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CABINET FOR HEALTH  
AND FAMILY SERVICES

## **Kentucky Medicaid Section 1115 Demonstration Extension Public Forum(s)**

ZOOM with Meeting ID: 226 963 4060, Password: 606335

Thursday, August 25, 2022, 11:00 AM – 12:00 PM EST

Tuesday, August 30, 2022, 3:00 PM – 4:00 PM EST

# Agenda

- Introduction
- Objectives
- Demonstration Progress
  - History
  - Goals and Objectives
  - Outcomes
  - Fiscal Summary
  - Evaluation Summary
- Proposed Demonstration Changes
- Public Notice and Comment Process

# Introduction

- Kentucky Department for Medicaid Services (DMS) is requesting a five-year (5) extension of the current Section 1115(a) Demonstration entitled “Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH),” (Project Nos. 11-W-00306/4 and 21-W-00067/4).
- DMS requests to amend the Section 1115 Demonstration to be titled as, “TEAMKY”, effective with the approval of the extension.

# Objectives

- To be informed of Kentucky's Section 1115 Demonstration progress.
- To be aware of Kentucky's request to extend the states Section 1115 Demonstration, including any proposed changes.
- To be informed of the public comment process.

# Request for Extension

Factors in KY's request for an extension:

- SUD 1115 recently completed DY3, KY has already seen positive outcomes.
- The Public Health Emergency (PHE) exacerbated the need for behavioral health services.
- KY faces additional challenges combatting the Opioid Epidemic and need for ongoing supports.
- DMS continues to explore opportunities to expand services, while providing additional supports and engagement into services in future amendments.

# Demonstration History

- KY's Section 1115 Demonstration was approved January 12, 2018.
- Components of the initial Demonstration included:
  - "Kentucky HEALTH"
  - Substance Use Disorder (SUD) 1115
  - Aligning Medicaid beneficiary's annual redetermination with their Employer Sponsored Insurance (ESI) open enrollment period.
  - Eligibility coverage for former foster care youth who are under 26 years of age and were in foster care under the responsibility of another state.
  - Waive of non-emergency medical transportation (NEMT) for individuals receiving methadone.

# SUD 1115

- The SUD 1115 Demonstration Protocol was approved October 2018.
- SUD Implemented began July 1, 2019.
- The Demonstration authority:
  - Defines SUD residential treatment as a statewide average length of stay (ALOS) of thirty (30) days.
  - Includes a waive of the institution for mental disease (IMD) exclusion, to allow residential reimbursement for up to 96 beds per location.

