



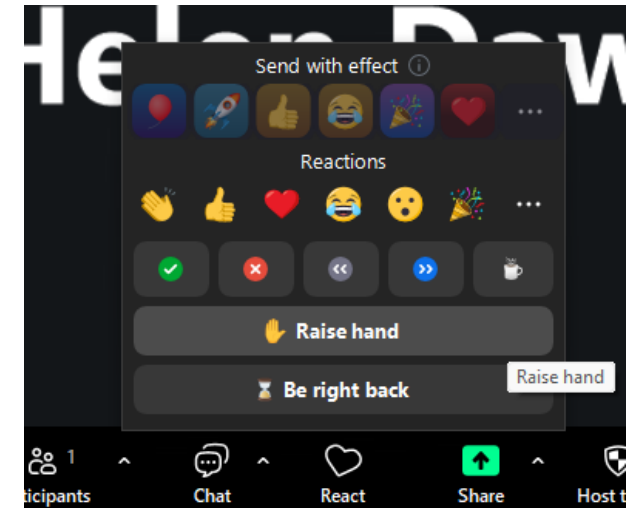
CABINET FOR HEALTH
AND FAMILY SERVICES

Medicaid Advisory Committee

August 6, 2026

Housekeeping for Attendees

- For those in person:
 - Please keep side conversations to a minimum.
 - Please raise hand when you wish to speak.
 - Please speak loudly and clearly so that all may hear you.
- For those on the Zoom:
 - Please stay muted unless you wish to speak.
 - Please use the raise hand reaction when you wish to speak.
 - If possible, please have your camera turned on.
 - If you have any questions during the meeting, you can put your question in the chat.

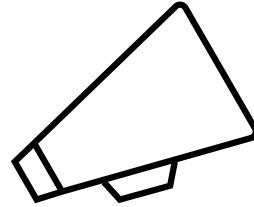


Agenda

Opening, Call to Order & Actions	Dr. Sheila Schuster, Chair; Iesha Elam, Secretary	17 Min
Public Comment	Dr. Sheila Schuster, Chair; Commissioner Lisa Lee	20 Min
TAC Recommendations & Key Items	Technical Advisory Committees	30 Min
MAC Annual Report & Process	Dr. Sheila Schuster, Chair	10 Min
BAC Meeting Report	Emily Beauregard, BAC Chair	10 Min
DMS Commissioner Updates & Discussion	Commissioner Lisa Lee, Sr. Deputy Commissioner Veronica Judy-Cecil	33 Min
DMS Waiver Updates	Carmen Hancock, LTSS Division Director; Ann Hollen, Angela Sparrow	10 Min
HB2 Waiver Waitlist Revalidation Process	Carmen Hancock, LTSS Division Director	10 Min
MOAB Report	Dr. Sheila Schuster, Chair	5 Min
New Business	Dr. Shelia Schuster, Chair	2 Min
Closing	Dr. Sheila Schuster, Chair	3 Min

Call to Order

Dr. Sheila Schuster, Chair



MAC Member Roll Call

Iesha Elam, Secretary

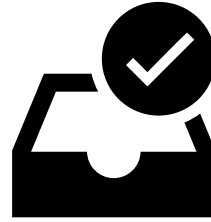
Disclosure of Conflicts of Interest

- If you know that you have an existing Conflict of Interest, please feel free to raise your hand now.
- We will share the appropriate process for formal disclosure and support you to excuse yourself from appropriate discussions.
- By staying present for all discussions, you are acknowledging that you do not have any known Conflicts of Interest.



Approval of Minutes

Dr. Sheila Schuster, Chair



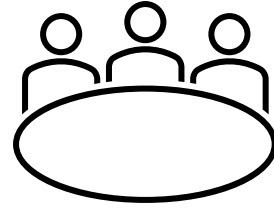
MAC Officer Election

Dr. Sheila Schuster, Chair & MAC Members



Public Comment

Public comment allotment will be 3 minutes per person for a 15-minute public comment period.



