

**NOTICE OF KENTUCKY DEPARTMENT FOR MEDICAID SERVICES  
PUBLIC HEARINGS AND COMMENT PERIOD FOR  
§1115 DEMONSTRATION WAIVER**

Pursuant to 42 CFR 431.408, notice is hereby given that the Kentucky Department for Medicaid Services will provide the public the opportunity to review and provide input on a §1115 demonstration waiver that will be submitted to the Centers for Medicare and Medicaid Services (CMS) to implement Kentucky HEALTH. This notice provides details about the waiver submission and serves to open the 30-day public comment period, which closes on Friday, July 22, 2016 at 5:00 p.m.

In addition to the 30-day public comment period in which the public will be able to provide written comments to the agency via the US postal service or electronic mail, the Commonwealth will also host two public hearings in which the public may provide verbal comments directly to the Agency. The public hearings will be held on the following dates and times at the following geographically distinct locations:

**Tuesday, June 28, 2016, 10:00 AM – 12:00 PM (CST)**

Western Kentucky University  
Knicely Conference Center Auditorium  
2355 Nashville Road  
Bowling Green, KY 42101

**Wednesday, June 29, 2016, 1:00 PM – 2:00 PM (EST)**

Advisory Council for Medical Assistance (MAC) Special Meeting  
Kentucky Capitol Annex  
702 Capital Avenue  
Frankfort, KY 40601

**Wednesday, July 6, 2016, 11:00 AM – 1:00 PM (EST)**

Hazard Community and Technical College Campus  
Room 208, Jolly Classroom Center  
1 Community College Drive  
Hazard, KY 41701

Prior to finalizing the proposed waiver, the Commonwealth will consider all of the public comments received during the public comment period, both written and verbal. The comments will be summarized and addressed in the final draft of the waiver to be submitted to CMS.

**WAIVER PROPOSAL SUMMARY**

The §1115 demonstration waiver seeks to secure the long-term viability of Medicaid expansion in Kentucky, and introduce reforms intended to tailor the program to a non-disabled working-age adult population. The §1115 demonstration waiver creates an innovative, transformative healthcare program designed to not only improve health outcomes for members, but also improve their overall quality of life by addressing some of the underlying social determinants of health and helping to break the cycle of poverty. The §1115 demonstration waiver includes the

creation of the Kentucky HEALTH program and introduces comprehensive delivery system reforms targeting substance use disorder (SUD), chronic disease management, and managed care to improve quality and outcomes.

Kentucky HEALTH offers eligible individuals two pathways to coverage: (i) an employer premium assistance program, which assists individuals in purchasing their employer-sponsored health insurance plan; and (ii) a consumer-driven health plan option, which offers members a high-deductible health plan with commercial market benefits.

1. Employer Premium Assistance Program: Members who currently have access to health insurance through their employer will have the option to enroll their family into their employer-sponsored health insurance plan. Participation in the premium assistance program in lieu of the standard Kentucky HEALTH consumer driven health plan is optional during their first year of enrollment, but mandatory after the member's second year of eligibility, provided the member has been employed with their employer at least one year. The employer premium assistance program will subsidize the member's employer-sponsored health insurance plan.
2. Consumer-Driven Health Plan: This innovative, transformative healthcare program introduces commercial market health insurance features and encourages members to become active consumers of healthcare. Kentucky HEALTH will be managed through a managed care delivery system and will offer a new benefit package modeled after the Kentucky State Employees' Health Plan, while maintaining current mental health and substance use disorder benefits. In addition, Kentucky HEALTH provides a consumer-driven, high-deductible health plan paired with two member controlled healthcare spending accounts: (i) the deductible account, to cover deductible expenses; and (ii) the *My Rewards Account*, to accrue savings and earned incentive dollars that can be used to purchase enhanced benefits not covered in the base benefit package.

