

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID
HOSPITAL CARE
TECHNICAL ADVISORY COMMITTEE MEETING

Via Videoconference
October 28, 2025
Commencing at 1 p.m.

Tiffany Felts, CVR
Certified Verbatim Reporter

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES

BOARD MEMBERS:

Russ Ranallo, TAC Chair
Lori Ritchey-Baldwin
Chris McClurg (not present)
Michele Lawless (not present)
Elaine Younce (not present)

1 MS. WASH: Hi, Russ, this is Barbara
2 Wash from the Department of Medicaid
3 Services. It is 12:58, and I'm still
4 clearing the waiting room.

5 MR. RANALLO: Good mor -- good
6 afternoon, I guess. Let's see.

7 MS. WASH: I only see you on here so
8 far, Russ.

9 MR. RANALLO: So I think -- I know
10 Elaine told me she couldn't be here, but I
11 thought the others could, but we'll see.
12 We'll give them a couple minutes here and
13 see what we got.

14 MS. WASH: Okay. Okay.

15 Okay, Russ, it is 1 p.m.

16 MR. RANALLO: Okay.

17 MS. WASH: I do believe I saw Lori on
18 there. Yep, I do see her.

19 MR. RANALLO: Hi, Lori. It's just
20 you and me right now. I know Elaine asked
21 me -- she couldn't be there, so we do not
22 have a quorum. We need one more. So we'll
23 --

24 MS. WASH: Now, I saw a Michelle, but
25 I wasn't sure.

1 MR. RANALLO: I think that's Michelle
2 -- you got Michelle Tyson from DMS.

3 MS. WASH: Yeah.

4 MR. RANALLO: Michelle Clark. I
5 don't see Michele Lawless.

6 MS. WASH: No, I don't. Do you want
7 to give it a minute or so, Russ? It's up to
8 you.

9 MR. RANALLO: Yeah, we'll give it --
10 we'll give it like a couple minutes, and
11 then we'll just get in the agenda without
12 any --

13 MS. WASH: Okay.

14 MR. RANALLO: -- valid
15 recommendations or approved minutes or
16 anything like that.

17 MS. WASH: Okay.

18 MR. RANALLO: All right, let's go
19 ahead and get started.

20 MS. WASH: Okay. Well, the waiting
21 room is clear, so.

22 MR. RANALLO: Okay, well we'll catch
23 up.

24 MS. WASH: Okay.

25 MR. RANALLO: Good afternoon.

1 October 28th, 2025, Hospital Technical
2 Advisory Committee. This is Russ Ranallo,
3 the CFO of Owensboro Health. Lori, you want
4 to introduce yourself. I know you're a TAC
5 member that's on the phone.

6 MS. RITCHEY-BALDWIN: Sorry, I was
7 trying to get off mute.

8 MR. RANALLO: Okay.

9 MS. RITCHEY-BALDWIN: Lori
10 Ritchey-Baldwin. I am the CFO for Saint
11 Elizabeth Healthcare in Northern Kentucky.

12 MR. RANALLO: Thank you. Okay, well,
13 we'll go -- we'll do the minutes next time
14 we have a quorum.

15 So we got new business. The first
16 one is this is kind of almost a revisit of a
17 discussion we had. We had a discussion --
18 we had multiple discussions about the -- I
19 think the appeal form that -- and we had an
20 issue with Passport at one point in time,
21 where if the -- as I understand it, if the
22 documentation didn't fit in the box, and
23 they said, you know, "We didn't have enough
24 room to put the information," and it said,
25 "see a" -- the provider would say, "see

1 attached sheet," those are getting rejected
2 saying, "not on the correct form."

3 I thought we had resolved that, but I
4 continue to get information that Passport is
5 still sending the notices that say, "not on
6 the correct form." I don't think -- you
7 know, what we understand is that they don't
8 have the ability to deny the review. We
9 just want to make sure that anything -- any
10 of the appeals are reaching the IPRO or are
11 they being turned away based on the Passport
12 language if, you know, Passport's saying
13 they're not on the correct form?

14 MS. WASH: I don't know if we have
15 anybody here from Passport.

16 MR. RANALLO: Well, can we take that
17 back? Can DMS take it? I mean, I just want
18 to make sure that, you know, if the
19 hospitals are submitting for external
20 reviews, and they're getting a notice back
21 "not on the correct form," again, I thought
22 we -- I thought we had cleared this with the
23 Cabinet and with DMS and Passport, but we're
24 still seeing those. I just don't -- I just
25 want to make sure that those are going

1 through to the IPRO and the IPROs are
2 reviewing those. So Passport, and, you
3 know -- so we need to get that answer from
4 Passport, and so I'm asking DMS to get it
5 for us.

6 MS. WASH: Don't know if anybody here
7 from DMS would respond to that. If not, I
8 could bring it back, Russ.

9 MR. RANALLO: Okay, thank you.

10 MS. WASH: Mm-hmm.

11 MR. RANALLO: The second issue, we've
12 got prepayment reviews. So as I understand
13 it, and I think, Lori, you guys are
14 experiencing this, WellCare is putting
15 claims on what the hospitals perceive as
16 prepayment reviews as an Optum program, and
17 being told it's being hit for fraud, waste,
18 or abuse. We -- the hospitals aren't being
19 told what is triggering the reviews, and so
20 it's kind of going through the way OIG
21 safeguards around prepayment reviews from
22 our view. WellCare promised a suite of
23 reports. Did not -- we did not get those
24 the way we expected them. It was just a
25 training to pull down different additional

1 information from Optum.