# Current Demonstration Components

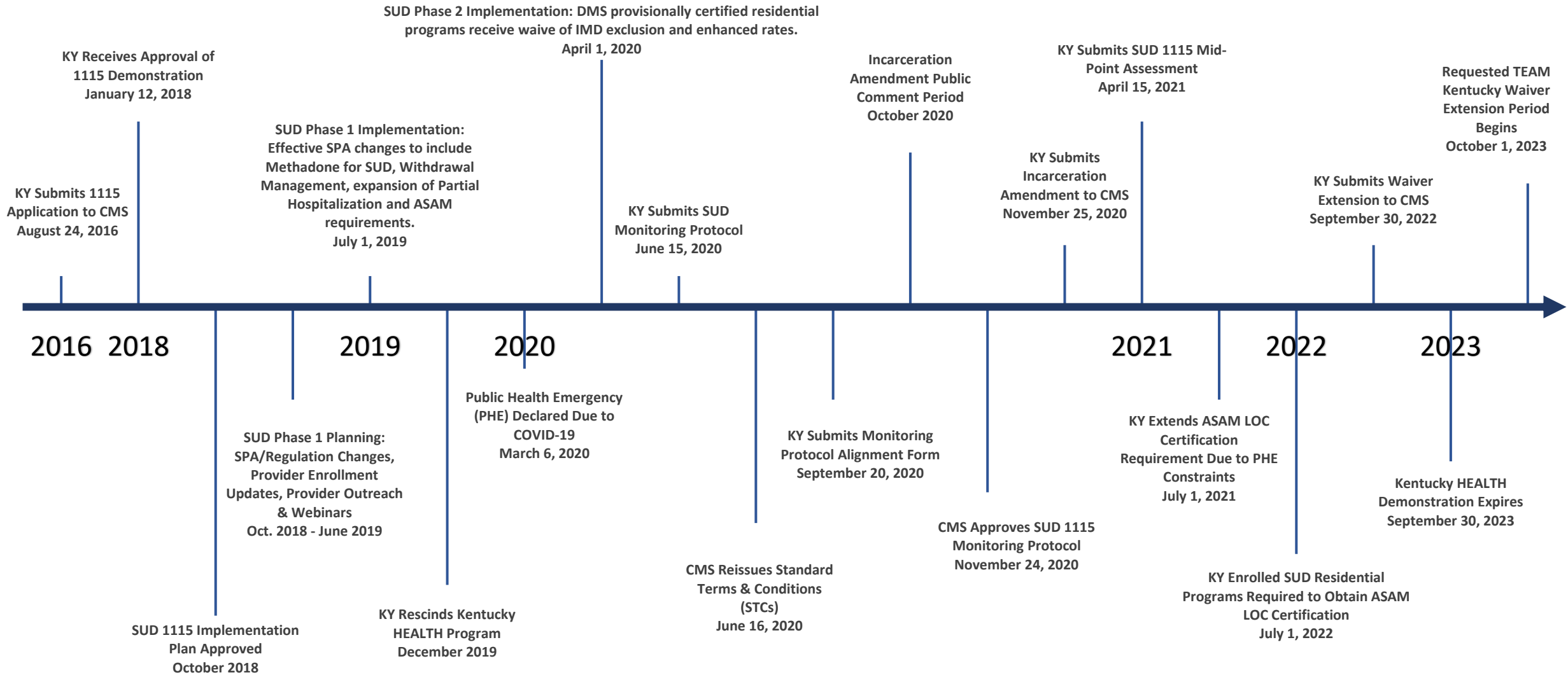
- KY rescinded the Kentucky HEALTH program in December 2019.
- The Demonstration currently includes the following components:
  - SUD 1115
  - Waive of NEMT for methadone treatment
  - Eligibility for out of state former foster care youth
  - Alignment of ESI open enrollment dates



# Pending Amendment

- DMS in partnership with the KY Department of Corrections (DOC) filed an amendment to the KY Section 1115 Demonstration on November 25, 2020.
- The amendment requests:
  - Approval to allow KY to reimburse for SUD treatment provided to eligible individuals while incarcerated
  - Begin coordination of care thirty (30) days prior to release.
- KY requests to include the pending incarceration amendment application in the Demonstration extension request.

# Timeline



# SUD 1115 Goals and Objectives

- **Goal:**

- To improve quality, care and health outcomes for individuals experiencing SUD.

- **Objectives:**

- Improve access to critical levels of care for Opioid Use Disorder (OUD) and other SUDs.
  - Use evidence-based SUD-specific patient placement criteria.
  - Apply nationally-recognized SUD-specific program standards for the certification of residential treatment facilities establishing standards of care.
  - Assess sufficient provider capacity at critical levels of care, including medication-assisted treatment for OUD.
  - Implement a comprehensive treatment and prevention strategy to address opioid abuse and OUD.
  - Develop a SUD Health IT Plan.
  - Improve care coordination and transitions between levels of SUD care.

# SUD Objective 1 Outcomes:

Improve access to critical levels of care for Opioid Use Disorder (OUD) and other SUDs.