Kentucky HEALTH is designed to improve member health, prepare them for employment, and provide them with the tools to successfully transition to commercial market insurance coverage. First, the program focuses on engaging people to improve their overall health and wellbeing by creating incentives for preventive care, participation in disease management programs, and healthy lifestyles. Second, the program embraces commercial market policies and principles to familiarize participants with commercial market coverage by requiring member premiums and establishing an open enrollment period. Finally, the program actively assists members in transitioning to commercial market insurance coverage by requiring participation in minimum community engagement activities, incentivizing employment, and rewarding members who are successfully able to obtain employment and commercial health insurance for at least eighteen months.

## **GOALS & OBJECTIVES**

The Kentucky HEALTH seeks to comprehensively transform Medicaid and accomplish the following goals:

1. Improve participants' health and help them be responsible for their health;

2. Encourage individuals to become active participants and consumers of healthcare who are prepared to use commercial health insurance;
3. Empower people to seek employment and transition to commercial health insurance coverage;
4. Implement delivery system reforms to improve quality and outcomes; and
5. Ensure fiscal sustainability.

## **ELIGIBILITY**

Kentucky HEALTH is designed specifically for able-bodied working age adults and their families. Currently, the Commonwealth has expanded Medicaid to cover this new adult group up to 138% of the federal poverty level (FPL). This expansion will be maintained through Kentucky HEALTH. In addition, the Commonwealth will seek to transition all other non-disabled adult Medicaid recipients to Kentucky HEALTH. Finally, Kentucky HEALTH will seek to provide seamless coverage for families by including children covered under the KCHIP program.

Kentucky HEALTH will include the following eligibility categories:

- Individuals eligible in the new adult group pursuant to Section 1902(a)(10)(i)(VIII) of the Social Security Act (the Act);
- Low-income parents and caretaker relatives pursuant to Section 1931 of the Act;
- Individuals eligible for transitional medical assistance pursuant to Section 1925 of the Act;
- Women eligible in the pregnant women category;
- Newborn children;
- Medicaid eligible infants and children under age 19; and
- Children eligible under Title XXI CHIP Program.

Kentucky HEALTH may also affect member eligibility due to the introduction of several commercial market policies as well as the community engagement and employment initiative.

- Commercial Market Policies: Similar to the commercial health insurance market, individuals determined eligible for Kentucky HEALTH (excluding children and pregnant women) will be required to make their first month's required premium payment (as described in the Cost Sharing section below) prior to the start of benefits. Notwithstanding the foregoing, individuals with income at or below 100% FPL who do not make an initial premium payment within sixty calendar days from the date of the invoice, will begin benefits but subject to the non-payment penalty described below in the "Member Cost Sharing" section of this notice. In addition, Kentucky HEALTH will establish a client-specific open enrollment period. That is, if an individual is disenrolled from the program in accordance with current practice for failing to comply with annual eligibility redetermination requirements, the individual will be required to wait six months for a new open enrollment period. This policy will educate members of the importance of meeting commercial health insurance market open enrollment deadlines. Members may rejoin the program at any time prior to the six-month date by completing a financial or health literacy course.
- Community Engagement & Employment Initiative: To further the goal of helping members transition to commercial health insurance coverage, Kentucky HEALTH will implement a

community engagement and employment initiative. After three months of program eligibility, all able-bodied working age adult Kentucky HEALTH members will be required to participate in a community engagement activity, such as volunteer work, employment or job training, and job search activities. To help transition members into this requirement, the hour requirement will gradually increase to require at least twenty hours of community engagement activities each week after the first year. Children, pregnant women, individuals determined medically frail, and individuals who are the primary caregiver of a dependent will be exempt from this requirement.

**Escalated Community Engagement & Employment Hours**

Eligibility Period	Required Engagement Hours
1-3 months	0 hours per week
4-6 months	5 hours per week
6-9 months	10 hours per week
9-12 months	15 hours per week
12+ months	20 hours per week

**ENROLLMENT & FISCAL PROJECTIONS**

It is anticipated that enrollment in Kentucky HEALTH will fluctuate for a variety of reasons, including program non-compliance. Members may have health coverage temporarily suspended for not meeting the community engagement and employment initiative requirements or for failing to pay required monthly premiums. However, all individuals will have the opportunity to regain coverage at any time through compliance with the community engagement requirements, or by completing a health or financial literacy class and paying premiums. In addition, initial enrollment may fluctuate as individuals with little to no claims activity choose to leave the program rather than pay premiums, however, over time this will settle as individuals become familiar with the advantages of the program. Finally, in later demonstration years, more participants are expected to transition to commercial coverage.

