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To: Advisory Council for Medical Assistance

Dr. Sheila Schuster, Behavioral Health TAC Chair

From: Lisa D. Lee, Commissioner

Date: July 17, 2026

RE: DMS Response to the Behavioral Health TAC's recommendations presented during the June 4, 2026, MAC meeting.

In response to the recommendations provided by the MAC, as presented and approved at the June 4, 2026, MAC meeting, the Department for Medicaid Services (DMS) respectfully submits the following:

Recommendation 1- The Behavioral Health TAC (BH TAC) recommends that the approval granted by the Kentucky Department for Medicaid Services (DMS) of the request made by WellCare MCO to begin requiring Prior Authorization (PA) for outpatient individual, family and group therapy be rescinded. This recommendation is made due to concerns from the BH TAC about the PA process delaying the initiation of individual, family, or group therapy when those services are needed by Medicaid members. Delaying care or reducing access to clinically recommended care only worsens symptoms, triggers crises, and frequently leads to costly ER visits and/or hospitalizations that timely therapy likely would have prevented. It is also noted that historically, both commercial insurers and managed care organizations have historically not required PAs for outpatient individual, family, and group therapy services and no other Kentucky Medicaid MCOs are currently requiring PAs for these services.

DMS Response- DMS acknowledges the concerns raised regarding potential access impacts associated with PA requirements. Upon review of the concerns identified, DMS took action to monitor implementation of WellCare's PA process and assess whether provider or member access issues occurred.

On March 19, 2026, DMS issued notification to WellCare indicating that the previously approved PA-related documentation for H0004 was no longer approved and that the prior approval was rescinded. DMS issued additional follow-up communication to WellCare on June 15, 2026, requesting an impact report identifying any denials issued for procedure codes 90847 and 90853 during the period of February 1, 2026, through June 22, 2026.

WellCare submitted the requested impact report to DMS on June 22, 2026. Based on the information provided, WellCare confirmed on July 13, 2026, that all claims identified within the report had been reprocessed as of July 9, 2026.

DMS will continue monitoring complaints, access concerns, and MCO compliance with contractual requirements related to utilization management processes to ensure members have timely access to medically necessary behavioral health services.

At this time, DMS does not recommend further action related to rescinding additional PA approvals beyond the corrective actions already taken.

Recommendation 2- The Behavioral Health TAC (BH TAC) recommends that all MCOs be required to notify their providers at least 30 days prior to implementing any changes that affect the provision of services or the requirements for payment and require the MCOs to post on the MCO's website and include links in the notification to the relevant website documents.

DMS Response- DMS agrees that timely provider notification regarding changes to policies, procedures, and operational requirements is important. The MCO contract requires Contractors to issue provider communications as necessary to inform providers of Contractor policies, initiatives, and other information. Section 25.4, Provider Manual and Communications, requires the Provider Manual and updates to serve as a source of information regarding Contractor policies and procedures and Utilization Management and Prior Authorization procedures.

Additionally, Section 27.12 requires Contractors to provide at least thirty (30) Days written notice to providers prior to any change in payment structure or reimbursement amount.

As an additional compliance enhancement, DMS has initiated an inquiry with MCOs regarding their current provider notification practices and has requested that MCOs implement date and timestamp functionality for policies and notices posted to their websites to support transparency and verification of implementation timelines. DMS continues to recommend that providers ensure their contact information remains current with each MCO to ensure receipt of applicable provider communications.

Recommendation 3- The Behavioral Health TAC (BH TAC) recommends that MCOs be required to make any new Prior Authorizations available to providers immediately upon approval by DMS through email notification and by addition to the MCO's posted list of their current Prior Authorizations.

DMS Response- DMS recognizes the importance of timely communication when MCO policies change; however, DMS does not issue direct provider notifications for every MCO policy approval. The responsibility for communicating operational requirements, including PA processes, remains with the MCO as the entity responsible for administering the Medicaid managed care program and maintaining provider communications.

DMS's role is to review MCO policies and procedures for compliance with contractual, state, and federal requirements prior to implementation. DMS will continue to ensure that appropriate subject matter experts review MCO submissions and that approval decisions consider member access, provider impacts, and compliance requirements.

Once an MCO policy or PA process is approved by DMS, the MCO remains responsible for implementing the approved process and ensuring providers receive appropriate notification in accordance with contractual requirements, including applicable provider notification timeframes.