# Phase 1 Implementation

- State Plan and Regulation changes effective July 1, 2019 included:
  - Extending service planning for SUD treatment.
  - Requiring a six--dimensional assessment tool for SUD treatment.
  - Expanding partial hospitalization services to Behavioral Health Service Organizations (BHSO).
  - Adding coverage of Withdrawal Management (WDM) to be incorporated into a recipient's care at the appropriate level according to the most current version of the ASAM Criteria.
  - Adding definition of Medication Assisted Treatment (MAT) to include medication with behavioral health therapies.
  - Adding methadone coverage for SUD treatment provided by a Narcotic Treatment Program (NTP).

# Phase 2 Implementation:

- State Plan changes effective January 1, 2020 included:
  - Adding inpatient coverage to Chemical Dependency Treatment Centers (CDTC) to allow reimbursement for programs meeting Medically Monitored Intensive Inpatient criteria according to the most current version of the ASAM Criteria, and
  - Expanding coverage in Residential Crisis Stabilization Units (RCSU) treatment SUD allow reimbursement for programs meeting Medically Monitored Intensive Inpatient criteria according to the most current version of the ASAM Criteria.

# Outcomes

- DMS has seen an overall trend in increasing number of Medicaid beneficiaries receiving SUD diagnosis and beneficiaries receiving treatment.
  - Beneficiaries with an SUD diagnosis receiving any SUD treatment increased overall by 40%.
  - Outpatient utilization increased overall by 41%.
  - Intensive outpatient and partial hospitalization decreased overall by 25%.
  - Residential and/or inpatient utilization increased overall by 32%.
  - ED visits for SUD decreased by 1.05 visits per 1,000 beneficiaries.
  - Slight overall downward trend in inpatient stays for SUD.
  - Slight increase in All-Cause Readmissions.

# Objective 2 Outcomes:

Use evidence-based SUD-specific patient placement criteria.



# Outcomes

- State Plan and regulatory changes implemented under the Demonstration requires all enrolled SUD treatment providers to utilize a holistic six-dimensional biopsychosocial assessment tool according the *ASAM Criteria* to determine the appropriate LOC.
- Managed Care Organization (MCO) utilization management (UM) approaches are required to utilize *ASAM Criteria* to determine medical necessity and the appropriate LOC for SUD treatment.

# Objective 3 Outcomes:

Apply nationally-recognized SUD-specific program standards for the certification of residential treatment facilities establishing standards of care

# SUD Residential Standards

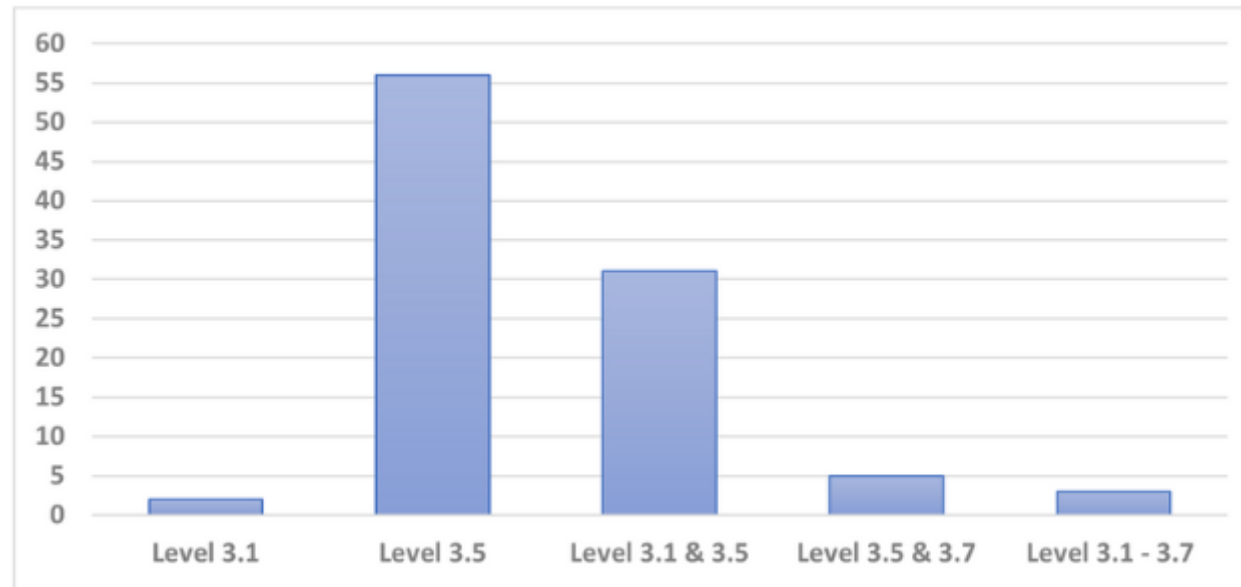
- DMS established additional residential standards and provider qualifications for SUD treatment. Providers are required to obtain:
  - State license
  - National accreditation
  - ASAM Level of Care (LOC) Certification
- Residential programs are required to meet the service criteria at the appropriate level of care setting; including the components for support systems, staffing, assessment/treatment planning, and therapies outlined in the most current edition of the *ASAM Criteria*.
- SUD residential treatment programs are also required to offer Medication Assisted Treatment (MAT) on-site or facilitate access off site.