The following table illustrates the State’s enrollment projections by total member months.

**Estimated Enrollment Projections**

Year	Without Waiver	KENTUCKY HEALTH	Difference
1 (2017)	14,070,000	13,856,000	(214,000)
2 (2018)	14,319,000	13,895,000	(424,000)
3 (2019)	14,576,000	13,945,000	(631,000)
4 (2020)	14,840,000	14,007,000	(833,000)
5 (2021)	15,111,000	14,080,000	(1,031,000)

*Note: Values shown have been rounded and represent member months.*

Over the five-year demonstration period, Kentucky HEALTH will save a total of approximately \$2.2 billion. The table below provides the estimated State and federal costs divided by year.

### Estimated Fiscal Projections

Demonstration Year	Expenditures			State Share of Expenditure Difference
	Without Waiver	Kentucky HEALTH	Difference	
1 (2017)	\$ 6,458,700,000	\$ 6,332,300,000	\$ (126,500,000)	\$ (15,500,000)
2 (2018)	\$ 6,918,700,000	\$ 6,650,100,000	\$ (268,600,000)	\$ (34,900,000)
3 (2019)	\$ 7,411,700,000	\$ 6,983,900,000	\$ (427,700,000)	\$ (58,500,000)
4 (2020)	\$ 7,940,000,000	\$ 7,334,700,000	\$ (605,300,000)	\$ (95,600,000)
5 (2021)	\$ 8,506,400,000	\$ 7,703,000,000	\$ (803,300,000)	\$ (126,800,000)

*Note: Values have been rounded.*

### BENEFITS

Kentucky HEALTH seeks to provide its members with a commercial health insurance experience in order to better prepare members to transition to commercial insurance. The Kentucky HEALTH benefit plan for the expansion population will align with the Kentucky State Employees' Health Plan, which provides a comprehensive commercial health insurance benefit package. Kentucky HEALTH will preserve all current mental health and SUD services. Further, additional benefits including dental services, vision services, over the counter medications, and gym membership reimbursement will be available through the member's *My Rewards Account*. Further, consistent with the goal of offering a commercial health insurance market experience, the Commonwealth will not provide coverage for non-emergency medical transportation (NEMT) to the newly eligible adult group, and will seek a waiver of this non-commercial health insurance benefit.

Children, pregnant women, medically frail individuals, and individuals eligible for Medicaid prior to the passage of the Affordable Care Act will be eligible to receive standard Medicaid State Plan benefits, including NEMT, vision services, and dental services. In addition, all children receiving services through the waiver will continue to receive all early and periodic screening, diagnostic, and treatment (EPSDT) services. The Commonwealth will make several minor modifications to the current State Plan covered services via State Plan Amendment to remove certain non-traditional Medicaid benefits that were added in 2014 with expansion, such as private duty nursing and allergy testing.

In addition, this §1115 demonstration waiver seeks to implement a new employer premium assistance program, which will allow eligible members to purchase their employer-sponsored health insurance plan in lieu of participating in Kentucky HEALTH. Members participating in the employer premium assistance option will have full access to the benefits and network of the employer plan; however, the Commonwealth will provide wrap-around benefits to ensure that members have access to all Kentucky HEALTH benefits not otherwise covered by the employer-sponsored health insurance plan.

### MEMBER COST SHARING

All Kentucky HEALTH members, with the exception of pregnant women and children, will be required to pay a monthly premium amount, increasing on a sliding scale based on family income, ranging from \$1.00 per month up to a maximum of \$15.00 per month.

