

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

November 24, 2020

Lisa Lee
Commissioner, Department of Medicaid Services
Commonwealth of Kentucky
Cabinet for Health and Family Services
900 SW Jackson, Suite 900 N
Topeka, KS 66612

Dear Ms. Lee:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of the SUD Monitoring Protocol, which is required by the Special Terms and Conditions (STC) of Kentucky's section 1115 demonstration, "Kentucky Helping to Engage and Achieve Long Term Health" (Project Nos. 11-W-00306/4 and 21-W-00067/4), commonly called "Kentucky HEALTH." CMS has determined that the monitoring protocol, which was submitted on June 15, 2020, together with the monitoring protocol alignment form submitted on September 30, 2020, meets the requirements set forth in the STCs, and thereby approves Kentucky's SUD monitoring protocol.

The monitoring protocol is approved for the demonstration period through September 30, 2023 and is hereby incorporated into the demonstration STCs as Attachment D. In accordance with STC 57 (Public Access), the approved SUD monitoring protocol may now be posted to your state's Medicaid website.

If you have any questions, please contact your CMS project officer, Ms. Valisha Andrus. Ms. Andrus is available to answer any questions concerning your section 1115 demonstration and may be reached either by phone at 410-786-2613 or by email at Valisha.Andrus@cms.hhs.gov.

We look forward to our continued partnership on the Kentucky HEALTH section 1115 demonstration.

Sincerely,

Danielle Daly
-S



Digitally signed by
Danielle Daly -S
Date: 2020.11.24
10:17:07 -05'00'

Danielle Daly
Director
Division of Demonstration
Monitoring and Evaluation

Andrea J.
Casart -S



Digitally signed by Andrea
J. Casart -S
Date: 2020.11.30
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Andrea J Casart
Director
Division of Eligibility and
Coverage Demonstrations

cc: Keri Toback, State Monitoring Lead, CMS Medicaid and CHIP Operations Group

July 5th, 2018

**Note: This template is being finalized for review and approval by OMB. It is structured for easy and consistent use by states and will facilitate cross-state assessment and the identification of trends, challenges and best practices to support learning collaboration and policy / operations enhancements as may be needed. Until such time, its use is optional, although it conveys the nature and extent of monitoring information that CMS is seeking on SUD demonstrations, and the state's comments on its structure and ease of use are helpful in finalizing it. The SUD STCs require the state's compliance with Federal Systems Updates. As federal systems continue to evolve and incorporate additional 1115 waiver reporting and analytics functions, the state is required to work with CMS to:*

- a. Revise the reporting templates and submission processes to accommodate timely compliance with the requirements of the new systems;*
- b. Ensure all 1115, T-MSIS, and other data elements that have been agreed to for reporting and analytics are provided by the state; and*
- c. Submit deliverables to the appropriate system as directed by CMS.*

When this template is OMB approved, then the state will be required to use it.

1. Transmittal Title Page for the State’s SUD Demonstration or SUD Components of Broader Demonstration

The state should complete this Transmittal Title Page as part of its SUD Monitoring Protocol. This form should be submitted as the title page of all Monitoring Reports. The content of this transmittal table should stay consistent over time.

State	<i>Kentucky</i>
Demonstration Name	<i>SUD Demonstration, Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH)</i>
Approval Date	<i>January 12, 2018</i>
Approval Period	<i>January 12, 2018 – September 30, 2023</i>
SUD (or if broader demonstration, then SUD Related) Demonstration Goals and Objectives	<i>Effective upon CMS’ approval of the SUD Implementation Protocol, as described in STC 93, the demonstration benefit package for all Medicaid beneficiaries as authorized by this demonstration will include OUD/SUD residential treatment, crisis stabilization and withdrawal management services provided in IMDs, which are not otherwise matchable expenditures under section 1903 of the Act. Medicaid beneficiaries residing in IMDs under the terms of this demonstration will have coverage of all benefits that would otherwise be covered if the beneficiary were not residing in an IMD. Effective upon CMS’ approval of this demonstration, methadone treatment services will be a covered service under the state plan for Medicaid beneficiaries.</i> <i>The coverage of OUD/SUD residential treatment, crisis stabilization, withdrawal management and methadone treatment services will expand Kentucky’s current SUD benefit package available to all Medicaid beneficiaries. Note: room and board costs are not considered allowable costs for residential treatment service providers unless they qualify as inpatient facilities under section 1905(a) of the Act.</i> <i>A waiver of the NEMT assurance is granted for methadone treatment services to allow the state not to provide NEMT for methadone services to all Medicaid beneficiaries, except that NEMT for methadone services will be provided for children under age 21 who are subject to EPSDT, former foster care youth, and for pregnant women. (A waiver of the NEMT assurance for all other Medicaid covered services is granted for beneficiaries eligible through the new adult group, as defined in 42 CFR 435.119, except for beneficiaries in that group who are under age 21 and subject to EPSDT, pregnant, medically frail, survivors of domestic violence, or former foster care youth.)</i>

