

## **Table of Contents**

**State/Territory Name: Kentucky**

**State Plan Amendment (SPA) #: 23-0002**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

---

March 6, 2023

Ms. Lisa Lee  
Commissioner, Department for Medicaid Services  
Commonwealth of Kentucky  
Cabinet for Health and Human Services  
275 East Main Street, 6 West A  
Frankfort, KY 40601

Re: Kentucky State Plan Amendment (SPA) 23-0002

Dear Ms. Lee:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number KY 23-0002. This amendment adds coverage and reimbursement for Community Health Workers to the Medicaid State Plan.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations. This letter is to inform you that Kentucky Medicaid SPA 23-0002 was approved on March 6, 2023, with an effective date of July 1, 2023.

If you have any questions, please contact Christine Davidson at (312) 886-3642 or via email at [Christine.davidson@cms.hhs.gov](mailto:Christine.davidson@cms.hhs.gov).

Sincerely,

A black rectangular box redacting the signature of James G. Scott.

Digitally signed by James  
G. Scott -S  
Date: 2023.03.06 18:52:42  
-06'00'

James G. Scott, Director  
Division of Program Operations

Enclosures

cc: Erin Black, MDHHS  
Melissa Cuerdon, CMCS  
Ysabel, Gavino, CMCS  
Keri Toback, CMCS

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 3 — 0 0 0 2

2. STATE

KY3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL  
SECURITY ACT

XIX



XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 C.F.R. 440.60

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 75,000b. FFY 2024 \$ 150,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1-A Page 7.6.1(b)

Attachment 3.1-B Page 31.5(b)

Attachment 4.19-B Page 20.37

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)

Attachment 3.1-A Page 7.6.1(b)

Attachment 3.1-B Page 31.5(b)

Attachment 4.19-B Page 20.37

9. SUBJECT OF AMENDMENT

State plan to add reimbursement for Community Health Workers. Reimbursement will be based on the Physician Fee Schedule reimbursement methodology.

10. GOVERNOR'S REVIEW (Check One)



GOVERNOR'S OFFICE REPORTED NO COMMENT



COMMENTS OF GOVERNOR'S OFFICE ENCLOSED



NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL



OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL



15. RETURN TO

Lisa Lee  
275 E. Main St.  
Frankfort, KY 40601

12. TYPED NAME

Lisa Lee

13. TITLE

Commissioner

14. DATE SUBMITTED

2/7/2023

**FOR CMS USE ONLY**

16. DATE RECEIVED

February 7, 2023

17. DATE APPROVED

03/06/2023

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL



20. TYPED NAME OF APPROVING OFFICIAL

James G. Scott

21. TITLE OF APPROVING OFFICIAL

Director, Division of Program Operations

22. REMARKS

13. Other diagnostic, screening, preventive and, rehabilitative services, ie. other than those provided elsewhere in this plan.

13c. Preventive Services

- A. Eligible preventive services include all of the preventive services assigned a grade of A or B by the United States Preventive Services Task Force (USPSTF), and all approved adult vaccines and their administration, recommended by the Advisory Committee on Immunization Practices (ACIP). Such services are provided in accordance with Section 4106 of the Affordable Care Act. The state has documentation available to support the claim of the enhanced FMAP for preventive services beginning January 1, 2014. The state assures that it has a method to ensure that, as changes are made to USPSTF or ACIP recommendations, the state will update their coverage and billing codes to comply with those revisions.

In conjunction with the above and in compliance with Section 2713 of the Public Health Service Act, eligible preventive services also include preventive care and screening for infants, children and adults recommended by HRSA's Bright Futures program project, and additional preventive services for women recommended by the Institute of Medicine.

No cost sharing shall be applied to preventive services.

B. **Community Health Worker Services:**

Community Health Worker services is a preventive health service to prevent disease, disability, and other health conditions or their progression. Community health worker services must be ordered by a physician, physician assistant, nurse practitioner, certified nurse midwife, or dentist and delivered according to a care plan.

