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**Lisa Lee**  
COMMISSIONER

**PROVIDER LETTER**

**TO:** Behavioral Health Care Providers  
**FROM:** Lisa D. Lee, Commissioner  
**DATE:** April 24, 2026  
**RE:** Correction to the Effective Date in the April 10, 2026 Provider Letter on Psychoeducation (H2027) Coverage

The Department for Medicaid Services (DMS) is issuing this letter to correct the effective date provided in the April 10, 2026 Provider Letter regarding coverage of psychoeducation (H2027).

Section 1 of House Bill 470 (HB 470), enacted during the 2026 Regular Session of the Kentucky General Assembly, requires the promulgation of administrative regulations to prohibit peer support specialists from providing psychoeducation services in individual and group settings. This section is subject to an emergency clause.

Section 4 of HB 470 further prohibits the Kentucky Medicaid program from covering individual or group psychoeducational services. This section is not subject to an emergency clause.

Because HB 470 contains both emergency and non-emergency provisions, and the regulatory process cannot be completed prior to the effective date of Section 4, DMS is aligning coverage policy with the non-emergency effective date.

Accordingly, psychoeducation (H2027) will no longer be reimbursed for dates of service **on or after July 15, 2026**. This change applies to both Managed Care Organization and Fee-for-Service providers.

Although psychoeducation will no longer be reimbursed as a standalone code, it may continue to be delivered as part of other behavioral health services, such as Intensive Outpatient Programs (IOP) and Partial Hospitalization Programs (PHP), when clinically appropriate. Providers must ensure services are coded and billed in accordance with applicable requirements. Psychoeducation may not be billed separately on or after July 15, 2026.

Provider Letter

April 24, 2026

Page Two

This letter supersedes any prior guidance regarding psychoeducation (H2027) contained in previous provider communications or existing administrative regulations.

Please direct any questions regarding this letter to [DMS.Issues@ky.gov](mailto:DMS.Issues@ky.gov).

Sincerely,

A handwritten signature in cursive script that reads "Lisa D. Lee".

Lisa D. Lee, Commissioner  
Department for Medicaid Services