2 So I know this has been discussed in
3 the MCO arena with our biweekly calls. We
4 can't have -- we can't have payers put the
5 providers on prepayment review without
6 reasons, without going through a process.
7 There has to be a reason, there has to be
8 samples, or it has to -- you can't just
9 review every claim or put a group of claims
10 on a prepayment review for no reason.

11 Rosmond, you want to add anything to
12 that or what you heard?

13 MS. DOLEN: I think you covered it,
14 Russ. I mean, I know that, you know, it is
15 a tremendous effort, and, you know, we want
16 to thank WellCare really for trying to pull
17 the suite of reports together, but it just
18 doesn't close the loop in terms of
19 information that the hospitals have
20 expressed concerns about. As you mentioned,
21 looking at the, you know, reasons for the
22 prepayment review, and getting all of those
23 safeguards from the OIG as well for
24 prepayment review.

25 MR. RANALLO: Anyone from WellCare?

1 MS. DAVIS: Yes, hi, Russ. This is
2 Cathy Davis with WellCare. We can
3 definitely take this as a follow-up item. I
4 would like to -- and I can connect with
5 Rosmond or if you have a specific facility
6 -- to get some more detail about what the
7 facilities are looking for in the suite of
8 reports that is not there.

9 MR. RANALLO: Okay. As I understand
10 it, what I was told is that it's -- the
11 reports that were given were really just
12 training to get information from -- you
13 know, to try to pull down information from
14 Optum, right? And I guess my expectation
15 would be Optum would be pushing it out, or
16 the MCO pushes it out, right? I mean, if
17 it's truly prepayment, it should be similar
18 to what we get from Medicare, right? It's
19 -- you've got -- we've noticed this issue or
20 this outlier; here's what it is, we're going
21 to do sampling, we're going to do this,
22 these reviews, and then you come back and
23 say, "Here's the results of the reviews."
24 And then there's a discussion period where
25 there's education, and the whole idea is to

1 try to address it so that you're not on
2 prepayment review. It can't be an
3 evergreen, and that's what I'm kind of
4 hearing from some of the providers. They
5 feel like it's an evergreen. They don't
6 understand why they're never -- you know,
7 they don't know how they -- to get out of
8 it. They don't know -- really, some of them
9 don't know what the issue is and how they've
10 been put on it. So just trying to -- trying
11 to build some transparency on what's going
12 on and how we address it.

13 MS. DAVIS: Absolutely. We can -- I
14 will take that as a takeaway. If any
15 facility has -- wants to reach out with
16 specific questions, we can gladly do that,
17 and then we can connect offline about the
18 suite of reports and exactly what we're
19 looking for.

20 MR. RANALLO: Okay, thank you, Cathy.

21 (Ms. Dudinskie speaks on mute).

22 MR. RANALLO: Jennifer, you're
23 talking -- I don't know if you're talking to
24 us, but you're on mute.

25 MS. DUDINSKIE: I am off mute; can

1 anybody hear me?

2 MR. RANALLO: Okay, I can hear you
3 now, yes.

4 MR. RANALLO: Okay, I was -- that's
5 weird, but -- so I'm Jennifer Dudinskie.
6 I'm the division director for the Division
7 of Program Integrity with Medicaid.

8 MR. RANALLO: All right.

9 MS. DUDINSKIE: So I haven't heard
10 anything about any prepayment issues. I
11 don't know if you're speaking just of
12 WellCare issues, or if there's other MCOs
13 that you're having issues with as well. But
14 any of the prepayment reviews, just for
15 informational purposes, those have to come
16 through the department, and we actually
17 approve what the MCO is wanting to do for
18 that prepay, so there is a formal process
19 that has to be followed. So they will
20 submit that to us. We have two different
21 groups that review that and approve it. So
22 if there is anything that we can do to help
23 kind of mediate a situation, you can reach
24 out to me and I'm happy to try to help
25 navigate maybe what the problems are. And

1 I'll put my email address in the chat.

2 MR. RANALLO: Okay.

3 MS. DUDINSKIE: Again, I don't know
4 specifics. I don't -- this is not something
5 that's come to my attention before, but I
6 will put my email address in the chat for
7 you, and if there's anything I can do to
8 help if you're, you know, unable to make any
9 headway, I'll be happy to try to help.

10 MR. RANALLO: Okay, that's great. I
11 appreciate that. I think --

12 MS. DUDINSKIE: Sure.

13 MR. RANALLO: Yeah, and I don't think
14 that they've gone through the prepayment
15 reviews, but the perception is that they're
16 -- it's performing like a prepayment review
17 in the providers' viewpoint. So okay, I
18 appreciate that. Thank you, Jennifer.
19 We'll get information out to those and try
20 to resolve this.

21 Okay, the SB 20 backlog, I just I
22 think still wanting to keep this on there.
23 I asked for an update. I think -- I know we
24 had -- you know, the last time I heard, I
25 think we had 2,500 pending cases. I know I

1 continue to get requests from some MCOs
2 asking for refunds on things that are still
3 in the process. Trying to -- wanted to see
4 -- I know that we had some that were missing
5 acknowledgment. I know there were several
6 that had missing acknowledgment, missing
7 determination letters. I'm trying to -- I'm
8 trying to look at the notes that I have.
9 Any progress on the backlog that we know?