TAC Recommendations & Key Items

TAC Chairs

MAC Annual Report & Process

Dr. Sheila Schuster, Chair & Sr. Deputy Commissioner Veronica Judy-Cecil

Beneficiary Advisory Council Meeting Report

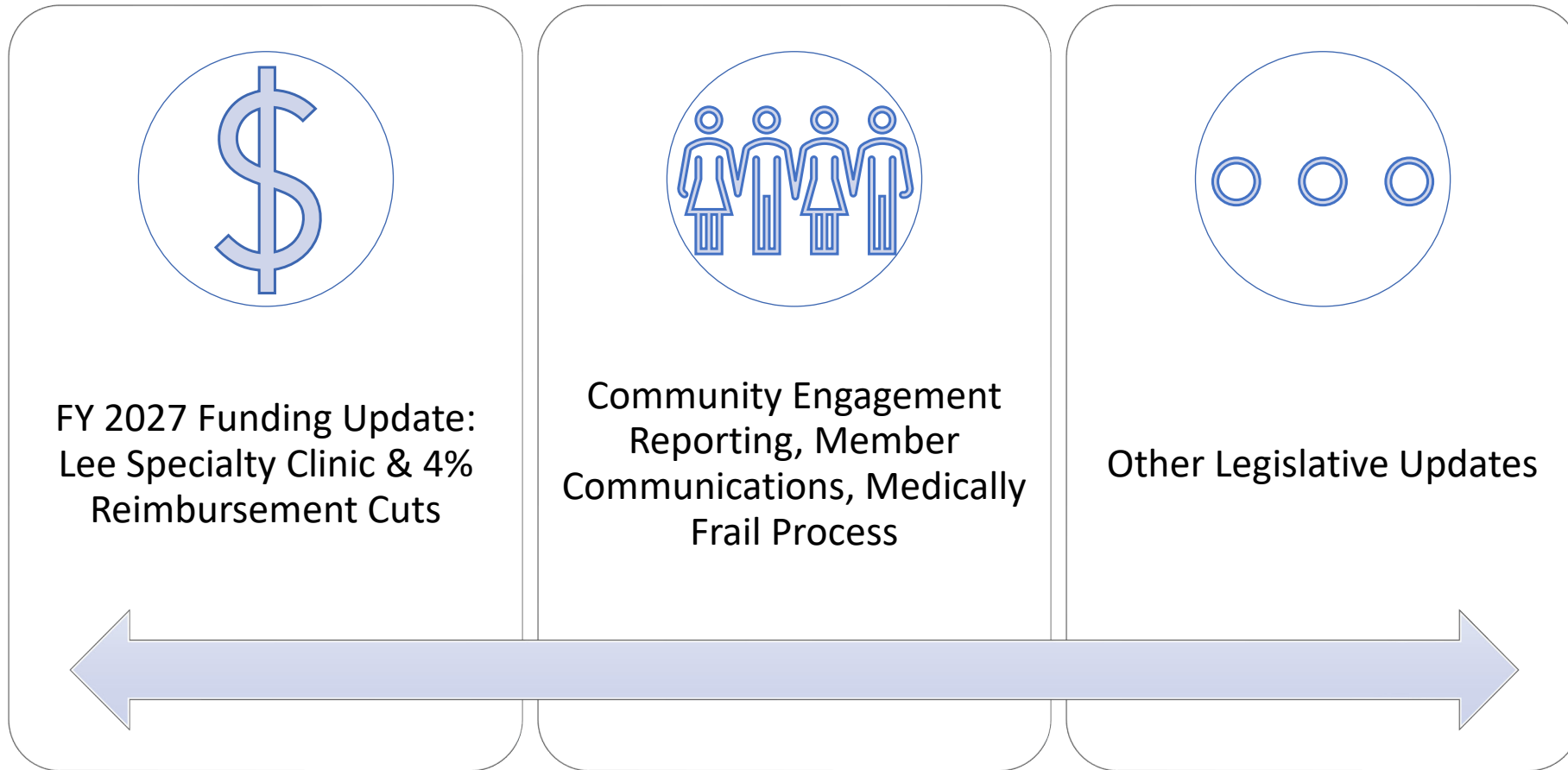
Emily Beauregard, BAC Chair

DMS Commissioner Updates

Commissioner Lisa Lee

Sr. Deputy Commissioner Veronica Judy-Cecil

DMS Commissioner Updates & Discussion



FY 2027 Funding Update:

Lee Specialty Clinic & 4% Reimbursement Cuts



H.R. 1 Implementation Updates

Medicaid Advisory Committee

August 6, 2026

Medicaid Work or Community Engagement (MACE): What the Federal Rule Clarifies

- The [CMS interim final rule](#), released on June 1, provides additional detail on how community engagement requirements will work. Here are some key highlights:
- Medical frailty is a two-part test: In addition to having a qualifying medical condition, the state must determine that the condition impacts a person's ability to demonstrate community engagement.
- Verification timelines vary by exemption type:
 - Most compliance, exclusions, and exceptions must be verified every 6 months
 - Medical frailty and temporarily disabled veterans are verified annually (with one exception — see below)
 - Native Americans and permanently disabled veterans are verified once
 - Former foster children are verified once prior to turning 26
- Attestations (signed statements) may be used through 2027: After January 1, 2028, an attestation may be used one time for medical frailty but must be followed up with other documentation at the next review.
- Community engagement applies to presumptive eligibility: When applying for presumptive or hospital presumptive eligibility, community engagement will be assessed based on attestations.



