



Commonwealth of Kentucky Cabinet for Health and Family Services

FOR IMMEDIATE RELEASE

Contact: Christina Dettman
(502) 229-2791

Kentucky awards new contracts for five managed care organizations

FRANKFORT, Ky. (November 26, 2019) - Following a request for proposal (RFP) process and a state procurement procedure through the Finance and Administration Cabinet, the Department for Medicaid Services (DMS) within the Cabinet for Health and Family Services (CHFS) has been notified of five new statewide contract awards for managed care organizations (MCOs). Aetna Better Health of Kentucky, Humana Health Plan, Inc., Molina Healthcare of Kentucky, UnitedHealthcare DBA UnitedHealthcare Community Plan of Kentucky, and WellCare Health Insurance of Kentucky have been selected to serve Kentucky's approximately 1.3 million Medicaid beneficiaries beginning July 1, 2020, when the current contracts expire.

New with this procurement, one MCO, WellCare, has been awarded the contract to serve all children in Kentucky's foster care system, including some children who have been adopted from foster care, as well as children dually committed to the Department of Juvenile Justice (DJJ) system, benefitting approximately 24,000 enrollees. This Medicaid program will be referred to as SKY - Supporting Kentucky Youth - and is a key component of the Commonwealth's current transformation of the state's child welfare system.

“SKY will simplify day-to-day interactions with providers, allow for more direct support for staff within the Department for Community Based Services (DCBS), enhance coordinated access to care for children, and most importantly improve health outcomes for our youth in out-of-home care,” said CHFS Secretary Adam Meier.

“Kentucky has made great strides to address these needs and has become a national leader in finding solutions to better serve the foster care population, as demonstrated by our early implementation of the Family First Prevention Services Act (FFPSA) and ongoing Child Welfare Transformation (CWT) initiative,” he continued.

Choosing one MCO to serve all children in foster care will create a unified approach to physical and mental health needs utilizing evidence-based practices and trauma-informed care. SKY will build and sustain access to appropriate services and supports that have been shown to effectively treat trauma and conditions that impact a child’s ability to thrive and live a healthy life. Further, the change to a single MCO will include training for those who work with Kentucky’s most vulnerable children.

Further, in collaboration with DMS, having one MCO will allow DCBS to better monitor performance, working toward promoting positive physical and mental health outcomes, shortening length of time to permanency, and promoting the wellbeing of children.

Over the last three years, CHFS and DMS have met with legislators, providers, payers and other stakeholders to gain feedback on the content of the next generation of MCO contracts. As a result, the new MCO contracts include improvements to performance measures, increase focus on quality care, implement a new population health management program, place an emphasis on social determinants of health, require more transparency for state agencies into all MCO operations, and require a centralized credentialing process for providers.

The new contracts also make several improvements to the management of pharmacy benefits, including a prohibition on spread pricing for pharmacy benefit managers (PBMs), and protections in contracting for pharmacists in the Commonwealth.

The changes also strengthen MCO staffing requirements, adding conditions for Kentucky-specific experience and education requirements. The new contracts also expand penalties for non-compliance and establish a statewide behavioral health line.

“The contracts awarded in the most recent bid process fortify the department’s ability to oversee the activities of the MCOs and their subcontractors, significantly improve our pharmacy program, and provide a better focus on critical health issues facing the people of the Commonwealth,” said DMS Commissioner Carol Steckel. “Together with our MCO partners, we can work toward improved accountability for and success in having healthier Kentuckians.”

Changes for Medicaid enrollees will go into effect July 1, 2020. New MCOs will begin staffing for customer service and building health care provider network capacity immediately in order to be ready for July 1, 2020, contract requirements.

Medicaid beneficiaries who have questions should call member services at 1-800-635-2570. Anyone who wants to learn more about SKY can email KentuckySky@ky.gov.

###

The Cabinet for Health and Family Services is home to most of the state's human services and healthcare programs, including the Department for Medicaid Services, the Department for Community Based Services the Department for Public Health, the Department for Aging and Independent Living and the Department for Behavioral Health, Developmental and Intellectual Disabilities. CHFS is one of the largest agencies in state government, with nearly 8,000 full- and part-time employees located across the Commonwealth focused on improving the lives and health of Kentuckians.