



Commonwealth of Kentucky Cabinet for Health and Family Services

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Cabinet Releases Updated Medicaid Budget Predictions and Kentucky HEALTH Implementation Timeline

FRANKFORT, Ky. (Jan. 31, 2019) - The Cabinet for Health and Family Services (CHFS) today released updated guidance regarding the implementation of Kentucky HEALTH, which was re-approved in November by the federal Centers for Medicare and Medicaid Services (CMS). The new information includes updated implementation milestones for various components of Kentucky HEALTH that will be phased-in during 2019.

On April 1, Kentucky HEALTH will begin with many Medicaid beneficiaries being moved to the Alternative Benefit Plan (ABP), in which they will access certain vision and dental services through the My Rewards Account. As of today, more than 480,000 beneficiaries have already accrued over \$70 million in My Rewards dollars that they can use for these services. Additionally, on April 1, most Kentucky HEALTH members will be moved into the monthly premium payment plan; however, all Kentucky HEALTH premiums will be waived for the month of April. This will give beneficiaries an opportunity to become familiar with the program prior to being required to make their first monthly premium payments.

While the community engagement rollout schedule is still being finalized, CHFS has established that Community Engagement will begin no sooner than July 1.

Further, the Department for Medicaid Services (DMS) has been working with the economists in the Office of the State Budget Director (OSDB) to update the Medicaid budget projection due to significant declines in the number of Medicaid enrollees since June of 2018. At that time, Medicaid enrollment was in line with previous projections and there was an estimated \$295 million state general fund shortfall in the Medicaid budget projected over the current biennium. During the last three quarters of calendar year 2018, there has been a decline in overall Medicaid enrollment of 72,309. Using updated enrollment data and revenue projections, DMS and OSDB now estimate that, based upon current Medicaid enrollment levels and assuming continuing economic conditions, the enacted budget will be sufficient to cover expenses over the current biennium.

“The pro-business and economic development policies put forth by Governor Bevin’s administration are achieving historic results for our Commonwealth,” said Secretary Adam Meier. “As the economy improves and more jobs are created, tens of thousands of Kentuckians are moving from Medicaid to private insurance through their employers or the marketplace. This underscores the growing opportunities for Kentuckians to find good-paying jobs, the demand for a healthy, skilled workforce, and the critical role Kentucky HEALTH will play in connecting people to robust opportunity development resources, tuition-free job certification programs, and workforce and volunteer opportunities in their communities.”

While the new projections provide a more optimistic current outlook for the DMS budget, Medicaid Commissioner Carol Steckel offered a reminder of the need for caution in analyzing the information.

“When Congress passed the Affordable Care Act, it changed the face of Medicaid forever,” concluded Commissioner Steckel. “Kentucky Medicaid, now more than ever, is subject to the fluctuations in the economy both good and bad. The current analysis is

based on many significant financial and demographic assumptions that will change along with changes in the economy and other factors.”

More information about the Kentucky Health Implementation timeline will be available on www.KentuckyHEALTH.ky.gov

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The Cabinet for Health and Family Services is home to most of the state's human services and healthcare programs, including the Department for Medicaid Services, the Department for Community Based Services the Department for Public Health, the Department for Aging and Independent Living and the Department for Behavioral Health, Developmental and Intellectual Disabilities. CHFS is one of the largest agencies in state government, with nearly 8,000 full- and part-time employees located across the Commonwealth focused on improving the lives and health of Kentuckians.