Services must be related to a medical intervention outlined in the individual's care plan and may include the following:

- a. Health system navigation and resource coordination includes helping a recipient find Medicaid providers to receive a covered service, helping a recipient make an appointment for a Medicaid covered service, arranging transportation to a medical appointment, attending an appointment with the recipient for a covered medical service, and helping a recipient find other relevant community resources such as support groups.
- b. Health promotion and coaching includes providing information or training to recipients that make positive contributions to their health status such as cessation of tobacco use, reduction in the misuse of alcohol or drugs, improvement in nutrition, improvement of physical fitness, family planning, control of stress, pregnancy and infant care including prevention of fetal alcohol syndrome.
- c. Health education and training to train and/or promote to recipients' methods and measures that have been proven effective in avoiding illness and/or lessening its effects including, but not limited to, immunizations, control of high blood pressure, control of sexually transmittable disease, prevention and control of diabetes, control of toxic agents, occupational safety and health, and accident prevention. The content of the education must be consistent with established or recognized healthcare standards.

**Qualifications of CHWs:**

In order to be eligible to apply for community health worker certification, an individual shall:

- (a) Be a legal United States resident;
  - (b) 1. Be a resident of Kentucky; or
  2. Be employed as a community health worker in the state of Kentucky;
  - (c) Be at least eighteen (18) years of age; and
1. Complete a competency-based community health worker training and mentorship program offered by an organization approved by the Kentucky Department for Public Health to provide community health worker training and mentorship; or
  2. Meet requirements established by the Department for Public Health for certification based on relevant and verifiable past community health worker related work experience.

Community health worker certifications shall be renewed annually and shall expire on October 31 of the year following the date of certification or recertification.

In order to be eligible for recertification, a certified community health worker shall annually complete continuing education, as required by the Department for Public Health related to the core competencies of community health work provided by an organization approved by the department to provide continuing education for certified community health workers.

13. Other diagnostic, screening, preventive and rehabilitative services, ie. other than those provided elsewhere in this plan.

13c. Preventive Services

- A. Eligible preventive services include all of the preventive services assigned a grade of A or B by the United States Preventive Services Task Force (USPSTF), and all approved adult vaccines and their administration, recommended by the Advisory Committee on Immunization Practices (ACIP). Such services are provided in accordance with Section 4106 of the Affordable Care Act. The state has documentation available to support the claim of the enhanced FMAP for preventive services beginning January 1, 2014. The state assures that it has a method to ensure that, as changes are made to USPSTF or ACIP recommendations, the state will update their coverage and billing codes to comply with those revisions.

In conjunction with the above and in compliance with Section 2713 of the Public Health Service Act, eligible preventive services also include preventive care and screening for infants, children and adults recommended by HRSA's Bright Futures program project, and additional preventive services for women recommended by the Institute of Medicine.

No cost sharing shall be applied to preventive services.

B. **Community Health Worker Services:**

Community Health Worker services is a preventive health service to prevent disease, disability, and other health conditions or their progression. Community health worker services must be ordered by a physician, physician assistant, nurse practitioner, certified nurse midwife, or dentist and delivered according to a care plan.

Services must be related to a medical intervention outlined in the individual's care plan and may include the following:

- a. Health system navigation and resource coordination includes helping a recipient find Medicaid providers to receive a covered service, helping a recipient make an appointment for a Medicaid covered service, arranging transportation to a medical appointment, attending an appointment with the recipient for a covered medical service, and helping a recipient find other relevant community resources such as support groups.
- b. Health promotion and coaching includes providing information or training to recipients that make positive contributions to their health status such as cessation of tobacco use, reduction in the misuse of alcohol or drugs, improvement in nutrition, improvement of physical fitness, family planning, control of stress, pregnancy and infant care including prevention of fetal alcohol syndrome.
- c. Health education and training to train and/or promote to recipients' methods and measures that have been proven effective in avoiding illness and/or lessening its effects including, but not limited to, immunizations, control of high blood pressure, control of sexually transmittable disease, prevention and control of diabetes, control of toxic agents, occupational safety and health, and accident prevention. The content of the education must be consistent with established or recognized healthcare standards.

