

Kentucky Medicaid Program Public Notice
PROPOSED CHANGES TO RATE-SETTING METHODOLOGY TO ACCOMMODATE
BUDGET FLUCTUATIONS

June 22, 2026

The Kentucky Cabinet for Health and Family Services, Department for Medicaid Services (the Department) in accordance with 42 CFR 447.205, hereby provides public notice of proposed changes to the methods and standards by which the Department will reimburse providers to accommodate fluctuations in the state budget. The proposed effective date of change is August 1, 2026.

The Department intends to amend Sections 4.19-A, 4.19-B and 4.19-D (reimbursement sections) of its State Plan to ensure rate-setting methodology can be adjusted to accommodate budget shortfalls. This language would apply to all provider types under the state plan that are reimbursed according to a rate-setting (or non-cost-settled) methodology.

The new methodology aims to ensure a fair and sustainable rate-setting process while maintaining access to high-quality care for Medicaid participants across Kentucky.

The Department for Medicaid Services estimates the total fiscal impact will be \$0.00. The proposed change is subject to approval by the federal Centers for Medicare & Medicaid Services and may be modified or revised during the approval process.

Public Comments:

Any interested party may submit questions or comments concerning these proposed changes in reimbursement methods and standards. A copy of this notice is available for public review at the Department for Medicaid Services at the address listed below. It is recommended to include the name of the public notice in the subject line. Comments or inquiries must be submitted in writing within thirty (30) days of the publication date of this notice to the Division of Healthcare Policy at DMSSPAS@KY.GOV.