# Provisional Certification

- DMS established a time –limited SUD Residential Provisional Certification effective April 1, 2020.
- SUD residential providers who obtained DMS Provisional Certification received the following benefits:
  - Awareness of and greater preparation for the ASAM LOC Certification.
  - A waive of the IMD Exclusion to receive reimbursement up to 96 beds per location.
  - Enhanced residential reimbursement.

# SUD Residential LOC Outcomes

- 130 residential programs received DMS Provisional Certification.
- ASAM LOC Certified Programs by LOC:



# Objective 4 Outcomes:

Assess provider capacity at critical levels of care, including for medication-assisted treatment for OUD.

# Outcomes

- Medicaid enrollment and claims data is utilized to determine provider capacity.
  - Providers enrolled in Medicaid and qualified to deliver SUD services increased overall by 11%.
  - Enrolled SUD residential programs increased by 26%.
  - 27 enrolled NTPs.

# Objective 5 Outcomes:

Implement a comprehensive treatment and prevention strategy to address opioid abuse and OUD.



# Expand Access to Naloxone & OUD Medications

- DMS developed opioid prescribing guidelines to prevent prescription drug abuse and expand access to Naloxone and OUD medications:
  - In partnership with the Department for Public Health (DPH), DMS ensured pharmacies with “standing orders” allowed to dispense naloxone without a patient-specific prescription is enrolled with KY Medicaid.
  - Removed prior authorization requirements (PAs) for all Food and Drug Administration (FDA) approved OUD medications, including Naloxone.
  - Implemented a unified preferred drug list (PDL) across all Managed Care Organizations (MCOs) and Fee-for-Service (FFS); opiate dependent treatments, including generic Narcan was added to the PDL January 1, 2021.
  - Added coverage of methadone for SUD treatment in an NTP.

# Outcomes

- Medicaid beneficiaries who received MAT for OUD increased overall by 47%.
- Adults, 18 years of age and older, with pharmacotherapy for OUD who have at least 180 days of continuous treatment continues to show an upward trend.

# Objective 6 Outcomes:

Develop a SUD Health IT Plan

# Health IT Plan Objective

To increase utilization and improve functionality of prescription drug monitoring program (PDMP), aimed at enhancing the PDMP and supporting clinicians in their usage of the state's PDMP. Enhancements included:

- Implemented additional interstate and integration data sharing agreements.
- Added a waiver lookup tool for electronic prescribing of controlled substances (EPCS) .
- Implemented “overlap” flag to notify user of overlapping prescriptions.
- Linking to the KY Administrative Office of the Courts (AOC) CourtNet system.

# Health IT Outcomes

- 18 states across 111 healthcare organizations participate in KASPER
- 44,567 PDMP users
- 33% Increase in PDMP requests

# Objective 7 Outcomes:

Improve care coordination and transitions between levels of SUD care.

