



CABINET FOR HEALTH
AND FAMILY SERVICES

**Medicaid Oversight and Advisory Committee
Budget Overview for the Department for Medicaid Services
November 10, 2022**

**Eric Friedlander, Secretary
Lisa Lee, Commissioner**

Kentucky Medicaid at a Glance

- Approximately 1,691,695 members
 - 138% of Federal Poverty Level: \$18,754
- Over 69,000 enrolled providers
- \$15.1 billion in total SFY 2022 expenditures
(Administrative and Benefits combined)

Medicaid Benefits Budget

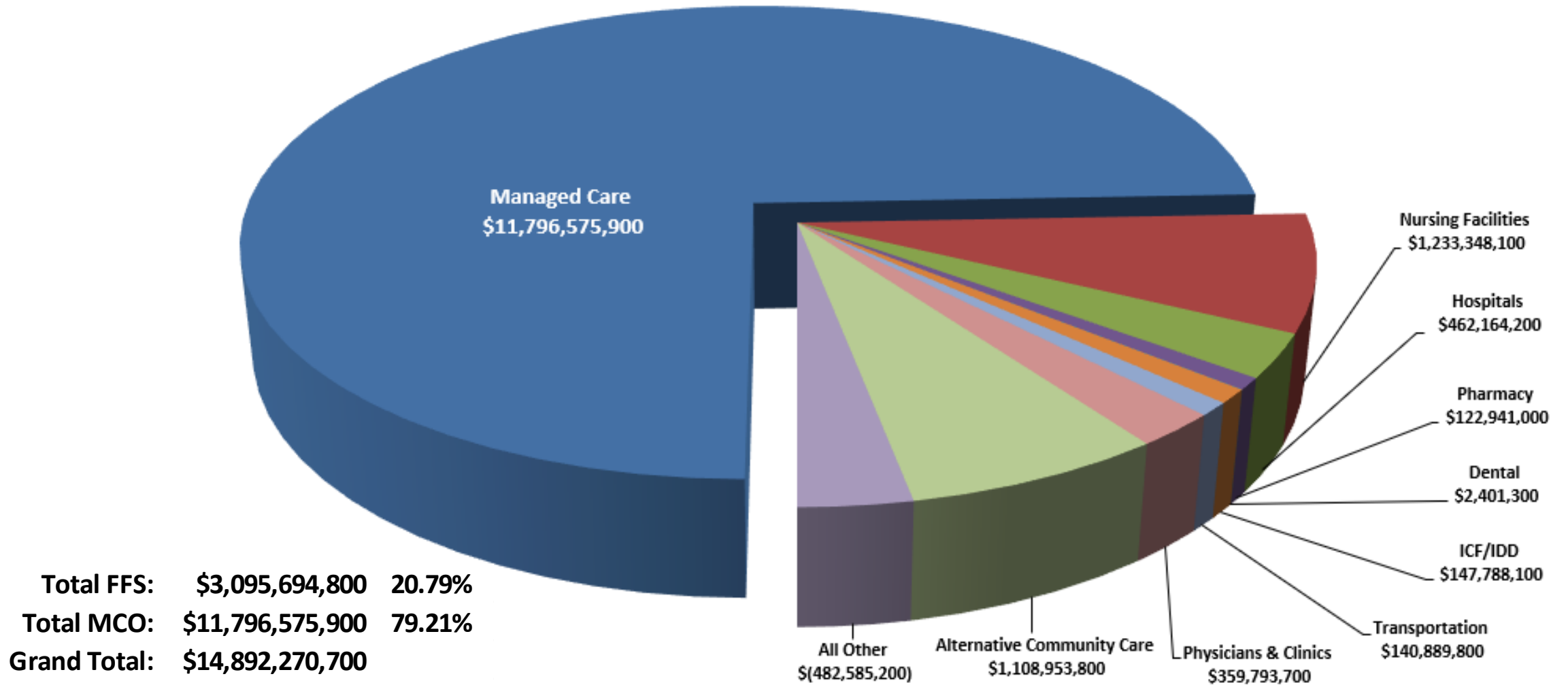
Benefits w/KCHIP (Dept 748)

	SFY 2021 ACTUAL	SFY 2022 ACTUAL	SFY 2023 Budgeted	SFY 2024 Budgeted
General Fund	\$2,018,893,700	\$1,934,395,200	\$1,962,892,300	\$2,402,688,700
Restricted Agency Funds	\$662,841,900	\$599,576,300	\$1,586,012,300	\$1,383,080,900
Federal Funds	\$11,703,230,300	\$12,358,299,200	\$11,723,695,600	\$12,061,242,200
TOTAL	\$14,384,965,900	\$14,892,270,700	\$15,272,600,200	\$15,847,011,800