**Qualifications of CHWs:**

In order to be eligible to apply for community health worker certification, an individual shall:

- (a) Be a legal United States resident;
- (b) 1. Be a resident of Kentucky; or
2. Be employed as a community health worker in the state of Kentucky;
- (c) Be at least eighteen (18) years of age; and
1. Complete a competency-based community health worker training and mentorship program offered by an organization approved by the Kentucky Department for Public Health to provide community health worker training and mentorship; or
2. Meet requirements established by the Department for Public Health for certification based on relevant and verifiable past community health worker related work experience.

Community health worker certifications shall be renewed annually and shall expire on October 31 of the year following the date of certification or recertification.

In order to be eligible for recertification, a certified community health worker shall annually complete continuing education, as required by the Department for Public Health related to the core competencies of community health work provided by an organization approved by the department to provide continuing education for certified community health workers.

- 3) For medically-necessary evaluative, diagnostic, preventive, and treatment services listed in Section 1905(a) of the Social Security Act, the state shall pay in accordance with items (1) or (3), as applicable, except that for governmental providers the payment shall be a fee-for-service system designed to approximate cost in the aggregate with settlement to reconciled cost. The following describes the methodology utilized in arriving at the rates.
- (a) Medicaid providers are paid according to the Kentucky Medicaid Fee Schedule and its modifiers which are maintained by the department and paid through the fee-for-service system. "Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of covered services. The agency's current fee schedule rate was set as of January, 2010 and is effective for services provided on or after that date. All rates are published on the KY Medicaid web site at <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx>
  - (b) Fee for new services are established based on the fees for similar existing services. If there are no similar services the fee is established at 75% of estimated average charge.
  - (c) Fees for particular services can be increased based on administrative review if it is determined that the service is essential to the health needs of Medicaid recipients, that no alternative treatment is available, and that a fee adjustment is necessary to maintain physician participation at a level adequate to meet the needs of Medicaid recipients. A fee may also be decreased based on administrative review if it is determined that the fee may exceed the Medicare allowable amount for the same or similar services, or if the fee is higher than Medicaid fees for similar services, or if the fee is too high in relation to the skills, time and other resources required to provide the particular service.
  - (d) Medicaid Services Provided in Schools are services that are medically necessary and provided in schools to Medicaid recipients in accordance with an Individualized Education Program, (IEP) or an Individual Family Service Plan (IFSP). Covered services include the following as described in Attachment 3.1-A pages 7.1.7(b)-7.1.7(e):
    - 1. Audiology
    - 2. Occupational Therapy
    - 3. Physical Therapy
    - 4. Behavioral Health Services
    - 5. Speech
    - 6. Nursing Services
    - 7. Respiratory Therapy
    - 8. Transportation

The interim payment to the Local Education Agencies for services (Paragraph (d) 1-7) listed above are based on the physician fee schedule methodology as outlined in Kentucky Medicaid Fee Schedule.
  - (e) Direct Medical Services Payment Methodology  
Beginning with cost reporting period August 1, 2008, the Department for Medicaid Services (DMS) will begin using a cost-based methodology for all Local Education Agencies (LEAs). This methodology will consist of a cost report, time study and reconciliation. If payments exceed Medicaid-allowable costs, the excess will be recouped.  
  
Once the first year's cost reports are received, and each subsequent year, the Department will examine the cost data for all direct medical services to determine if an interim rate change is justified.
  - (f) Community Health Workers and state: Reimbursement will be based on the Physician Fee Schedule reimbursement methodology.