H.R. 1 Webpage

- In June, CHFS published the [Changes Coming to Medicaid and Marketplace Coverage webpage](#) on the Kentucky Health Benefit Exchange website.
- The webpage contains important information about the changes to Medicaid.
- It also contains important information for Members.

The federal government makes rules that Kentucky Medicaid must follow when providing health care coverage. A federal law passed in July 2025 is changing the rules about who can get Medicaid and what they must do to keep it. The new rules do not apply to all Kentucky Medicaid members. The information below can help you understand when the new rules start and whether they affect you.

October 1, 2026 Immigrant or Noncitizen Eligibility

January 1, 2027: Work or Community Engagement Requirement for Adults Age 19-64

January 1, 2027: More Frequent Medicaid Renewals for Adults Aged 19 to 64

January 1, 2027: Limits on Backdated Medicaid Coverage

October 1, 2028: Cost Sharing for Members

Important Information for Kentucky Medicaid Members

- You will be notified if these Medicaid changes apply to you.
- Please keep your information up to date with Kentucky Medicaid. You can update it by:
 - Logging into the [Self-Service Portal](#)
 - Calling kynect at 1-855-459-6328 Monday through Friday 8 a.m. to 7 p.m. ET
 - Calling the Department for Community Based Services (DCBS) at 1-855-306-8959 Monday through Friday 8 a.m. to 5 p.m.
 - Calling or visiting a kynector - [Search for a kynector](#)
 - Visiting a DCBS office - [Find a DCBS office](#)
- If you receive mail, an email, or a text from Kentucky Medicaid, be sure to follow the directions it gives you and respond quickly.
- [Check your renewal date](#) so you know when to watch for mail, emails or texts.
- Stay updated on what's happening at Kentucky Medicaid by registering for or watching the [Medicaid Monthly Forum](#) or following us on social media.

<<https://khbe.ky.gov/Enrollment/Pages/MedicaidChanges.aspx>>

MACE Member Notice

- On July 1, CHFS started sending notices about Medicaid community engagement (MACE) requirements to potentially impacted Medicaid members.
- An [example notice](#) is available on the [Changes Coming to Medicaid and Marketplace Coverage webpage](#).

MailId: 135791234
John M. Doe
123 Main St.
Apt 1
Lexington, KY 40507

New Medicaid Work or Community Engagement Requirement

This letter is to notify you that federal Medicaid rules are changing **beginning January 1, 2027**. Some adults will need to meet a new Medicaid work or community engagement requirement to apply for or keep their Medicaid coverage.

Some adults ages 19 to 64 who qualify for Kentucky Medicaid based only on their income may need to meet this requirement.

The following member(s) are eligible for coverage through **Medicaid Expansion** and may need to meet this requirement at their next renewal in 2027:

- John M. Doe

The following member(s) are eligible for coverage through **Traditional Medicaid** and will **not** need to meet this requirement:

- Susan E. Doe
- Micheal Doe

No action is required at this time. If we determine that you need to meet the new requirement, you will receive more information before your 2027 renewal. We will tell you whether you currently meet the requirement or may qualify for an exemption. At that time, you will have the right to provide more information or appeal if you disagree.

Who Must Meet the Requirement?

You may need to meet the requirement if you:

- Are age 19 to 64; and
- Qualify for Medicaid based **only** on income; and
- Are not exempt.

<<https://khbe.ky.gov/Enrollment/Documents/MACE-001%20Outreach%20Updated.pdf>>

MACE Member Notice Results

Total Households	Expansion	Traditional
373,915	431,731 Individuals	202,786 Individuals

- Notices were uploaded to kynect Self Service Portal message center for all members regardless of communication preference or whether they had an active account.
- Approximately 49.2% of the population has an active account.

Number of emails delivered	79,862
Number of text messages delivered	88,444

- Recipients with existing kynect accounts achieved a 44.81% unique open rate and 8.46% unique click rate.
- Recipients without kynect accounts achieved a 39.42% unique open rate and 2.95% unique click rate.