2. Proposed Modifications to SUD Narrative Information on Implementation, by Reporting Topic

Summary of proposed modification	Related metric (if any)	Justification for modification
1. Assessment of Need and Qualification for SUD Services		
Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)		Summarize how the proposed modification will alter reporting relative to the SUD Monitoring Report Template and provide reasoning why this modification is needed
EXAMPLE Additional topic of interest [Add rows as needed]		EXAMPLE In addition to reporting on the requested information, the state plans to report on progress on X implementation activity not currently listed in the report template. The state will add this activity as a new row to the “Narrative Information on Implementation” table in Part A of its Monitoring Reports.
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
2. Access to Critical Levels of Care for OUD and other SUDs (Milestone 1)		
Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template		

<i>(Narrative Information on Implementation)</i>		
<i>[Add rows as needed]</i>		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
3. Use of Evidence-based, SUD-specific Patient Placement Criteria (Milestone 2)		
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		
<i>[Add rows as needed]</i>		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
4. Use of Nationally Recognized SUD-specific Program Standards to Set Provider Qualifications for Residential Treatment Facilities (Milestone 3)		
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		

<i>[Add rows as needed]</i>		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
5. Sufficient Provider Capacity at Critical Levels of Care including for Medication Assisted Treatment for OUD (Milestone 4)		
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		
<i>[Add rows as needed]</i>		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
6. Implementation of Comprehensive Treatment and Prevention Strategies to Address Opioid Abuse and OUD (Milestone 5)		
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		
<i>[Add rows as needed]</i>		

☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above. ☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).	
7. Improved Care Coordination and Transitions between Levels of Care (Milestone 6)	
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>	
<i>[Add rows as needed]</i>	
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above. ☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).	
8. SUD Health Information Technology (Health IT)	
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>	
<i>[Add rows as needed]</i>	
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.	

☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
9. Other SUD-Related Metrics		
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		
[Add rows as needed]		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
10. Budget Neutrality		
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		
[Add rows as needed]		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		

11. SUD-Related Demonstration Operations and Policy		
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		
<i>[Add rows as needed]</i>		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
12. SUD Demonstration Evaluation Update		
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		
<i>[Add rows as needed]</i>		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
13. Other Demonstration Reporting		

Medicaid Section 1115 SUD Demonstration Monitoring Protocol – Part B
Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH)
Submitted on June 28, 2019

<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		
<i>[Add rows as needed]</i>		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		
14. Notable State Achievements and/or Innovations		
<i>Provide a brief description of any changes or modifications the state expects to make in its narrative reporting, relative to the expectations described in the SUD Monitoring Report Template (Narrative Information on Implementation)</i>		
<i>[Add rows as needed]</i>		
☐ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information with the modifications described above.		
☒ The state has reviewed the corresponding prompts for narrative information in the SUD Monitoring Report Template and confirms that it will report the narrative information as requested (no modifications).		

3. Acknowledgement of Budget Neutrality Reporting-

☒ The state has reviewed the Budget Neutrality workbook provided by the project officer and understands the expectations for quarterly and annual monitoring reports. The state will provide the requested budget neutrality information (no modifications).

4. SUD Demonstration Monitoring Reporting Schedule

Demonstration Year, Reporting Quarter	Annual or Quarterly Report	Report Submission Date
DY1, Q1	Quarterly	Not applicable.
DY1, Q2	Quarterly	Not applicable.
DY1, Q3	Quarterly	Not applicable.
DY1, Q4	Annual	Not applicable.
DY2, Q1	Quarterly	Not applicable.
DY2, Q2	Quarterly	Operational Update: 8/31/2019 Performance Metrics: N/A
DY2, Q3	Quarterly	Implementation Start Date: 7/01/19 Operational Update: 11/30/2019 Performance Metrics: 05/31/2020
DY2, Q4	Annual	Operational Update: 03/31/2020 Performance Metrics: 08/31/2020
DY3, Q1	Quarterly	Operational Update: 05/31/2020 Performance Metrics: 11/30/2020
DY3, Q2	Quarterly	Operational Update: 08/31/2020 Performance Metrics: 03/31/2021
DY3, Q3	Quarterly	Operational Update: 11/30/2020 Performance Metrics: 05/31/2021
DY3, Q4	Annual	Operational Update: 03/31/2021 Performance Metrics: 08/31/2021
DY4, Q1	Quarterly	Operational Update: 05/31/2021 Performance Metrics: 11/30/2021
DY4, Q2	Quarterly	Operational Update: 08/31/2021 Performance Metrics: 03/31/2022
DY4, Q3	Quarterly	Operational Update: 11/30/2021 Performance Metrics: 05/31/2022
DY4, Q4	Annual	Operational Update: 03/31/2022 Performance Metrics: 08/31/2022
DY5, Q1	Quarterly	Operational Update: 05/31/2022 Performance Metrics: 11/30/2022
DY5, Q2	Quarterly	Operational Update: 08/31/2022