# SUD Residential Care Coordination

- SUD residential treatment care coordination includes:
  - Appropriate community service referrals.
  - Facilitation of medical and behavioral health follow ups, and
  - Linkage to the appropriate level of SUD within the continuum to ensure ongoing recovery supports.

# Additional Care Coordination Improvements

- Providers contracting with MCOs are encouraged to participate in Kentucky Health Information Exchange (KHIE).
  - Approximately 460 behavioral health, including SUD provider locations participate in KHIE.
- Each MCO has established policies and procedures regarding clinical coordination between Behavioral Health Service Providers, including SUD and Primary Care Physicians (PCPs).
- Providers contracting with MCOs are required to ensure beneficiaries receiving inpatient behavioral health services are scheduled for appropriate follow-ups prior to discharge.



# NEMT for Methadone

Objective and Outcomes

# NEMT Objective

- As contingency to add coverage of methadone for SUD treatment, A waiver of NEMT assurance was requested to allow the state not to provide NEMT for methadone services to Medicaid beneficiaries. Exceptions include:
  - Children under age 21 who are subject to EPSDT,
  - Former foster care youth, and
  - Pregnant women.

# Outcomes

- Beneficiaries receiving methadone for SUD treatment increased overall by 64%.
- DMS estimates with the waive of NEMT for methadone treatment services, approximately \$14,992,891.80 through DY3 was not applied capitation payment calculations for NEMT.

Metric Description	DY1	DY2	DY3
Unique number of beneficiaries who received methadone for SUD treatment	5,489	8,553	8,988
Number of beneficiaries receiving methadone treatment eligible for NEMT	312	275	278
Estimated cost for eligible enrollees if NEMT was provided for Methadone treatment	\$4,877,492.88	\$5,252,941.30	\$4,862,457.60

# Adult Former Foster Care Out-of-State (ADFF)

Objective and Outcomes

# ADFF Objective and Outcomes

## **Objective:**

- ADFF beneficiaries receive the same Medicaid State Plan benefits and subject to the same cost-sharing requirements effectuated by the state for the mandatory title IV-E foster care youth eligibility category.

## **Outcomes:**

- Beneficiaries self-report out of state former foster care status.
- Highest ADFF enrollment: 129 beneficiaries

# Employee Sponsored Insurance (ESI):

Objective and Outcomes

# ESI Objective and Outcomes

## **Objective:**

- To streamline the renewal process for beneficiaries with employer-sponsored insurance (ESI) while lessening the burden of the beneficiary to renew benefits for both Medicaid and their ESI.

## **Outcomes:**

- Implemented February 26, 2021
- 386 beneficiaries' Medicaid recertification dates have been aligned with their KI-HIPP renewal date.
- Established an ongoing process for eligible beneficiaries.

# Waiver and Expenditure Authorities



# Waiver Authorities

- DMS requests to extend the following waiver authorities as outlined in the current Standard Terms and Conditions (STCs):
  - Coverage of former foster care youth under responsibility of another state.
  - Waive of NEMT for methadone treatment.
- DMS requests not to extend the following waiver authorities as outlined in the current Standard Terms and Conditions (STCs):
  - Alignment of a beneficiary's annual redetermination with their ESI open enrollment.

# Expenditure Authorities

- DMS requests to extend the following expenditure authority as outlined in the current Standard Terms and Conditions (STCs):
  - Expenditures related to IMDs for SUD Treatment
- DMS requests not to extend the following expenditure authority as outlined in the current Standard Terms and Conditions (STCs):
  - Expenditures related to aligning a beneficiary's annual redetermination date

# ESI Phase Out Plan

- ESI eligibility is not covered under the Demonstration authority, however the Demonstration authority allowed DMS to realign redetermination dates.
- KY successfully completed the realignment of eligible beneficiaries' annual redetermination with ESI open enrollment date according to the STCs.
- KY has established an ongoing process for currently enrolled and newly enrolling eligible beneficiaries.