MACE Forms

- MACE Forms are for an individual to indicate meeting MACE requirements, exemptions, or short-term hardships.
- The CHFS team made updates to the draft MACE Forms based on community partner feedback.
- Updates include:
 - Moving fillable form sections to the beginning
 - Clarifying instructions and form purpose
 - Using consistent MACE terminology across forms
 - Improving plain language and readability
 - Clarifying where members can submit forms or get help
 - Aligning forms with final policy, system, and notice decisions
- CHFS is now creating PDF fillable and printable versions to make publicly available.



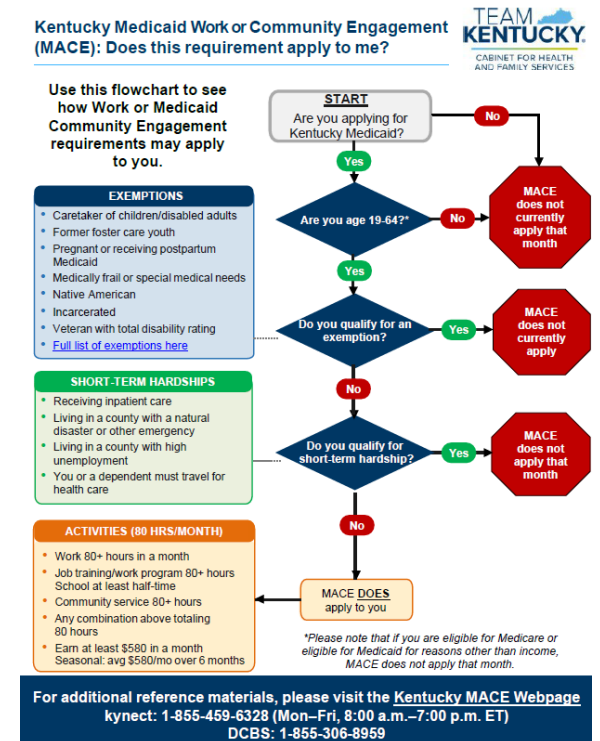
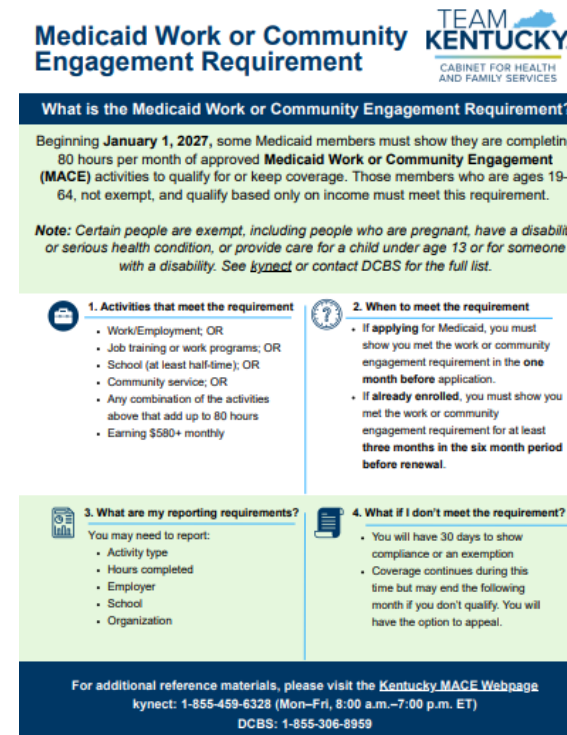
MACE Overview One-Pager

• Purpose

- Provide a plain-language overview of Medicaid Community Engagement.
- Explain who may need to meet the requirement, who may be exempt, and what members can do now.
- Help members and community partners understand key terms, timelines, and where to get help.

• Next Steps

- Incorporate stakeholder feedback
- Ensure accessibility requirements are met
- Post to website



Note: This is draft and under review.

MACE vs SNAP Work Requirements One-Pager

• Purpose

- Help members and partners understand that Medicaid Community Engagement and SNAP work requirements are not the same.
- Explain key differences in who the rules apply to, what activities count, how information is reported, and what may happen if a member does not respond.
- Reduce confusion for members who may receive notices or information about both programs.

• Next Steps

- Incorporate stakeholder feedback
- Ensure accessibility requirements are met
- Post to website

Kentucky MACE vs. SNAP Work Requirements



How are these two work requirements different?

Medicaid is a program that helps people pay for healthcare while the Supplemental Nutrition Assistance Program (SNAP) helps people pay for groceries. Some adults may need to meet new work or community engagement requirements to keep these benefits. This can include working, going to school, job training, or volunteering for at least 80 hours each month. Medicaid and SNAP have different rules, different exemptions, and different impacts if the requirements are not met.

