to the Legislative Research Commission
- 18 under this section shall be submitted in a form and manner prescribed by the
- 19 Legislative Research Commission.
- 20 (7) As used in this section, the term "Medicaid program" includes the Kentucky
- 21 Medical Assistance Program established in KRS 205.510 to 205.5630 and the
- 22 Kentucky Children's Health Insurance Program established in KRS 205.6483
- 23 ~~[The Cabinet for Human Resources shall establish a system for the reporting to the~~
- 24 ~~General Assembly, on a quarterly basis, through December 31, 1996, as to the~~
- 25 ~~progress in implementing the provisions of KRS 205.6310 to 205.6332, the~~
- 26 ~~findings of any reports or studies authorized by KRS 205.6310 to 205.6332,~~
- 27 ~~and recommendations regarding the reports or studies.~~

1 ~~(2) As each item identified in subsection (1) of this section has been completed, that~~
2 ~~item shall not be included on the next quarterly report, but shall be identified as~~
3 ~~having been completed.~~

4 ~~(3) This section expires on January 1, 1997].~~

5 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
6 READ AS FOLLOWS:

7 *Notwithstanding 42 C.F.R. sec. 431.17(c), all records required to be retained by 42*
8 *C.F.R. sec. 431.17(b) shall be retained by the Department for Medicaid Services for a*
9 *period of not less than seven (7) years following the beneficiary's most recent*
10 *disenrollment from the Medicaid program.*

11 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
12 READ AS FOLLOWS:

13 *(1) The Department for Medicaid Services and any managed care organization with*
14 *whom the department contracts for the delivery of Medicaid service shall provide*
15 *coverage and reimbursement for up to one hundred (100) units of*
16 *psychoeducational services billed under the CPT code H2027 per member on an*
17 *annual basis, except that the department and managed care organizations shall*
18 *not be required to cover or provide reimbursement for more than one (1) unit of*
19 *psychoeducational services per day.*

20 *(2) Coverage of psychoeducational services required under subsection (1) of this*
21 *section shall not be subject to utilization review management including but not*
22 *limited to prior authorization.*

23 *(3) Notwithstanding the limitations established in subsection (1) of this section, a*
24 *managed care organization may approve, cover, and provide reimbursement for*
25 *more than one hundred (100) units of psychoeducational services per year for a*
26 *Medicaid beneficiary if the managed care organization believes that the Medicaid*
27 *beneficiary will receive therapeutic benefit for additional services.*

1 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 194A IS CREATED
2 TO READ AS FOLLOWS:

3 **(1) If the Cabinet for Health and Family Services believes there to be any barrier to**
4 **implementing a Medicaid-related bill or resolution under consideration by**
5 **General Assembly, the cabinet shall notify the Legislative Research Commission**
6 **in writing of any anticipated implementation barriers within seven (7) calendar**
7 **days following a standing committee's report that the bill or resolution should**
8 **pass.**

9 **(2) When the Legislative Research Commission receives written notification from the**
10 **Cabinet for Health and Family Services as required by subsection (1) of this**
11 **section, the written notification shall be referred to the sponsor of the bill or**
12 **resolution, the committee that considered the bill or resolution, and the**
13 **corresponding standing committee in the other chamber of the General Assembly.**

14 ➔Section 12. The Cabinet for Health and Family Services, Department for
15 Medicaid Services is hereby directed to, within ninety (90) days after the effective date of
16 this Act, reinstate all prior authorization requirements for behavioral health services in
17 the Medicaid program that were in place and required for behavioral health services on
18 January 1, 2020. The Cabinet for Health and Family Services may promulgate
19 administrative regulations necessary to comply with this section.

20 ➔Section 13. Notwithstanding any provision of law to the contrary, the Cabinet
21 for Health and Family Services, Department for Medicaid Services shall procure new
22 Medicaid managed care contracts in accordance with KRS Chapter 45A. Medicaid
23 managed care contracts procured under this section shall have an effective date of no later
24 than January 1, 2027.

25 ➔Section 14. The managed care organizations with whom the Department for
26 Medicaid Services has contracted for the delivery of Medicaid services are hereby
27 directed to collaborate with one another on the development of a scorecard for behavioral

1 health and substance use disorder treatment services and providers to be used by all
2 contacted managed care organizations. The scorecard collaboratively developed by the
3 managed care organizations in accordance with this section shall be publicly available on
4 each managed care organization's website no later than December 31, 2025.

5 ➔Section 15. Whereas ongoing budget negotiations at the federal level, including
6 over federal financial support for the Medicaid program, combined with significant
7 expansion of the Commonwealth's Medicaid budget over the last decade creates an
8 urgent need to bolster legislative oversight of the program, an emergency is declared to
9 exist, and this Act takes effect upon its passage and approval by the Governor or upon its
10 otherwise becoming a law.