# Fiscal Summary

# SUD Budget Neutrality

- States must demonstrate budget neutrality to receive approval of the Demonstration and receive federal financial participation (FFP) for state expenditures that would not qualify for FFP.
- KY's SUD Section 1115 Demonstration current without-waiver (WOW) total expenditures and with-waiver (WW) total expenditures

Actuals + Projected							
Without-Waiver (WOW) Total Expenditures							
	DEMONSTRATION YEARS (DY)						TOTAL
	1	2	3	4	5	6	
SUD TOTAL	\$ 1,430	\$ 111,125	\$ 23,014,535	\$ 52,964,620	\$ 60,179,585	\$ 71,333,770	\$ 224,058,446
With-Waiver (WW) Total Expenditures							
	DEMONSTRATION YEARS (DY)						TOTAL
	1	2	3	4	5	6	
SUD TOTAL	\$ 174	\$ 42,174	\$ 12,027,526	\$ 26,653,935	\$ 26,433,993	\$ 34,778,208	\$ 99,935,020

*\*Demonstration Year 5- 6 calculations are currently based on projected expenditures according to and reported in the Section 1115 Demonstration Budget Neutrality Workbook.*

# Proposed Rebased Budget Neutrality

- KY's rebased SUD 1115 budget neutrality expenditure limit through the requested extension period:

## Budget Neutrality Summary

### Without-Waiver (WOW) Total Expenditures

	DEMONSTRATION YEARS (DY)					
	DY06	DY7	DY8	DY9	DY10	TOTAL
SUD TOTAL	\$34,778,208	\$ 39,892,287	\$45,758,431	\$ 52,486,958	\$ 60,204,853	\$ 233,120,737

### With-Waiver (WW) Total Expenditures

	DEMONSTRATION YEARS (DY)					
	DY6	DY7	DY8	DY9	DY10	TOTAL
SUD TOTAL	\$34,778,208	\$ 39,892,287	\$45,758,431	\$ 52,486,958	\$ 60,204,853	\$ 233,120,737

- The former foster care youth demonstration population was initially considered budget neutral based on CMS' assessment, therefore rebasing budget neutrality limits for population is not applicable for the extension period.

# Evaluation Summary

# SUD Evaluation History

- Demonstration states are required to have an independent evaluation of the project.
- University of Pennsylvania (UPenn) began implementation of the proposed evaluation plan in October 2019.
- DMS closed the evaluation contract with UPenn April 2020.
- The final SUD Evaluation Design was approved by CMS in June 2020.
- Northern Kentucky University (NKU) assumed responsibility for the SUD 1115 Evaluation on July 1, 2020 and adopted the approved design when onboarding to the Demonstration.



# SUD Evaluation Activities to Date

- The SUD Mid-Point Assessment was submitted to CMS April 15, 2021 utilizing two frameworks:
  - A Cascade of Care Model
  - Strength, Weakness, Opportunity, Threats (SWOT) Analyses
- Data sources included:
  - Review of documents including reports and analyses of SUD/ODU activities across Kentucky
  - Review of documents and data from departments within CHFS
  - Two waves of stakeholder interviews
  - Stakeholder reviews of early drafts of this Midpoint Evaluation

# SUD Evaluation Findings to Date

- The report contains both quantitative and qualitative analyses
- Data sources include:
  - Medicaid Claims data
  - Kentucky Medicaid Provider Enrollment Portal
  - Kentucky Treatment Outcome Survey (KTOS)
  - Kentucky Opiate Replacement Treatment Outcome Survey (KORTOS)
  - Beneficiary and Patient Interviews
- The full report can be viewed:

<https://chfs.ky.gov/agencies/dms/Documents/1115%20ExtensionNoLetter.pdf>

# Proposed Demonstration Changes

# Proposed Implementation Changes

- KY is not proposing changes to the Demonstration Implementation.
- DMS will continue to monitor and evaluate opportunities for growth.
- DMS remains committed to maintaining valuable collaborative partnerships with stakeholders and agencies across the state.