Important: If you meet SNAP Work Requirements, you may already meet MACE requirements. SNAP and Medicaid are different programs, so losing one benefit does not always mean you will lose the other. Always respond to notices from Kynect or DCBS to help protect your coverage and benefits.

Medicaid Work or Community Engagement Health Coverage | Effective Jan. 1, 2027

SNAP Work Requirements Food Benefits | In effect now

Who must meet it?

- Adults ages 19–64 on Medicaid expansion (income-based) who are not exempt

- Adults ages 18–64 with no child under 14 in the home who are not exempt

What counts as 80 hours per month?

- Work or self-employment
- Job training or work program
- Community service
- School at least half-time
- Any combination above totaling 80 hours
- Earning \$580+ per month

- Work, paid or unpaid (~20 hours/week)
- SNAP Employment & Training (E&T) program
- Volunteer or in-kind work
- Any combination above totaling 80 hours

What if I don't meet the requirement?

- You get a 30-day notice to show you have completed the hours or are exempt
- Your health coverage may end the next month
- You can appeal or meet requirements

- You can only get SNAP for 3 months in a 6 month period
- After 3 non-compliant months, your benefits will discontinue
- You can get them back when you meet work registration requirements or become exempt

What are the key exemptions?*

- Pregnant or receiving postpartum Medicaid
- Medically frail or special medical needs
- Participating in a substance use treatment program
- Caregiver of a child age 13 or younger
- Caregiver of a disabled individual
- Former foster care youth under age 26
- Native American
- Veteran with total disability rating

- Pregnant
- Disability or unable to work
- Participating in a treatment program for drugs or alcohol
- Caring for a child under age 14

**Please Note: This list does not show every exemption. Some other adults may also be exempt. For the full list, please visit the [Kentucky MACE Webpage](#) or [SNAP Webpage](#).*

For additional reference materials, please visit the [Kentucky MACE Webpage](#) or [SNAP Webpage](#)
Kynect: 1-855-459-6328 (Mon-Fri, 8:00 AM-7:00 PM ET) | DCBS: 1-855-306-8959

Note: This is draft and under review.

MACE FAQ

Last Updated: July 22, 2026
NOTE HIGHLIGHTED IS UNDER DEVELOPMENT



Medicaid Work or Community Engagement¹ Frequently Asked Questions

What is the new Medicaid Work or Community Engagement requirement?

New federal rules² will affect some adults ages 19 to 64 who apply for or renew Medicaid. Starting January 1, 2027, individuals must show that they work or do other community engagement activities for at least 80 hours in each required month. These activities can include going to school, being in a job training program, or doing community service.

Who Needs to Meet the Work or Community Engagement Requirement?

You need to meet the work or community engagement requirement if you:

- Are age 19-64;
- Qualify for Medicaid based **only** on your income, also known as Medicaid Expansion; and
- Are not exempt.

Who Does *Not* Need to Meet the Work or Community Engagement Requirement?

You **do not** have to meet the work or community engagement requirement if, at any point during that month, you are one of the following:

- Former foster youth under the age of 26;
- Member of a federally recognized tribe (certain American Indian or Alaska Native individuals);
- Parent, guardian, or caregiver of:
 - A child age 13 or younger; or
 - A person of any age with a disability;
- Veteran with a total disability rating;
- Receiving Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) or Social Security Retirement (SSR) due to a confirmed disability;

¹ The information in this fact sheet is subject to change pending guidance from the Centers for Medicare and Medicaid Services, or changes in federal or state law.

² Commonly known to as H.R.1, Public Law 119-21, or the Working Families Tax Cut Act.