10 MS. WASH: I don't see anybody,
11 unless somebody's trying to come off of
12 mute.

13 MR. RANALLO: Okay.

14 MS. WASH: I could bring that back.

15 MR. RANALLO: Yep, that's fine.

16 MS. WASH: I'll bring it back, Russ.

17 MR. RANALLO: Thank you.

18 MS. WASH: Mm-hmm.

19 MR. RANALLO: So I think the
20 behavioral health items.

21 MS. EISNER: I have an update on some
22 of those, Russ.

23 MR. RANALLO: Yep. Thank you, Nina.

24 MS. EISNER: Yes, the DMS provider
25 notice, that was where the providers were

1 waiting for communication from DMS
2 authorizing telehealth for PHP and IOP. On
3 our DMS KHA call on 10/17/25, Justin
4 Dearinger, we asked him about whether or not
5 there was going to be a provider notice
6 coming out. We've been asking for this for
7 over a year and a half, and I reminded him
8 that the Commissioner back in January of
9 '24, had said that CMS had approved that
10 telehealth for PHP IOP. And so Justin said
11 that providers should go ahead and proceed
12 with that service delivered in that way, and
13 that if there were any denials, we should
14 let him know.

15 MR. RANALLO: Okay.

16 MR. DEARINGER: Hello, how are you?

17 MR. RANALLO: Hi, Justin.

18 MR. DEARINGER: Good. Is there --

19 MS. EISNER: Hey, Justin.

20 MR. DEARINGER: Is there anybody from
21 behavioral health on?

22 MS. STALEY: Hi, this is Sherri. I'm
23 here.

24 MR. DEARINGER: Sherri, do you know
25 if that -- if that notice went out, or if

1 we're still -- I can't -- I couldn't
2 remember where we're at with it.

3 MS. STALEY: I think we were waiting
4 on the updated CMS guidance since they had
5 just released something new, and we're
6 trying to get confirmation from them. So
7 yeah, the issue was figuring out the exact
8 dates that those things were rescinded, and
9 then just making sure we have the most
10 updated guidance from CMS.

11 MS. EISNER: Thanks, Sherri. You
12 know, we still, I think, have an issue
13 regardless of what CMS comes out with now.
14 We've got the retroactive issue of not being
15 able to provide that service since January
16 of '24. And so I hope that we can get some
17 resolution on this, it's been on the agenda
18 forever. And so I've gone ahead and told
19 the UHS hospitals, at least, what I heard on
20 that call on the 17th, but we need to let
21 the whole behavioral health community know
22 what the answer is. Thanks, Sherri.

23 MS. STALEY: Sure.

24 MR. DEARINGER: Yep. Thank you,
25 Ms. Staley. As soon as we find out, get

1 confirmation back, I'll have to check on
2 that, I can't remember. I know we'd sent
3 that to CMS several times. I think they
4 are -- they've been extremely limited in
5 their communication with us due to this
6 shutdown, so --

7 MS. EISNER: Sure.

8 MR. DEARINGER: -- I'll check back
9 again today and see if we got any response
10 back. I know we got a very limited, vague
11 response the first time we asked for more
12 clarification, and I think we may still be
13 awaiting that, so.

14 MS. EISNER: Okay.

15 MS. DOLEN: Just to clarify, is the
16 guidance still to go ahead and follow
17 through with what we heard in our DMS call
18 and let providers know that they can provide
19 the service? I just want to be clear.

20 MR. DEARINGER: It is. There are --
21 you know, I think that's why we're hesitant,
22 that's why we've been waiting. You know, we
23 had -- I mean, there were so many changes.
24 So initially, you know, we had the public
25 health emergency where we were able to

1 utilize those benefits, and then CMS came
2 back after the public health emergency with
3 information saying, "now you can't do that."
4 And then they made a change, later they came
5 out with more information, and Commissioner
6 Lee confirmed it saying, "Okay, now you
7 can," but then they also came out with
8 guidance recently that was very conflicting
9 because they, you know, removed that -- or
10 they let lapse that one provision that they
11 were using to allow that to -- us to use
12 telehealth for that.

13 So, you know, it's one of those
14 things where, you know, we could for a while
15 right after Commissioner Lee confirmed it.
16 I think what is the stressor is what are the
17 dates. What are the dates that we could,
18 what are the dates that we couldn't? That's
19 what we're trying to confirm and put with
20 you all in a letter. So at the time we
21 talked about it, yes, you could absolutely
22 provide those services. Right now can you?
23 You know, that's what we're trying to find
24 out.

25 So, you know, we have to follow

1 federal guidance, you know, first, and so
2 that's why we haven't put out any provider
3 notice yet, and that's -- we're just trying
4 to get the dates exact. So once we have
5 that, we can give those to you all. And,
6 you know, I know that -- I know it's muddy
7 and convoluted, and we're trying our best to
8 get some precise -- and normally we would
9 already have that. But when the government
10 shut down, CMS's communication shutdown with
11 it. Not in everything, but definitely, it
12 seems in this instance. So as soon as we
13 know, you will know.

14 MS. DOLEN: Okay, well, we thought we
15 knew previously --

16 MS. EISNER: Yeah.

17 MS. DOLEN: -- in the meeting. So I
18 just -- you know, what we discussed is that
19 we have an approved -- we have an approval
20 and have had for some time, but the fear is
21 that if those services are provided without
22 an official memorandum from the department
23 rescinding that previous guidance, that the
24 MCOs will not pay for the service. So based
25 on what we heard, the direction was to

1 follow that approval and go ahead and
2 provide the service, and that if the MCOs
3 did not pay for it, they should reach out to
4 you.