		<i>Performance Metrics: 03/31/2023</i>
<i>DY5, Q3</i>	<i>Quarterly</i>	<i>Operational Update: 11/30/2022</i> <i>Performance Metrics: 05/31/2023</i>
<i>DY5, Q4</i>	<i>Annual</i>	<i>Operational Update: 03/31/2023</i> <i>Performance Metrics: 08/31/2023</i>
<i>DY6, Q1</i>	<i>Quarterly</i>	<i>Operational Update: 05/31/2023</i> <i>Performance Metrics: 11/30/2023</i>
<i>DY6, Q2</i>	<i>Quarterly</i>	<i>Operational Update: 08/31/2023</i> <i>Performance Metrics: 03/31/2024</i>
<i>DY6, Q3</i>	<i>Quarterly</i>	<i>Operational Update: 11/30/2023</i> <i>Performance Metrics: 05/31/2024</i> <i>Demonstration Authority Expires: 9/30/23</i>
<i>[Add rows as needed, to cover all demonstration years and quarters]</i>		

Appendix A – Explanation of any Metric Deviations

Deviation #1 – Claims Lag

Kentucky will deviate from the specification for claims-based metrics to “be calculated after a one-quarter (90 day) lag.” Kentucky’s six-month lag period is an industry standard and aligns with the basic practice of accounting for incurred-but-not-reported (IBNR) claims.

In addition, the timely filing provisions in the fee-for-service program and the managed care contracts affect the availability of the data required for metric reporting. While providers in the fee-for-service program have historically had up to twelve (12) months to submit claims for payment to the Medicaid agency, the contracts with the managed care organizations (MCOs) differ; only two (2) of five (5) MCOs in the state currently allow up to 365 days to file claims, the remaining MCOs require “timely filing” within 180 days after the date of service. Effective July 1, 2020, all participating providers for MCOs in the Kentucky Medicaid program will have up to 365 days to submit claims.

The combination of expanded services for SUD treatment, the new billing guidelines for reimbursement of those services, and the variance in the number of days allowed under the timely filing provisions impact the consistent availability of the data for reporting. Therefore, we propose a six-month claim lag period to ensure “completeness” but expect to review the claim and encounter data submission process during the first year of program implementation to determine if the lag can be shortened to abide by the CMS-provided specifications.

The MCOs send encounter data to the state agency weekly but are allowed up to thirty (30) days after claim adjudication for submission to the Medicaid Management Information System (MMIS). After this final run-out period, the data is loaded into the data analytics warehouse, optimized for processing, and available for analysis and reporting. Together, this describes the timeline for metric reporting, six (6) months for provider claim submission, thirty (30) days for MCO encounter submission to the state agency, and one month for analysis and reporting, resulting in the proposed performance metrics reporting schedule.

Deviation #2 – Combination of data sources for Medication Assisted Treatment Metric # 12

We are unable to conclusively determine from administrative claims alone if the charges are for a regular physician office visit or medication-assisted treatment (MAT) except when the drug was injected during the visit. All other forms of MAT prescription drug use are only available in administrative claims data when/after the patients fill their prescription at a pharmacy. However, Kentucky requires that all controlled substances dispensed in the state must be reported to the Cabinet for Health and Family Services; we will combine administrative claims data with additional information from Kentucky’s controlled substance prescription monitoring system for reporting.

Deviation #3 – Annual Goals and Demonstration Targets

The waiver demonstration includes aggressive expansion of a number of services, including the expansion of residential and inpatient treatment services. We anticipate a significant increase in service utilization during the first year of the program but anticipate a stabilization in subsequent years, that is, we may

observe a many-fold increase in year one over the current rate, but the change from year 1 to year 2 will likely be muted. Therefore, we plan to periodically revisit annual goals and demonstration targets and will attempt to make those changes at natural intervals, for instance after an annual report and/or the midpoint assessment.