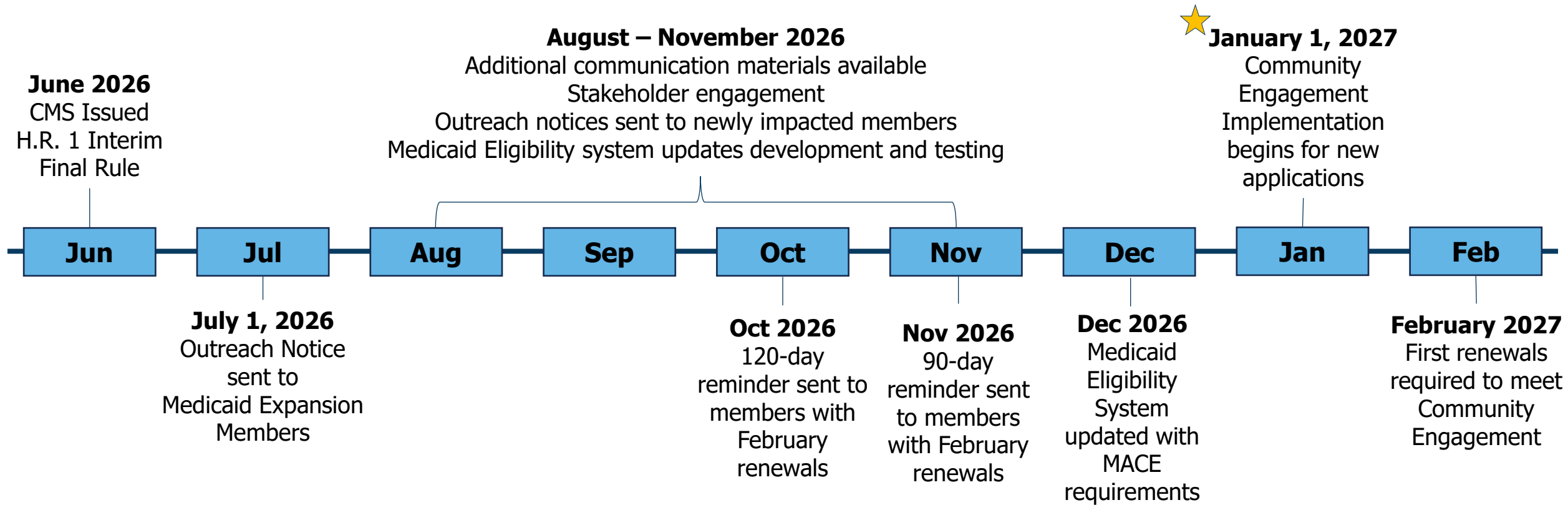
Note: This is draft and under review.

- **Purpose**
- Answer common questions about Medicaid Community Engagement (MACE).
- Help members understand requirements, exemptions, reporting, and available resources.
- Provide a trusted resource for members, community partners, and providers.
- **Next Steps**
- Incorporate stakeholder feedback
- Ensure accessibility requirements are met
- Post to website

MACE Communications Next Steps

- The CHFS Team is working on additional materials to support communication of Medicaid changes, including:
- **Exemptions One-Pager:** Plain-language overview of exemptions, short-term hardship exemptions, and documentation exemptions.
- **Renewal Timelines:** Member-friendly explanation of when community engagement may apply at renewal.
- **Qualifying Activities One-Pagers:** Examples of work, school, job training, volunteering, community service, and how members can track activity.
- **Detailed FAQ:** Common questions and answers for members, community partners, kynectors, providers, and other stakeholders, which is being updated to reflect the Interim Final Rule.
- *The CHFS team will continue sharing draft materials with community partners for feedback before broader dissemination.*

MACE Implementation Timeline



Steps for Medicaid Members to Prepare

1

Update Your Contact Information

Make sure Kentucky Medicaid has your current information (like address, phone number, and email address) so they can contact you about these eligibility changes.

2

Watch for Mail, Text & Email

Kentucky Medicaid will send you a letter or email in the next few months if the eligibility changes apply to you.

3

Track Your Activities

Keep track of any work, volunteer, job training, or school hours you complete each month. Start now so you'll be ready to show you meet the new requirement when it's time to renew your coverage.

4

Gather Documents

Gather important medical or legal documents in case you need to show Kentucky Medicaid you qualify for an exclusion.

5

Respond Right Away

If you receive an RFI or Renewal Packet, respond as soon as possible. Multiple reminders will be sent, but responding early prevents coverage loss.

6

Ask for Help

Contact kynect at 1-855-459-6328, a kynector, or your local DCBS office if you have questions or need help completing forms.

Questions?



Federal Final Rules

Other Legislative Updates



Interoperability and Prior Authorization Final Rule

Annually report aggregated prior authorization metrics for fee-for-service on a website. The report includes data on the status of prior authorization requests, including approvals and denials, for the previous calendar year.

➔ Online: [Medicaid Public Reports](#)

Prior Authorization Metrics

Centers for Medicare and Medicaid Services (CMS)
Interoperability and Compliance Reporting

Fee for Service Medical Items and Services (excluding drugs)

Calendar Year 2025

To comply with the CMS Interoperability and Prior Authorization final rule, the Kentucky Department for Medicaid Services is required to annually report aggregated prior authorization metrics for fee-for-service on our website. This report includes data on the status of prior authorization requests, including approvals and denials, for the previous calendar year for fee-for-service from our waiver (Medicaid Waiver Management Application) and non-waiver (Essette) platforms.