### Kentucky HEALTH Sliding Scale Premium Contribution Amounts

Federal Poverty Level	Premium Payment
Under 25% FPL	\$1.00 per month
25-50% FPL	\$4.00 per month
51-100% FPL	\$8.00 per month
101-138% FPL	\$15.00 per month

To discourage long-term program dependency and to prepare higher income members for Marketplace coverage, premium requirements will gradually increase for individuals with income greater than 100% FPL each year the member remains Kentucky HEALTH, in accordance with the table below.

### Increased Premium Amounts for Individuals Over 100% FPL

FPL	Year 1-2 Premium	Year 3 Premium	Year 4 Premium	Year 5+ Premium
<b>101-138%</b>	\$15.00	\$22.50	\$30.00	\$37.50

In addition to monthly premiums, Kentucky HEALTH will include a deductible (equal to \$1,000), and each member (except pregnant women and children who are exempt from all cost sharing) will be provided a fully funded deductible account to pay for the deductible. Preventive services, such as annual examinations, are covered without charge to the member and are not included in the plan deductible amount. After the \$1,000 deductible is met through the utilization of the member's deductible account, the managed care plan will pay for all covered services in full.

Members who consistently make their required premium contributions will have access to the *My Rewards Account*. The *My Rewards Account* will contain incentive dollars which members may earn by completing specified activities designed to improve member health (i.e. participation in disease management course) and increase community engagement (i.e. volunteer work, participation in job search or training, etc.). In addition, members may transfer up to 50% of any unused balance in their deductible account to the *My Rewards Account* at the end of the benefit period. As funds accumulate in the *My Rewards Account*, the member may purchase additional benefits (as described in the Benefits section above).

Members will have a sixty-day grace period to make their required monthly premium payment contribution to the deductible account. Similar to commercial plans, Kentucky HEALTH will impose consequences for non-compliance in order to help educate members about standard commercial health insurance market policies. Therefore, individuals that do not pay a required premium payment within sixty calendar days from the due date will face a six-month non-payment penalty, as detailed in the table below. However, all individuals will have the ability to end their non-payment penalty period by completing one of the early re-entry options outlined in the table below.

## Non-Payment Penalty

Member FPL	Non-Payment Penalty	Early Re-Entry Option
Above 100% FPL	<ul style="list-style-type: none"> <li>Disenrolled from Kentucky HEALTH</li> <li>Re-enrollment waiting period of six months</li> </ul>	<ul style="list-style-type: none"> <li>Pay past debt;</li> <li>Pay premium for reinstatement month; and</li> <li>Participate in financial or health literacy course</li> </ul>
At or below 100% FPL & Medically Frail	<ul style="list-style-type: none"> <li>State Plan copayments required for all services</li> <li>\$25 is deducted from the <i>My Rewards Account</i></li> <li><i>My Rewards Account</i> is suspended                             <ul style="list-style-type: none"> <li>Not able to use funds in account</li> <li>Not able to accrue funds in account</li> </ul> </li> </ul>	
Pregnant Women and Children	Not applicable. Exempt from all cost-sharing requirements.	Not applicable

As long as the member is consistently paying their monthly premium, Kentucky HEALTH will not require additional copayments for services. Kentucky HEALTH will only apply copayments to services for individuals with income at or below 100% FPL or for those determined medically frail. Required copayments during the member's non-payment penalty period will be equal to the current copayments scheduled in the Kentucky Medicaid State Plan, which range from \$3.00 for a physician office visit and up to \$50.00 for hospital inpatient services.

In addition, to incentivize appropriate hospital emergency department utilization, Kentucky HEALTH will implement incentives and disincentive related to the members *My Rewards Account*. Members will be eligible for a \$20 financial contribution to the *My Rewards Account* for each year in which the member avoids unnecessary emergency room services and seeks appropriate alternative providers for care, and be subject to escalating deductions from the *My Rewards Account* for each inappropriate emergency room visit.

### **Inappropriate Emergency Room Utilization *My Rewards Account* Penalty**

Inappropriate ER Visit	Account Deduction
1 <sup>st</sup> Visit	\$20
2 <sup>nd</sup> Visit	\$50
3rd Visit or More	\$75

## HEALTH CARE DELIVERY SYSTEM

Kentucky HEALTH will rely on the Commonwealth's existing managed care delivery system. In addition to the creation of the Kentucky HEALTH program, the §1115 demonstration waiver will also introduce comprehensive delivery system reforms targeting substance use disorder (SUD), chronic disease management, and managed care to improve quality and outcomes.