5 MR. DEARINGER: That was correct at
6 the time, and then we were -- now, you know,
7 again, we're trying to find out whether this
8 recent development has allowed us not to do
9 that. What -- do you remember, Sherri, what
10 date that expired? I don't have that in
11 front of me.

12 MS. EISNER: Well, the --

13 MS. STALEY: I'd have to look.

14 MR. DEARINGER: There was a --

15 MS. EISNER: -- the affirmation from
16 Commissioner Lee was January of 2024.

17 MR. DEARINGER: That's correct, but
18 there was an expiration date federally that
19 they let lapse.

20 MS. STALEY: I think it was, like May
21 2024. I will look for the current CMS
22 guidance. It's on the CMS webpage, and --

23 MR. DEARINGER: Yeah.

24 MS. STALEY: -- send it so you guys
25 have it and can look at it for yourself.

1 Like Justin said, it's confusing. It
2 doesn't lay it out clearly, and we just are
3 wanting to make sure that we're giving you
4 the correct information from CMS.

5 MR. DEARINGER: Yeah, we had several
6 months --

7 MS. EISNER: Yeah, because --

8 MR. DEARINGER: -- there where we
9 were -- where we had some clear guidance,
10 and, you know, it was acceptable to use to
11 move forward. And then -- you know, then
12 CMS had come out with some muddied guidance
13 after that. And so yeah, I think it seemed
14 like it was in September maybe, Ms. Dolen,
15 something like that, when something came out
16 from them that was even more -- when we had
17 reached out to CMS, and it was even more
18 muddy. So --

19 MS. EISNER: Yeah, it's unfortunate,
20 because in the meantime, there are a lot of
21 patients --

22 MR. DEARINGER: Sure.

23 MS. EISNER: -- particularly in
24 remote locations who could benefit from the
25 service who haven't been getting it, and who

1 now are getting it. So hopefully, we'll
2 find out soon because otherwise, the
3 hospitals could be at risk.

4 MR. DEARINGER: Well, we're doing
5 every --

6 MS. EISNER: Thank you.

7 MR. DEARINGER: Yeah, we're doing
8 everything we can, so as soon as we know,
9 you all will know.

10 MS. DOLEN: Yeah --

11 MS. EISNER: Thank you.

12 MS. DOLEN: -- thank you so much.
13 Just to be accurate on the dates, I think it
14 was September 30th when the telehealth
15 flexibilities lapsed due to --

16 MR. DEARINGER: I believe that's
17 correct.

18 MS. DOLEN: -- the government shut
19 down, but the meeting --

20 MR. DEARINGER: So --

21 MS. DOLEN: -- that we had with you,
22 Justin, was October 17th.

23 MR. DEARINGER: Okay. Of 20 --

24 MS. DOLEN: A couple weeks ago.

25 MS. EISNER: Just a couple weeks ago.

1 MR. DEARINGER: Okay.

2 MS. EISNER: Yeah.

3 MR. DEARINGER: All right.

4 MS. EISNER: Okay. And Russ, on the
5 next item, I think it's IMD not IMD PHP.

6 MR. RANALLO: Yep, I think you're
7 right.

8 MS. EISNER: Yeah, so the IMD issue,
9 as you all know, varies by MCO. And the
10 IMD, for those that may not be familiar, is
11 the Institutes for Mental Disease. Back in
12 the 1960s, where the federal government
13 came out and said that patients -- Medicaid
14 patients between the ages of 21 and 64 could
15 not be cared for in a freestanding
16 psychiatric hospital. And then over these
17 many, many years, that has been approved by
18 CMS under certain conditions, the MCOs could
19 provide -- or could approve and pay for IMD
20 services.

21 What we have now is a great variation
22 by MCO. Some will pay 15 days in a month,
23 and it's -- the language is, if care
24 exceeded 15 days in a month, it could be
25 denied. And so some MCOs are going by, you

1 know, what we believe is a different
2 interpretation, and if it's 15 days in a
3 month, they'll pay just the 15 days and no
4 more. Some say that if it's greater than 15
5 days in a month, they'll pay nothing, and
6 then others say if it's greater than 15
7 days, they'll pay the 15 and then upon
8 clinical review, they may authorize
9 additional payment.

10 So I believe, Rosmond, if I'm not
11 correct, I think we're waiting on an
12 interpretation of that from DMS so that we
13 can get everybody on the same page.

14 MS. DOLEN: That's correct, we are
15 awaiting an interpretation.

16 MS. STALEY: And we are also reaching
17 out to them -- to CMS, again, about
18 clarification regarding the new 60-day
19 policy that we're looking at for SMI 1115.
20 So those were the exact questions we asked.
21 If they say 61 days, does that nullify the
22 entire stay? If they, you know, stay less
23 than 60, those can be paid by the MCO.
24 Those will no longer be in lieu of service.
25 Currently, those are set up as in lieu of

1 service, and so the MCOs can voluntarily
2 choose to pay those. They are not mandated
3 to pay those, so I think that's what's been
4 the issue.

5 But yes, we have asked CMS to please
6 give us guidance about if they stay 61 days,
7 does that nullify the entire stay. We
8 believe it does because it's just the
9 short-term stays, and making sure that if
10 the MCOs are paying, they are, you know,
11 aware of all of those rules as well.

12 MS. EISNER: I've never heard 60
13 days, ever.

14 MS. STALEY: Well, that's for the new
15 one, right? For the SMI 1115. So we are
16 reaching out about that for questions, but
17 it would help us understand the current
18 15-day rule because it would be the same
19 advice. The -- what we've been told is that
20 we have to maintain -- we can't have an
21 average of more than 30 days with the new
22 1115 I'm talking about, and so we have to
23 keep track of the statewide average of
24 lengths of stay, and so we're working on
25 reports to be able to do that.