Waiver and Non-Waiver Prior Authorization Combined Totals - CY 2025

274,160
Total Services

268,522 (97.94%)
Approval Rate

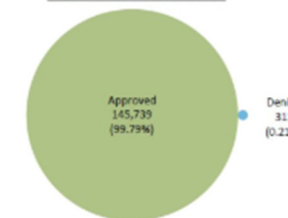
5,638 (2.06%)
Denial Rate

Average Response Time

Waiver
0.98 days Mean (Average)
0 days Median (Middle)

Non - Waiver
4.29 days Mean (Average)
1.05 days Median (Middle)

Waiver Prior Authorizations



Non-Waiver Prior Authorizations



Ensuring Access to Medicaid Services Final Rule

Compare and publish the fee-for-service payment rates for primary care, obstetrical and gynecological care, and outpatient mental health and substance use disorder services to Medicare rates every two years.

Publish the average hourly rate paid for personal care, home health aide, homemaker, and habilitation services every two years.

 Online: [Fee and Rate Schedules](#)

Ensuring Access to Medicaid Services Final Rule (CMS-2442-F) - Effective July 1, 2026.

The Ensuring Access to Medicaid Services Final Rule requires states to publish a comparison of Medicaid and Medicare payment rates for selected services. This information helps increase transparency and allows Medicaid members, providers, and the public to better understand how Medicaid payment rates compare to Medicare.

Comparative Payment Rate Analysis (CY 2025): [PDF](#) - [Excel](#)

Critical Access Hospital Per Diem 2026: [PDF](#) - [Excel](#)

DRG Rates 2026: [PDF](#) - [Excel](#)

Free Standing LTAC 2026: [PDF](#) - [Excel](#)

Free Standing Psych 2026: [PDF](#) - [Excel](#)

Free Standing Rehab 2026: [PDF](#) - [Excel](#)

Non DPU Rates 2026: [PDF](#) - [Excel](#)

Psych DPU Rates 2026: [PDF](#) - [Excel](#)

Rehab DPU Rates 2026: [PDF](#) - [Excel](#)

1915c HCBS LTSS RISE Services Summary 2026: [PDF](#) - [Excel](#)

Specialized Children's Services 2026: [PDF](#) - [Excel](#)

DMS Waiver Updates

Carmen Hancock, LTSS Division Director; Ann Hollen, Angela Sparrow

HCBS 1915(c) Waitlist Data Update

HCBS 1915(c) Waitlist Data

Current HCBS 1915 (C) Waiver Enrollment and WL Data as of 08/03/2026 (SFY27)

Waiver	Funded Slots***	Filled Slots	Allocated Slots	Available	Total on WL
ABI Acute	383	273	34	76	0
ABI LTC*	488	471	13	4	7
CHILD	100	19	6	75	0
HCB*	17,915	16,512	381	1022	8,639
Model II	100	14	24	62	0
MP	11,415	10,325	869	221	9,880
SCL	5,506	5,184	60	262	3,882
Total	35,907	32,798	1,387	1722	22,408
Total Number on Waitlist Across All Waivers - Unduplicated					18,910

* Filled and Allocated Slots may also include MFP transitions allocations

HCBS 1915(c) Waitlist Data by Age

Waitlist Data by Age

Waiver	Ages Under 5	Ages 5 to 12	Ages 13 to 17	Ages 18 to 21	Ages 22 to 40	Ages 41 to 54	Ages 55 to 64	Ages 65 and Older
ABI Acute	0	0	0	0	0	0	0	0
ABI LTC	0	0	0	0	3	2	1	1
CHILD	0	0	0	0	0	0	0	0
HCB	618	982	226	166	461	882	1,577	3,727
MII	0	0	0	0	0	0	0	0
MP	1,123	4,698	1,294	862	1,383	280	164	76
SCL	4	309	466	598	1,818	424	177	86
Total	1,745	5,989	1,986	1,626	3,665	1,588	1,919	3,890