- Substance Use Disorder:** Kentucky HEALTH will maintain all current mental health and substance use disorder (SUD) benefits. However, this §1115 demonstration waiver will also implement a pilot program in ten to twenty select counties to improve access to

mental health and SUD services. Counties will be identified based on a recent CDC HIV/hepatitis C outbreak study, the State's existing Shaping Our Appalachian Region (SOAR) initiative, and public input received during the demonstration waiver public notice and comment period. Specifically, the Commonwealth will request a waiver of the Institutions for Mental Disease (IMD) exclusion to allow Medicaid reimbursement for short-term residential stays of up to thirty days in an IMD. The pilot program will also examine best practice improvements related to standards of care, care coordination between levels and settings of care, and strategies to address prescription drug abuse and opioid use disorder.

- Chronic Disease Management: The waiver will align various Kentucky HEALTH program components to support the Commonwealth's existing public health infrastructure and current efforts to improve chronic disease prevention and management. In addition, the Commonwealth will work with Kentucky's Medicaid managed care organizations to continue implementing best practices from nationally recognized disease management programs, such as the National Diabetes Prevention Program.
- Managed Care Reforms: Prior to implementing Kentucky HEALTH, the Commonwealth will align incentives across the delivery system by introducing mechanisms to control spending, as well as payment incentives for providers and the managed care organizations to improve quality and align with member incentives. In addition, the Kentucky Department for Medicaid Services will continue to seek improvements and administrative efficiencies in the existing Medicaid managed care program, such as uniform credentialing and formulary alignment.

## **IMPLEMENTATION**

The Commonwealth will implement the Kentucky HEALTH program on a statewide basis on or about six months post-§1115 demonstration waiver approval; however, this date may vary depending on the approval date from CMS. The Kentucky HEALTH community engagement and employment initiative will be phased in on a county-by-county basis and may take longer. Implementation of this 1115 demonstration waiver will require the Commonwealth to amend the existing managed care contracts, modify systems and other operational procedures, and conduct a readiness review of various vendors. In addition to these tasks, the Commonwealth will also have to amend the Medicaid State Plan, amend the Alternative Benefit Plan, develop education materials, and prepare to transition existing members.

## **HYPOTHESES & EVALUATION**

This Section 1115 demonstration waiver will investigate the following research hypotheses related to each program goal:

### **Goal 1: Improve participant's health and help them be responsible for their health**

- Hypothesis: Kentucky HEALTH policies will promote member use of preventive and primary care.
  - Track and compare health service utilization rates between current Kentucky HEALTH members and their previous Medicaid enrollment category.



- Track preventive care utilization rates and trends among different age and gender groups.
- Hypothesis: Kentucky HEALTH policies will promote member compliance with chronic disease management.
  - Track and compare chronic disease management compliance rates between current Kentucky HEALTH members and their previous Medicaid enrollment category.
- Hypothesis: Kentucky HEALTH policies will reduce member hospitalization of ambulatory care sensitive conditions (ACSCs).
  - Track and compare ACSCs hospitalization rates between current Kentucky HEALTH members, and their previous Medicaid enrollment category.
- Hypothesis: Kentucky HEALTH policies will increase access to substance use disorder (SUD) services with special focus on Institutions for Mental Diseases (IMD).
  - Track and compare inpatient specialty care/SUD utilization rates between current Kentucky HEALTH members, and their previous Medicaid enrollment category.