1 MS. EISNER: Now I'm even more
2 confused.

3 MS. STALEY: So the 15 days is what
4 you guys are currently dealing with --

5 MS. EISNER: Right.

6 MS. STALEY: -- and that's in lieu of
7 services. So --

8 MS. EISNER: What does that mean, "in
9 lieu of services"?

10 MS. STALEY: I don't know how to
11 really explain it. Federal managed-care
12 regulations, 42 CFR 438.3, allows MCOs to
13 cover short-term IMD stays as an in lieu of
14 service.

15 MS. EISNER: Uh-huh.

16 MS. STALEY: Under this provision, an
17 MCO may elect, but is not required, to treat
18 inpatient IMD services up to 15 days per
19 month as an alternative to a covered
20 inpatient hospital stay. The state Medicaid
21 agency may authorize the use of IMDs under
22 an approved in-lieu-of-service policy but
23 cannot compel MCOs to contract with or
24 reimburse IMDs. Kentucky's managed-care
25 contract allows IMDs as an in-lieu-of

1 setting.

2 MS. EISNER: That language I am
3 familiar with, so.

4 MR. RANALLO: All right, anything
5 else on that?

6 MS. EISNER: No. Can --

7 MR. RANALLO: So the PHP, I thought
8 -- and maybe I meant IOP. I heard the IOP
9 with Anthem issue.

10 MS. EISNER: Where we have PHP IOP
11 telehealth issues, which we've already
12 discussed.

13 MR. RANALLO: Okay.

14 MS. EISNER: So.

15 MR. RANALLO: All right. The Anthem
16 issue not being counted on a rolling week,
17 that's been addressed? That's done?

18 MS. EISNER: Oh, yeah, and well, the
19 other thing that came up on the IMD of 15
20 days, is on our MCO calls on the 17th, there
21 was a hospital who got a patient who had
22 been in prior treatments somewhere, and they
23 tried to identify how many days of care had
24 already been provided, and the MCO wouldn't
25 provide that information because they said

1 it was HIPPA. And the hospital didn't need
2 to know whether or not -- who the patient
3 was or even where they were, just how many
4 days of care had been provided. And so
5 that's just one more thing as we proceed
6 with clarifying this issue. Hospitals need
7 to be able to contact the MCO and identify
8 if care has already been provided somewhere
9 else, and if so, how many days.

10 MS. WASH: Justin has his hand
11 raised.

12 MR. RANALLO: Justin?

13 MR. DEARINGER: Yes. So going back
14 to the partial hospitalization issue, are
15 you all getting claims denied?

16 MS. EISNER: Well, very few hospitals
17 that I know of have done it, but the ones
18 that have, have not had a claims denied.

19 MR. DEARINGER: Okay, just making
20 sure.

21 MS. EISNER: Yeah.

22 MR. DEARINGER: Because I think I did
23 tell you all that if you -- if you have
24 claims denied, then send it to me --

25 MS. EISNER: Yes.

1 MR. DEARINGER: -- because you all
2 did -- somebody received an email from
3 Commissioner Lee.

4 MS. EISNER: Yes.

5 MR. DEARINGER: Okay? And we
6 haven't -- we haven't sent any official
7 guidance. Unless you've gotten an email
8 from Commissioner Lee, Deputy Commissioner
9 Judy Cecil, Deputy Commissioner
10 Dr. Hoffmann, or one of the other directors,
11 then that was the last guidance you all
12 received.

13 MS. EISNER: Yes, sir, that's
14 correct.

15 MR. DEARINGER: Okay.

16 MS. EISNER: Mm-hmm.

17 MR. DEARINGER: So that's the
18 guidance you need to go by. I just wanted
19 to kind of clarify.

20 MS. EISNER: Yes.

21 MR. DEARINGER: But I also wanted to
22 explain, so that you know -- I did see the
23 text or the message that's -- you know, I
24 don't want to talk out both sides of my
25 mouth. We'll still support that guidance if

1 y'all have any denials, but, you know,
2 because of the dates and we're making sure
3 we try to get everything exactly correct,
4 that's why we haven't had that clarification
5 for an actual, you know, provider letter
6 yet.

7 MS. EISNER: So it sounds like --

8 MR. DEARINGER: I hope that clarifies
9 a little bit.

10 MS. EISNER: Yeah, we just proceed
11 until we hear otherwise.

12 MR. DEARINGER: That's correct. You
13 proceed with the last guidance that you've
14 received.

15 MS. EISNER: Thank you.

16 MR. DEARINGER: You're welcome.
17 Sorry, it was -- you know, if I was
18 confusing before.

19 MS. EISNER: It's okay.

20 MR. RANALLO: All right, are you
21 good? You okay?

22 MS. EISNER: Yes, sir. Yes, sir.

23 MR. RANALLO: Okay, thank you.

24 MS. EISNER: Okay, mm-hmm.

25 MR. RANALLO: All right, going into

1 denials. The first one, newborn prior-auth.
2 So we've got a couple issues here. We've
3 got -- we have several instances with
4 multiple MCOs where newborn claims are
5 denying in total, in whole, because they
6 have -- because the DRG, diagnosis related
7 group, it's a diagnosis-based system,
8 diagnosis goes to a DRG that is not
9 necessarily a normal newborn. And there was
10 no NICU stay on the bill, or the hospital
11 didn't have a Level 2 NICU, and so the MCOs
12 are denying newborn claims in total. They
13 shouldn't be able to deny newborn claims.
14 And again, they shouldn't be able to deny a
15 claim saying that "You didn't have an
16 accommodation code and that's the reason why
17 we're not going to pay you." Like I said, I
18 have a surgery, an open-heart, and I didn't
19 have critical care or ICU or CCU stay, then
20 you don't get that -- you know, you didn't
21 do that -- you don't get that DRG. It's
22 becoming an issue, and we need somebody from
23 DMS to help navigate it because it's a
24 problem.