*Duplicate counts remain to accurately reflect each WL total per age group

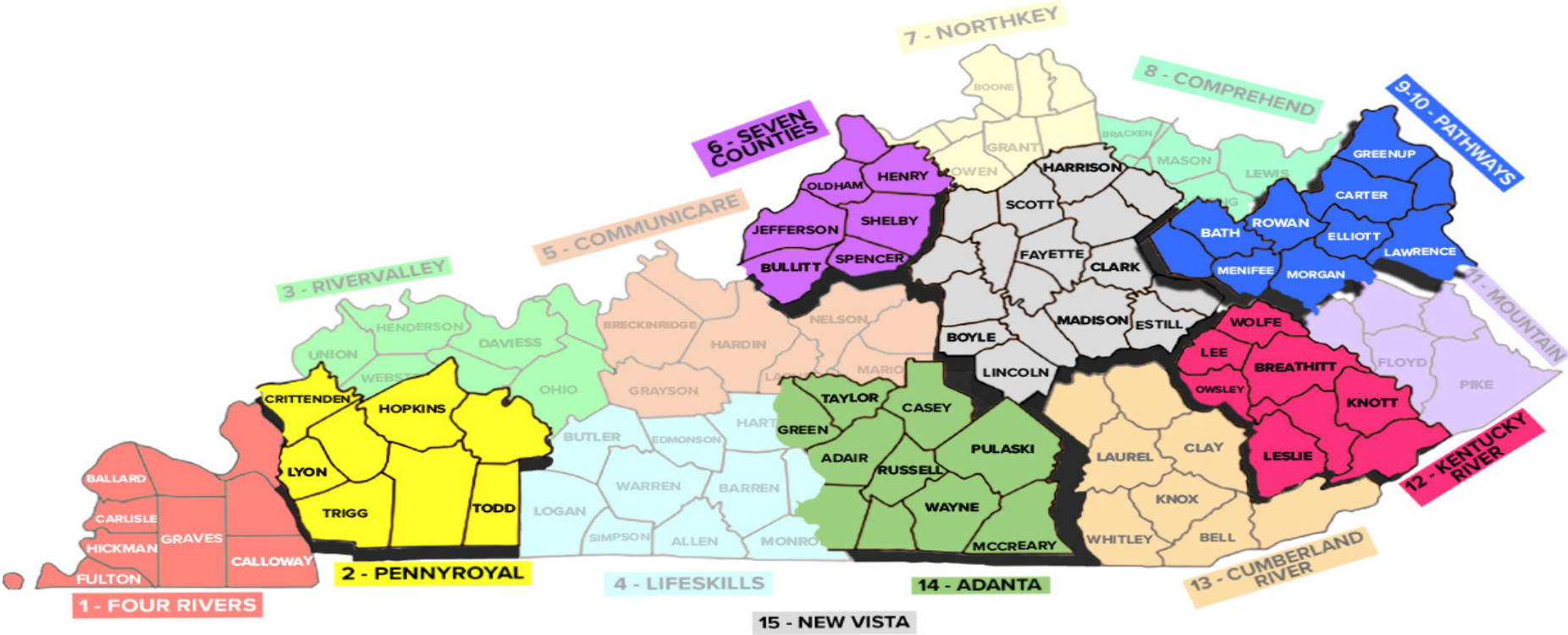
1915i RISE Initiative Update

Provider and Participant Metrics

PROVIDER APPLICATIONS:	
Downloaded Application	148
Packet Submitted	43
Provider Certified	24
Provider Enrolled in Medicaid	20
Active Providers (staff training complete)	18
MWMA Enrolled	20

PARTICIPANT APPLICATIONS FOR SERVICE:	
Enrolled	235
Pending/Not Enrolled	2

1915i RISE Referral Map



Reentry Waiver Update

Reentry Section 1115 Demonstration



WHAT IT DOES

Authorizes federal Medicaid reimbursement for certain transitional services in state prisons and youth development centers (YDCs) up to 60 days prior to individual's release.



KEY PROVISIONS

- Implemented April 2026
- Not intended to supplant correctional funding.
- Approved settings and population include all adults in KY's Dept. of Corrections (DOC) State Prisons and all youth in KY's Department of Juvenile Justice (DJJ) YDCs.
- Services include: Case Management and Medication Assisted Treatment (MAT) 60 days prior to release; and 30-day supply of medications at release.



PRIMARY GOAL

- Strengthen collaboration between judicial and healthcare systems to ensure successful reentry and continuity of care.
- Facilitate linkages to medical, behavioral health and health related social needs upon release.



NEXT STEPS

- Pending: Implementation Plan Approval
- Monitoring and Reporting
- Process Improvement

CHILD Waiver Update

HB2 Waiver Waitlist Revalidation Process

Carmen Hancock, LTSS Division Director

Medicaid Oversight & Advisory Board (MOAB) Report

Dr. Sheila Schuster, Chair

New Business

Dr. Sheila Schuster, Chair

Closing Items

Next Meeting Date: Thursday, October 1, 2026, at 10:00AM to 12:30PM

Please complete the meeting feedback survey linked to this slide.

The meeting feedback survey also be sent in an email following the meeting to all MAC members.

Kentucky MAC Meeting Feedback Survey QR Code

