

Kentucky Beneficiary Advisory Council (BAC) July 2026 Meeting Minutes

Date: July 13, 2026

Time: 2:00 – 4:00 pm ET

Location: Hybrid via Zoom videoconference

Call to Order

The meeting of the Beneficiary Advisory Council (BAC) was called to order by the Chair.

Roll Call

A roll call was conducted by DMS staff and a quorum was established. It was noted that some members were unable to attend due to work, health or other obligations.

Approval of Prior Minutes

A motion was made, seconded and passed to approve the May 2026 meeting minutes.

Review of May Meeting Feedback

The council reviewed survey feedback from the May meeting. Overall feedback was positive, with members noting that the meetings provide an important opportunity to discuss real-life Medicaid experiences and receive updates directly from Medicaid leadership. Members expressed interest in continued opportunities for open discussion with additional future discussions identified including federal Medicaid policy changes, community engagement implementation, respite services, provider staffing, and Medicaid budget impacts.

BAC Meeting Format Discussion

Members discussed whether BAC meetings should be open to the public, remain private, or allow invited guests on a case-by-case basis. Members expressed a range of views, with some emphasizing transparency and others prioritizing privacy, safety, and comfort when discussing personal or family experiences. The BAC also discussed the distinction between the BAC and the MAC, noting that the BAC serves as a more protected space for beneficiaries and caregivers to speak openly.

The group discussed the possibility of inviting selected guests or presenters, such as stakeholders, advocates, or subject matter experts, while otherwise keeping meetings private. Members generally supported the idea of inviting guests when the topic is relevant to the committee's work and Medicaid. The group agreed that guests should be invited in a structured way and that the BAC leadership would help determine invitations and agenda placement. No motion was made to amend the bylaws to make meetings public.

Department for Aging & Independent Living (DAIL)

Respite Care Workgroup

DAIL was unable to attend and present on the Respite Care workgroup at this month's BAC meeting. The presentation has been rescheduled for the next BAC meeting in September 2026.

DMS Updates

HR1 Updates

DMS provided an update on implementation of H.R. 1 and the related interim final rule issued by CMS in early June. DMS explained that an interim final rule was published in June and is open for public comment through the end of July. Members were encouraged to submit comments. DMS reviewed the revised federal guidance on medically frail individuals, noting that the condition must not only exist but must also impair the person's ability to work or participate in community engagement. DMS explained that Kentucky is currently revising its medically frail review process in response to the federal rule. Members noted concerns about the burden placed on providers and the difficulty for individuals who may not yet have a formal diagnosis but are already experiencing functional limitations.

DMS stated that self-attestation will be permitted in the first year of implementation, but that reverification will be required later. DMS also noted that certain categories, such as waiver recipients, individuals in fee-for-service arrangements including 1915(c) waivers, nursing facility residents, PACE participants, veterans with 100 percent permanent disability, and Native American individuals, are exempt. It was also discussed that Kentucky chose to allow short-term hardship exemptions. Examples include hospitalization, residence in a county in a federal emergency or with high unemployment, or travel more than 90 miles for medically necessary treatment.

DMS reported that outreach notices were sent on July 1 to households with Medicaid expansion members. The notices were sent to 373,915 households and included 431,731 expansion individuals and 202,786 traditional members in mixed households. Notices were mailed and uploaded to the Kynect portal, with supplemental email and text outreach where contact information was available. DMS stated that approximately 49.2 percent of members have active Kynect accounts. DMS also reported 79,862 emails and 88,444 texts were sent, with open/click rates that exceeded industry norms with no significant uptick in call center volume reported.

Lastly, DMS shared that forms and FAQ materials are being developed for medically frail requests, short-term hardship requests, and reporting of community activities. DMS also explained the timeline for notices, renewals, and implementation, including the 120-day and 90-day notices for the first renewal group in February 2027.

Medicaid Budget Update

DMS also provided an update on the Medicaid budget. Leadership explained that the enacted budget did not fully fund the cost of doing business at current service levels. DMS stated that the shortfall is approximately \$1 billion in FY 2027 combining state and federal funds, with a larger shortfall projected for FY 2028.

DMS noted that the legislature placed \$290 million in a restricted lockbox that may be available if needed, and that discussions are ongoing regarding whether those funds can be accessed. DMS also said a provider letter was issued indicating the possibility of a 4 percent rate reduction effective August 1, 2026, or the next administratively feasible date, but no final decision has been made. Members expressed concern that provider cuts could negatively affect waiver beneficiaries and access to services. DMS stated that if a rate change is finalized, providers will receive at least 30 days' notice.

Recommendations, Questions, and Feedback

The Chair reviewed how BAC feedback is being used by DMS. DMS stated that member surveys, meeting feedback, and shared communications have directly influenced meeting structure, outreach notices, forms, and policy discussions. Members were encouraged to continue providing feedback on communications as well as suggest other topics and areas where DMS could provide educational material on in relation to implementation changes.

The Chair suggested future feedback surveys should include opportunities for members to recommend not only topics, but also guest speakers and presenters. Members also discussed using the BAC to identify topics for FAQs and member-facing guidance materials.

The BAC revisited their May recommendation regarding psychoeducation billing. DMS confirmed that a second communication was issued to clarify that psychoeducation remains a billable service when bundled with psychotherapy codes, even though the standalone code was removed.

Officer Nomination Voting

The council considered nominations for leadership roles to serve for the next year. A motion was made, seconded and passed unanimously to approve the slate of officers

Closing and Next Steps

The Chair noted that the newly elected officers will be contacted for a planning call before the next meeting. Members were encouraged to continue submitting feedback through the survey and to share comments for the CMS public comment process by the end of the month. The next BAC meeting is scheduled for September 2026.

Adjournment

The meeting was adjourned at 3:43 p.m.