# Proposed Monitoring Changes

- Proposed monitoring changes include:
  - Adding race and ethnicity categories as state-specific subpopulations incorporated into the SUD 1115 and pending incarceration amendment monitoring plan.
  - Incorporate state specific metrics into the monitoring plan to report ALOS by ASAM residential levels.

# Public Comment

# Public Notice

- Public notice has been conducted according to 42 CFR § 431.408.
- The abbreviated public notice and draft of the application can be viewed:

<https://chfs.ky.gov/agencies/dms/Pages/publicnotices.aspx>

## DEPARTMENT FOR MEDICAID SERVICES Public Notices

[Public Notice regarding Section 1115 Demonstration Extension Request](#) (Aug. 17, 2022)

[Draft of Section 1115 Demonstration Extension Request](#) (Aug. 17, 2022)

## KENTUCKY MEDICAID PROGRAM

### PUBLIC NOTICE

*Kentucky Medicaid Section 1115 Demonstration:  
Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH)*

In accordance with 42 CFR 431.408, the Cabinet for Health and Family Services (CHFS), Department for Medicaid Services (DMS) announces its intention to submit a request to the Center for Medicare and Medicaid Services (CMS) to extend the Kentucky Medicaid Section 1115(a) Demonstration, entitled "Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH)" to September 30, 2028. KY requests to amend the title of the Demonstration as "TEAMKY".

Kentucky is requesting to extend the following waiver and expenditure authorities: Expenditures related to IMDs for SUD treatment, methods of administration for waiving non-emergency medical transportation (NEMT) for methadone treatment, and provision of medical assistance to provide Medicaid coverage to former foster care youth under age 26 who were in foster care under the responsibility of another state.

Kentucky successfully completed the realignment of eligible beneficiaries' annual redetermination with employer sponsored insurance (ESI) open enrollment date according to the states issued standard terms and conditions (STCs). DMS is not requesting to extend this waiver and expenditure authority beyond October 1, 2023 under the authority of section 1115(a)(1) of the Social Security Act.

No additional changes to implementation of the Demonstration will be requested at this time. KY's goal for the extension request will be to continue monitoring and evaluating opportunities DMS may expand the SUD service array by providing additional supports and engaging individuals into treatment, to achieve better health outcomes and improve the lives of Kentucky Medicaid beneficiaries.

#### Public Forums

##### DATES & TIMES:

August 25, 2022 from  
11:00AM-12:00PM EST

August 30, 2022 from  
3:00PM-4:00PM EST

##### PLACE:

Join via ZOOM at  
<https://zoom.us/join>

Meeting ID: 2269634060

Password: 606335

Phone: 888-822-7517

Conference Code: 186903

#### Public Comments

A draft of the Demonstration extension application and copies of this notice are available on the DMS website:

<https://chfs.ky.gov/agencies/dms/Pages/default.aspx>. Notices are available in the following news publications: Louisville Courier-Journal, Lexington Herald-Leader and the Cincinnati Enquirer. Comments or inquiries should be submitted via email received on or before September 13, 2022 to: [DMS.ISSUES@ky.gov](mailto:DMS.ISSUES@ky.gov). Written comments must be postmarked by September 13, 2022 and mailed to:

Kentucky Medicaid Section 1115 Comment  
c/o DMS Commissioner's Office  
275 E. Main St. 6W-A  
Frankfort, KY 40621

# Public Comments

- Comments can be submitted via email received on or before **September 13, 2022** to: [DMS.Issues@ky.gov](mailto:DMS.Issues@ky.gov) with subject line *"1115 Extension Comments"*
- Written comments must be postmarked by **September 13, 2022** and mailed to:  
  
Kentucky Medicaid Section 1115 Comment  
c/o DMS Commissioner's Office  
275 E. Main St. 6W-A  
Frankfort, KY 40621
- Prior to submitting KY's Section 1115 Demonstration extension request to CMS, DMS will follow guidelines and procedures according to 42 CFR § 431.408 regarding collection, review of and response to public comments.