25 MS. WASH: So Chelsea has her hand

1 raised.

2 MR. RANALLO: Chelsea?

3 MS. AGEE: Hi, yes, good afternoon,
4 everyone. Just wanted to update you all
5 that we have an internal meeting. It's
6 scheduled, actually, for tomorrow with our
7 medical director, our Division of Health
8 Care Policy, the Contract Monitoring Branch,
9 to discuss this issue and to make a
10 determination about the guidance that CMS
11 would give. So I don't have an update,
12 unless Justin has anything additional, but I
13 don't have an update for that today. I will
14 know tomorrow a little bit more after that
15 meeting takes place, though.

16 MR. RANALLO: Okay, can you --

17 MR. DEARINGER: No, I do want to let
18 you all know that we did review that. We
19 read multiple cases, and we're going to talk
20 about it internally and then get back with
21 you all.

22 MR. RANALLO: Okay. Does that also
23 include where they're requiring an auth?
24 You know, all babies are retro, but we're
25 getting denials because say we didn't have

1 an auth on a baby that ends up being
2 something other than a normal newborn.

3 MR. DEARINGER: Yeah --

4 MS. AGEE: Yes.

5 MR. DEARINGER: -- I believe there
6 are several cases that were that way as
7 well.

8 MR. RANALLO: Okay. All right.

9 MS. DOLEN: And just -- I'm sorry,
10 I'm going to jump in, Russ, just for our DMS
11 partners. Do you have examples? It sounds
12 like you do, but I just wanted to make sure.

13 MR. DEARINGER: We do. We have
14 several examples.

15 MS. DOLEN: Okay, thank you.

16 MR. DEARINGER: If there are more,
17 though, that you think are outliers or that
18 we may need to look at, we are more than
19 happy to take a look at those, too.

20 MS. DOLEN: Well, we don't see the
21 examples because, you know, they're not
22 redacted, so as long as you have some, you
23 know --

24 MR. DEARINGER: We do.

25 MS. DOLEN: Perfect, thank you.

1 MR. DEARINGER: Okay.

2 MR. RANALLO: Okay, thank you.

3 All right, DRG downgrading, this is
4 an issue that's been on our list since May
5 of '24. In our most recent October meeting,
6 we had WellCare, as I understand it, pushing
7 back saying that they're not DRG downgrades,
8 they can't substantiate the DRG. So
9 WellCare is doing reviews and providing no
10 payment, and the hospitals are getting no
11 payment on an inpatient even though it's
12 been authorized. There's -- but there's
13 medical necessity. They're looking at it
14 saying, "Okay, if it's DRG 101, I can't
15 substantiate that." Typically, what happens
16 with the MCOs it is you -- there's a review,
17 and if there's a diagnosis that the MCO
18 disagrees with, they may propose a change in
19 the DRG based on a diagnosis that they don't
20 agree with. And then the hospital has
21 appeal rights. There's -- there's no
22 indication of fraud, waste, or abuse. The
23 hospital doesn't know what the difference
24 is. All they're being told is that WellCare
25 can't substantiate the hospital's DRG.

1 So again, this -- you know, it's a
2 full denial for something that was
3 authorized, and we can't -- we're spinning
4 our wheels, and we need DMS to help us
5 navigate it. So, DMS, how do we want to --
6 how do we want to attack this because it's
7 been there a long time, and we're getting
8 nowhere.

9 MS. WASH: So I believe Jeremy or
10 Chelsea, either one of you that are on?

11 MS. AGEE: Yes, I believe Jeremy
12 might be out today. If he's on, that's
13 fine, too, if he has anything to add, that's
14 fine.

15 We have -- so working with KHA, my
16 branch has been developing -- at the request
17 of the KHA, we've been developing a
18 reporting mechanism to get a handle on
19 understanding the DRG downgrades, the
20 percentages of -- you know, that this is
21 happening. We would like the MCOs to report
22 that information to us because we're trying
23 to identify, you know, like you're saying,
24 outliers, right? We're trying to identify
25 areas where we're seeing this excessively.

1 You know, it does take some time to
2 get reports developed and up and issued, so,
3 you know, that's been a little bit of a
4 challenge over the last couple of weeks.
5 But all that to say, this is something that
6 we are, you know, trying to understand,
7 trying to get a handle on, and trying to
8 determine, you know, what the best way to
9 assist you when you're getting these.

10 MR. RANALLO: So that--and I
11 appreciate that. I think the reason this is
12 a little different animal, WellCare is
13 saying they're not DRG downgrades.