SFY 2023 Expenditures to Date

	Enacted Budget SFY 2023	SFY 2023 Expenditures (through October 2022)	Percent of Enacted Budget
Federal	\$11,723,695,600	\$4,089,207,900	34.88%
State	\$3,548,904,600	\$881,556,800	24.84%
Total	\$15,272,600,200	\$4,970,764,700	32.55%

Medicaid Benefits Budget



Medicaid Benefits Budget

Approximately 22% of MCO payments are related to directed payments

	SFY 2020	SFY 2021	SFY 2022	SFY 2023 (to date)	<u>Total</u>
Hospital Rate Improvement Program (HRIP)	\$98,359,800	\$781,227,100	\$1,145,677,000	\$251,258,600	\$2,276,522,500
Ambulance Provider Assessment Program (APAP)	\$0	\$26,248,700	\$41,463,500	\$14,863,300	\$82,575,500
University Directed Payment	\$831,091,500	\$1,162,908,100	\$1,435,465,600	\$409,592,500	\$3,839,057,700
	<u>\$929,451,300</u>	<u>\$1,970,383,900</u>	<u>\$2,622,606,100</u>	<u>\$675,714,400</u>	<u>\$6,198,155,700</u>

Medicaid Waiver Expenditures

	SFY 2021	SFY 2022	Increase/Decrease	% change from 2021	SFY 2023 (Thru Sept)
Supports for Community Living Waiver	\$ 384,843,900	\$ 395,915,100	\$ 11,071,200	2.88%	\$ 119,924,600
Michelle P Waiver	\$ 333,053,200	\$ 346,373,800	\$ 13,320,600	4.00%	\$ 95,879,900
Home & Community Based Waiver	\$ 17,229,100	\$ 18,976,400	\$ 1,747,300	10.14%	\$ 7,471,400
Adult Day Care Waiver	\$ 202,120,400	\$ 265,984,600	\$ 63,864,200	31.60%	\$ 119,818,500
Brain Injury Waiver	\$ 29,211,300	\$ 26,760,500	\$ (2,450,800)	-8.39%	\$ 7,629,800
Brain Injury Long term Care Waiver	\$ 27,810,000	\$ 31,168,500	\$ 3,358,500	12.08%	\$ 10,260,900
	\$ 994,267,900	\$ 1,085,178,900	\$ 90,911,000	9.14%	\$ 360,985,100

- In aggregate, the six Medicaid Waiver programs experienced a \$90.9m (9.14%) increase in total expenditures in SFY 2022 when compared to SFY 2021
 - The decrease in Brain Injury was due to decreased utilization due to COVID in early part of SFY 2022
- The spending plan has been submitted to the Center for Medicare and Medicaid Services (CMS) and the Department for Medicaid Services (DMS) is currently awaiting to receive federal approval to reallocate the increased HCBS FMAP to provide the 10% rate increase across all waivers as detailed in the SFY 2023 budget

Public Health Emergency Related Changes

Change	SFY 2020	SFY 2021	SFY 2022	SFY 2023 (to date)	Total	
Nursing Facility \$29 Add-on	\$0	\$54,367,400	\$144,325,700	\$55,393,100	\$254,086,200	Mandatory per State Budget Bill
Nursing Facility \$270 Add-on for Covid Positive Patients	\$776,400	\$16,225,900	\$7,641,600	\$3,330,300	\$27,974,200	Optional
COVID Bed Reserve Increase	\$0	\$924,400	\$1,075,100	\$356,200	\$2,355,700	Optional
Hospital DRG 20% for discharges (FFS)	\$701,700	\$6,741,700	\$6,346,100	\$757,500	\$14,547,000	Optional
	\$1,478,100	\$78,259,400	\$159,388,500	\$59,837,100	\$298,963,100	

Public Health Emergency Related Changes

- Maintenance of Eligibility Effort (MOE) (mandatory)
 - Federal requirement that states maintain eligibility standards for Medicaid and the Children's Health Insurance Program (CHIP) to receive 6.2% enhanced federal matching funds
 - If eligibility is not maintained through the end of the public health emergency (PHE), the state would have to return all of the enhanced funds that were received for the entirety of the PHE
- Other flexibilities (optional)
 - Telehealth
 - Waived requirement on limit of inpatient beds to 25 for critical access hospitals
 - Waived face-to-face visit, new physicians order, and medical necessity documentation to replace durable medical equipment
 - Expanded settings for adult day training and adult day health to be provided in-home