Transmittal No. 26-0006

Kentucky Medicaid Program Public Notice

PROPOSED CHANGES IN METHODS AND STANDARDS FOR ESTABLISHING MEDICAID PAYMENT RATES FOR THE PHARMACY PROGRAM

REVISED 11/9/26

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 Pharmacists. This amendment also updates the reimbursement language describing the payment rate methodology for other specified providers. The proposed effective date of change is February 1, 2027.
The Department is amending its State Plan to comply with HB 3, which requires Medicaid and KCHIP to adhere to the pharmacy reimbursement requirements established in KRS 304.12-237. Pharmacists will be reimbursed for all services provided within the legal scope of practice at a rate not less than other non-physician practitioners.

As of the effective date of this SPA, Advanced Practice Registered Nurse (APRN), Licensed Psychologist (LP), Physician Assistant (PA), Pharmacist (RPH/PharmD) providing the service (listed in 1, 2, 3, 4, 5 and 6 below) will be reimbursed based on a step-down methodology calculated at 75% of the physician rate. The physician rate is the lesser of the physician's usual and customary charge or the rate established in the Kentucky Medicaid Physician Fee Schedule posted on the agency's website: https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx.

Other practitioners providing the service (listed in 1, 2, 3, 4, 5 and 6 below) will be reimbursed based on a step-down methodology calculated as a percentage of the Kentucky-specific Medicare rate. The step-down includes:

1. 75% - Physicians providing behavioral health care and billing from the behavioral health fee schedule;
2. 63.75% - Advanced Practice Registered Nurse (APRN), Licensed Psychologist (LP), Physician Assistant (PA) providing behavioral health care and billing from the behavioral health fee schedule;
3. 60% - Licensed professional clinical counselor, Licensed clinical social worker, Licensed psychological practitioner, Certified psychologist with autonomous functioning, Licensed marriage and family therapist, Licensed professional art therapist, Licensed behavior analyst, Licensed alcohol and drug counselor, Licensed clinical alcohol and drug counselor;

4. 52.5% - Marriage and family therapy associate, Licensed professional counselor associate, Licensed psychological associate, Certified social worker, Licensed professional art therapist associate, Licensed assistant behavior analyst, Certified psychologist, Licensed clinical alcohol and drug counselor associate;
5. 37.5% - Certified alcohol and drug counselor;
6. Other non-bachelor's-level providers will be reimbursed according to the rates established on the behavioral health fee schedule, located on the agency's website: https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx.

The Department for Medicaid Services estimates the total fiscal impact will be:

$39,250.00 (reimbursement)
$128,100 (system changes)

The proposed changes are subject to approval by the federal Centers for Medicare & Medicaid Services and may be modified or revised during the approval process.

Public Comments:

Interested parties may submit questions or comments concerning these proposed changes to: The Department for Medicaid Services, Division of Healthcare Policy, 275 E. Main St., Frankfort, KY 40621, or emailed to dmsspas@ky.gov. Comments or inquiries must be submitted in writing within thirty (30) days of the publication date of this notice to be reviewed and considered. It is recommended to include the name of the public notice in the subject line.

Public comments will be posted on the Department's website, here: Public Notices(https://chfs.ky.gov/agencies/dms/Pages/publicnotices.aspx). A copy of this notice will also be available for review at each county's Department for Community Based Services (DCBS) office. To find the location of the local office, please use the online search tool: Local Office Search (https://prd.webapps.chfs.ky.gov/Office_Phone/index.aspx). Copies are also available at the Department for Medicaid Services Main Office in the Division of Healthcare Policy, located at 275 E. Main St., Frankfort, KY 40621.