



CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

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PROVIDER LETTER

TO: Psychiatric Hospitals (PT 02 / PL #A-114)
Psychiatric Distinct Part Unit (PT 92 /PL #A-2)

FROM: Dr. Leslie Hoffmann, 
Deputy Commissioner, Department for Medicaid Services

DATE: December 10, 2025

RE: Kentucky Medicaid Section 1115 Serious Mental Illness (SMI)
Implementation

Under Kentucky's Section 1115 Serious Mental Illness (SMI) Authority, effective January 15, 2026, the Department for Medicaid Services (DMS) is authorized to reimburse for medically necessary short-term stays up to 60 days (not to exceed a 30 day statewide average length of stay) for Medicaid enrolled beneficiaries ages 21 – 64 receiving full benefits and being treated primarily for a mental illness in an Institute for Mental Disease (IMD) according to 42 C.F.R. 435.1010. DMS will only reimburse up to 60 days per stay, none of the stay is reimbursable if exceeding 60 days.

Kentucky does not have a separate Provider type for IMDs. Providers will continue to enroll in the provider type that aligns with their licensure.

This authority applies to beneficiaries covered under both fee-for-service (FFS) and Kentucky's Medicaid Managed Care program; Managed Care Organizations (MCO) are required to adhere to the authority.

Beginning January 15, 2026, new FFS inpatient psychiatric admissions for beneficiaries aged 21-64 will require Prior Authorization (PA) with medical necessity clinical review, as well as continued stay reviews. FFS prior authorization forms can be located at:

<https://www.kymmis.com/kymmis/Provider%20Relations/PriorAuthorizationForms.aspx>

Providers may request FFS PAs by:

1. **Calling** the Kentucky Utilization Management (UM) Call Center at the following numbers:
 - 1-800-292-2392
 - 1-800-664-5725
 - 1-800-807-8842
2. **Faxing** the PA form and information to the following numbers:
 - 800-807-8843
 - 800-807-7840
 - 800-664-5749
 - 502-214-3560
3. **Online** through the *Essette Portal* located within Kentucky Online Gateway (KOG).
 - If a provider does not have access to the *Essette Portal* on their KOG, access requests should be sent to FFSUtilizationMgt@ky.gov .
 - On-demand training is available by registering at <http://bit.ly/KYUMTraining>. When registering, please select 'Provider' as curriculum. For training scheduling, please contact KYUMTraining@carewisehealth.com.

Providers should contact the beneficiaries MCO for questions related to the MCO PA process. Should there be any changes to the current PA process for managed care stays, MCOs will be required to send notification to providers at least thirty (30) days in advance.

DMS will be responsible for monitoring the average statewide length of stay; providers will be notified if there are any changes to coverage under the Demonstration.

Please direct any questions regarding this letter to DMS.ISSUES@ky.gov.