**Goal 2: Transform individuals from passive beneficiaries to active participants and consumers of healthcare who are prepared to use commercial health insurance**

- Hypothesis: Kentucky HEALTH policies will provide incentives to monitor and managed the two member managed account funds.
  - Track and compare remaining balances in member deductible accounts at the end of each benefit period.
  - Track and compare balance in member *My Rewards Accounts* at the end of each benefit period.
  - Track account balances transferred from the deductible account to the *My Rewards Account* at the end of each benefit period, including number of members with unused deductible account balances at the end of each benefit period and the average amount transferred to the *My Rewards Account* at the end of each benefit period.
  - Track number of people checking their account balances, as well as how often they are checked (i.e. weekly, monthly, semi-annually, and annually).
- Hypothesis: Kentucky HEALTH policies will encourage healthy behaviors and increase member access to enhanced health services (such as gym memberships and over-the-counter medications).
  - Track and compare *My Reward Account* expenditures on enhanced health services.
  - Track and compare member achievement of healthy incentives contributions to the *My Rewards Account*.
  - Track and compare type of enhanced health services used by member *MY Rewards* accounts.
- Hypothesis: Kentucky HEALTH policies will promote member compliance with making premium payments.
  - Track premium initial and ongoing premium payments.
- Hypothesis: Kentucky HEALTH open enrollment policy will increase member compliance with redetermination process.

- Track member compliance with redetermination.
- Hypothesis: Kentucky HEALTH’s incentive and disincentive policies related to non-emergency use of hospital emergency room will reduce inappropriate utilization among Kentucky HEALTH members.
  - Compare annual rates of inappropriate emergency department utilization between Kentucky Medicaid populations for the years *before waiver* (prior to 2017) and *after waiver* (2017 and beyond).
  - Survey Kentucky HEALTH members on whether the incentives and disincentives related to the *My Rewards Account* for appropriate emergency room utilization caused them to seek services with their primary care physician or in an alternative urgent care setting.
  - Compare annual rates of members subject to the escalating *My Rewards Account* disincentive based on repeated inappropriate hospital emergency department utilization.

**Goal 3: Empower people to seek employment and transition to commercial health insurance coverage**

- Hypothesis: Kentucky HEALTH policies will encourage members to increase community engagement.
  - Track and compare member achievement of community engagement and employment contributions to the *My Rewards Account*.
- Hypothesis: Kentucky HEALTH policies will encourage members to seek employment.
  - Track members participating in job search activities.
- Hypothesis: Kentucky HEALTH policies will encourage members to earn employment and ultimately transition to commercial health insurance coverage.
  - Track number of individuals successfully transitioning to commercial health insurance coverage and accessing the *My Rewards Account* bonus after eighteen months.
  - Track number of individuals employed over twenty hours per week.
  - Track earnings of members who earn employment.
- Hypothesis: The employer premium assistance program will increase the proportion of Kentucky residents under 138% FPL covered by employer sponsored insurance.
  - Track the number of Kentucky residents with income under 138% FPL covered by ESI over the demonstration.
  - Track employer premium assistance program member enrollment.
  - Track employer premium assistance program employer enrollment.
  - Track employer premium assistance program wrap-around coverage expenditures.
- Hypothesis: Kentucky HEALTH’s sliding scale increase premium payment amounts will discourage dependency on public assistance and encourage members to transition to commercial health insurance coverage.
  - Compare annual rates of Medicaid enrollment between Kentucky Medicaid populations for the years *before waiver* (prior to 2017) and *after waiver* (2017 and beyond).

- Survey Kentucky HEALTH members on whether the sliding scale increased premium payment amount caused them to seek employment and/or other forms of health insurance coverage.
- Compare annual rates of members paying increased premium amounts based on continued annual enrollment in Kentucky HEALTH.

**Goal 4: Implement Delivery System Reform to Improve Quality and Outcomes**

- Hypothesis: Kentucky HEALTH policies will promote high quality healthcare delivered by providers.
  - Track managed care organizations ability to meet quality and outcome benchmarks within their service contracts.
  - Track Kentucky providers receiving bonus payments from the managed care organizations for meeting quality and outcomes standards.

**Goal 5: Ensure fiscal sustainability**

- Hypothesis: Kentucky HEALTH will remain budget-neutral for both the federal and State governments.
  - Conduct a budget neutrality analysis and document adherence to waiver margin.