14 MS. AGEE: Okay. Okay.

15 MR. RANALLO: They're saying they
16 can't substantiate the hospital's DRG, which
17 is new --

18 MS. AGEE: Right.

19 MR. RANALLO: -- and they're not
20 paying anything. So again, in a DRG
21 downgrade, which happens and occurs and
22 there's appeals and discussion. Again, if I
23 have an authorization for an inpatient, and
24 they -- and I bill a DRG 100, and the MCO
25 reviews the record and disagrees, they come

1 back and say, "We don't think this diagnosis
2 is substantiated, this is why. We think it
3 should be a DRG 101. We propose to pay a
4 101," and then we can appeal it. But we've
5 not had an MCO until this point say, "We're
6 not going to pay the authorized case at
7 all." I called for an authorization, got
8 the authorization for care because "we can't
9 substantiate your DRG."

10 MS. AGEE: Hm.

11 MR. RANALLO: It's -- and then them
12 not saying it's not a DRG downgrade, so it's
13 a pure denial. And again, you've got the
14 authorization, it's -- you know, so this is
15 a little different animal than just the DRG
16 downgrades.

17 MS. AGEE: Okay. And I just -- you
18 know, have there been any examples provided
19 to either the CMB branch or our Health Care
20 Policy branch, is anyone aware?

21 MR. RANALLO: I would --

22 MS. AGEE: For this -- for the new
23 issue. I know we've had some examples just
24 previously, just in general, about the DRG
25 downgrades, but since this is kind of a

1 newer issue that's popped up.

2 MR. RANALLO: I would ask Rosmond, do
3 we know if we've gotten examples to them?

4 MS. DOLEN: Hey, there. I'm checking
5 to see in our last log because I usually
6 like to document it there if we've sent
7 examples so that I can kind of track the
8 length of time on those. So let me pull
9 that log up really quickly, and I can either
10 respond in the chat, or I can pop on -- pop
11 off mute and give you a response.

12 MR. RANALLO: Okay. All right.
13 Well, we'll bring it back on later to see.
14 But Cathy, you got your hand up? Sorry.

15 MS. DAVIS: Yes. No problem, Russ.
16 I just wanted to clarify the -- we have one
17 facility we have been currently working
18 through these examples with, and we have not
19 closed that item. That is still an ongoing
20 effort with the University of Louisville, so
21 if there's other examples outside of that
22 facility, WellCare would like to see them.

23 MR. RANALLO: Okay. I will check.
24 Thank you, Cathy.

25 MR. DEARINGER: So are you all

1 getting denial reasons and appeal rights for
2 those?

3 MR. RANALLO: I can't --

4 MR. DEARINGER: Like you would a
5 normal denial?

6 MR. RANALLO: I can't -- I don't
7 believe so, but I can't answer that
8 question. What I understood was they -- the
9 hospitals are still asking what that -- what
10 the difference is, what can be
11 substantiated. They're not -- they're
12 not -- I don't believe they are.

13 MR. DEARINGER: Check and see.

14 MR. RANALLO: I will, I'll check and
15 see.

16 MR. DEARINGER: All right. It's
17 considered by us a denial, so they would
18 have to still do the reason for the denial,
19 and then you would have the right to appeal
20 that regardless of what they call it.

21 MS. DAVIS: Yeah, Justin, on the
22 examples I have reviewed to this point, they
23 have each received a letter on them --

24 MR. DEARINGER: Okay.

25 MS. DAVIS: -- outlining the denial

1 reason and the appeal rights.

2 MR. DEARINGER: Perfect, thank you so
3 much.

4 MR. RANALLO: Okay. All right.
5 Making line-item denials, we sent examples,
6 as I understand it, to DMS in August.
7 Wanted to know if anybody's looked at them
8 or had the opportunity to look at them.
9 Again, these are cases where the MCOs are
10 stripping out charges and excluding those
11 charges, either from a percent of charge
12 reimbursement, or an outlier calculation,
13 which impacts reimbursement.

14 MS. WASH: So I have gotten direction
15 that would either be Jeremy or Chelsea that
16 would respond to this.

17 MS. AGEE: I will have to take this
18 one back because I think Jeremy was actually
19 the one spearheading this item, so I'll need
20 to get an update from him. He was
21 unexpectedly out yesterday and today, so
22 apologies --

23 MR. RANALLO: Okay.

24 MS. AGEE: -- but I will get an
25 update from him and send that over to you

1 after the meeting today.

2 MR. RANALLO: Okay, I appreciate
3 that. Thank you.

4 MS. AGEE: Yep, no problem.

5 MR. RANALLO: All right, just making
6 notes.

7 E/M downcoding, so this kind of goes
8 into what Justin just kind of mentioned
9 that, you know, we're -- the hospitals are
10 experiencing E/M downcoding on the ED and on
11 E/M visits where we are not getting a
12 letter. So it's saying that a lower level
13 of care will be paid, they've determined
14 that -- the MCO has determined that is not a
15 Level 4, but it should be a Level 3. The --
16 we're not -- and it's going through the
17 remittance advice. So it's going through an
18 algorithm, or a computer program, or
19 something within the MCO, and hospitals
20 repeatedly are getting downcodes to their
21 E/M visits or ED-level visits through a
22 remittance advice with no letter, no
23 outlining of appeal rights, no reason, and
24 it's a denial. However you look at it, it's
25 a denial.

1 And I guess I'm looking from DMS to
2 weigh in because it does not -- it does not
3 allow a provider the ability to know why,
4 and I don't even think the MCO knows why in
5 some cases because they put it through a
6 computer program, and they are accepting
7 what's out of it. So toss it to black box,
8 and we don't have -- we don't have
9 justification or reasons why these are
10 occurring, and they're occurring a lot.

11 MS. AGEE: And this is happening --
12 sorry, this is Chelsea. This is happening
13 with multiple MCOs, right? This isn't one
14 particular MCO?

15 MR. RANALLO: Correct, this is not
16 one.

17 MS. AGEE: Okay, that's what I
18 understood.

19 MR. RANALLO: And we get flooded with
20 them, and I want to flood back appeals, and
21 I want to flood the Cabinet with complaints
22 and secondary reviews as much as I can, but
23 in order to start that process -- and I
24 will, I promise you I will. In order to
25 start that process, I gotta have at least a

1 reason, or a way to start it.

2 MS. AGEE: Yeah, I mean, absolutely.

3 And, you know, to your point, you can't
4 appeal if you're not clear on -- you know,
5 it's not really a denial, it's just, you
6 know, like you're saying, that it's just
7 downgrading it, so you don't -- your kind of
8 appeal rights are --

9 MR. DEARINGER: Well, it is a denial,
10 Chelsea, so --

11 MR. RANALLO: Well, yeah, it is a
12 denial, right?

13 MR. DEARINGER: Yeah.

14 MR. RANALLO: I billed X and they're
15 paying Y. So they've denied X and say,
16 "Well, I'm going to pay you Y," just like a
17 DRG downgrade.

18 MR. DEARINGER: That's correct. So
19 any denial, we still -- you know, we still
20 -- our expectation for any denial is that
21 you all will get a denial reason and an
22 appeal right regardless of what it's called,
23 regardless of what it's for, that's the
24 expectation. So if you're not getting that
25 from a specific MCO, let us know and we'll

1 talk to the MCO about that on that specific
2 case.

3 MR. RANALLO: Okay, I will do that.

4 MR. DEARINGER: Thank you, sir.

5 MR. RANALLO: Not a problem.

6 MS. ALEXANDER: And don't they always
7 base this saying that they've been given
8 directive by the department that they're not
9 supposed to pay for unnecessary emergency
10 room services, so that's their justification
11 for downcoding. And they don't look at
12 any --

13 MR. DEARINGER: Well, that's
14 what's -- it's different, though. So their
15 justification can be whatever, but they
16 still have to tell you what it is, and then
17 you still have to have an appeal right.

18 MS. ALEXANDER: Right, but they're
19 blaming it on you all that you all have this
20 directive.

21 MR. DEARINGER: That's okay.

22 MS. ALEXANDER: You got big
23 shoulders, right?

24 MR. DEARINGER: Yeah.

25 MS. ALEXANDER: Yeah, yeah. And

1 they're doing that without looking at them.

2 MR. DEARINGER: And sure, I mean, we
3 do. That is part of their job, you know, is
4 to make sure that there aren't unnecessary
5 emergency room visits. I mean, that's --
6 they're 100 percent correct on that, but we
7 still --

8 MS. ALEXANDER: And with their -- I
9 would suggest that with their algorithms, if
10 they -- they would know who is over-coding.
11 They should know that, and that's the people
12 they ought to go after instead of making
13 everybody else submit medical records to
14 prove what we did was right. If they have
15 somebody that's an outlier, go after the
16 outlier.

17 MR. RANALLO: We will -- we'll get
18 you that information, Justin, I appreciate
19 it. Thank you.

20 MR. DEARINGER: Thank you, sir.

21 MR. RANALLO: All right, any other
22 items? Rosmond, did you find the -- did we
23 give examples?

24 MS. DOLEN: I see where Chelsea had
25 requested examples, and I believe that they

1 were going to come from U of L, Danette
2 Warford, so I think she was going to share
3 those with you, Chelsea. If she did not,
4 I'm going to email her after this and remind
5 her to send those over to you.

6 MR. RANALLO: Okay. Thank you.

7 Any --

8 MS. AGEE: Sorry, I was trying to get
9 off mute. I apologize; I couldn't find the
10 button quick enough.

11 Thank you, Rosmond. I do not -- I
12 searched for Danette's name in my inbox. I
13 do not show anything received within the
14 last few weeks, so if you don't mind to let
15 her know to send those over, I'll definitely
16 take a look.

17 MS. DOLEN: Sure, I think they
18 probably would've been sent secure because
19 they've got PHI on them.

20 MS. AGEE: Okay.

21 MS. DOLEN: But I'll need to check.
22 I'll shoot her a note and copy you on it,
23 and that way, you guys will be connected.

24 MS. AGEE: Okay, thank you so much.

25 MR. RANALLO: Okay. Any other items

1 general discussion? Lori, you have
2 anything?

3 MS. RITCHEY-BALDWIN: Nothing
4 further.

5 MR. RANALLO: Okay. No
6 recommendations today, no quorum to do
7 recommendations anyway.

8 MAC meeting representation, I will be
9 there. The MAC has changed a little bit,
10 and so the only report outs from the TACs,
11 as I understand it, will just be
12 recommendations and those discussions based
13 on other agenda items that they're mandated
14 to take care of.

15 Our next meeting is December 30th.
16 It's a Tuesday, I believe, of 2025. And if
17 there is nothing else, we will adjourn for
18 the day. Appreciate everybody's time.
19 Thank you.

20 MS. RITCHEY-BALDWIN: Thank you.
21 (Meeting adjourns at 1:52 p.m.)

22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

* * * * *

C E R T I F I C A T E

I, TIFFANY FELTS, Certified Verbatim Reporter, hereby certify that the foregoing record represents the original record of the Technical Advisory Committee meeting; the record is an accurate and complete recording of the proceeding; and a transcript of this record has been produced and delivered to the Department of Medicaid Services.

Dated this 6th day of November, 2025.



Tiffany Felts, CVR