**WAIVER & EXPENDITURE AUTHORITIES**

Below is a list of proposed waivers the Commonwealth will seek from CMS to implement Kentucky HEALTH:

**1. Eligibility: Section 1902(a)(10)(A)**

- To the extent necessary to enable Kentucky to not provide medical coverage until the first day of the month in which the Kentucky HEALTH member pays their first premium payment, or for members below 100% FPL who fail to make an initial premium payment, the first day of the month following the expiration of the 60-day payment period.
- To the extent necessary to enable Kentucky to require Kentucky HEALTH members, as a condition of eligibility, to complete specified community engagement hours.

**2. Retroactive Eligibility: Section 1902(a)(34)**

- To the extent necessary to enable Kentucky to not provide medical coverage for any month prior to the month in which the member finalized enrollment in Kentucky HEALTH.

**3. Cost-Sharing: Section 1902(a)(14) insofar as it incorporates 1916 and 1916A**

- To the extent necessary to enable Kentucky to require monthly premium payments not to exceed 5% of income, but no less than \$1.00 per month, for all Kentucky HEALTH members.

**4. Amount, Duration, and Scope: Section 1902(a)(10)(B)**

- To the extent necessary to enable Kentucky to vary cost-sharing requirements, such that premium contribution amounts increase each year members with income above 100% FPL remain on Kentucky HEALTH, not to exceed 5% of income, and to charge copayments in lieu of premiums for individuals at or below 100% FPL who fail to make their premium payment within the sixty-day payment period.

- To the extent necessary to allow Kentucky HEALTH members who continue to pay premium contributions to use their *My Rewards Account* to purchase specified enhanced benefits not otherwise available in the base Kentucky HEALTH benefit package.
  - To the extent necessary to enable Kentucky to allow individuals to receive the benefits provided through their employer-sponsored plan.
- 5. Reasonable Promptness: Section 1902(a)(3)/Section 1902(a)(8)**
- To the extent necessary to enable Kentucky to delay benefits, such that benefits do not begin until a member makes a premium contribution, or until the expiration of a 60-day payment period for members below 100% FPL who fail to make a premium contribution.
  - To the extent necessary to enable Kentucky to prohibit re-enrollment for up to six months for Kentucky HEALTH members above 100% FPL who are disenrolled for failure to make their required premium contributions within 60 days of the due date.
  - To the extent necessary to enable Kentucky to implement an open enrollment period for Kentucky HEALTH, such that members who are disenrolled for failure to complete redetermination process will be required to wait until their next open enrollment period to re-enroll (up to six months).
- 6. Freedom of Choice: Section 1902(a)(23)**
- To the extent necessary to enable Kentucky to restrict the freedom of choice of providers for demonstration eligibility groups.
- 7. Non-Emergency Transportation: Section 1902(a)(4) insofar as it incorporates 42 CFR 431.53**
- To the extent necessary to relieve Kentucky of the requirement to assure non-emergency medical transportation to and from medical providers for Kentucky HEALTH members.

In addition, the Commonwealth requests that expenditures related to providing services in an Institution for Mental Disease (IMD), in participating pilot project counties, be regarded as expenditures under the Commonwealth's Medicaid Title XIX State Plan.

## **REVIEW OF DOCUMENTS & SUBMISSION OF COMMENTS**

All information regarding the Kentucky HEALTH §1115 demonstration waiver, including this public notice, the waiver application, and other documentation regarding the proposal are available at: <http://chfs.ky.gov/kentuckyhealth>. In addition, the Kentucky HEALTH §1115 demonstration waiver application is available for in-person public review at Cabinet for Health and Family Services, Office of the Secretary, 275 E. Main St., Frankfort, KY 40621.

Written comments regarding the Kentucky HEALTH waiver application may be mailed to Commissioner Stephen Miller, Department for Medicaid Services, 275 E. Main Street, Frankfort, KY 40621. Comments may also be sent via electronic mail to [kyhealth@ky.gov](mailto:kyhealth@ky.gov). All comments must be received by Friday, July 22, 2016 at 5:00 p.m.