

**1. Title page for the state’s substance use disorder (SUD) demonstration or the SUD component of the broader demonstration**

*The state should complete this title page at the beginning of a demonstration and submit as the title page for all monitoring reports. The content of this table should stay consistent over time. Definitions for certain rows are below the table.*

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

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| <b>State</b>                                                                                                | Kentucky                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Demonstration name</b>                                                                                   | SUD Demonstration, Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Approval period for section 1115 demonstration</b>                                                       | January 12, 2018 – September 30 , 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>SUD demonstration start date<sup>a</sup></b>                                                             | January 12, 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Implementation date of SUD demonstration, if different from SUD demonstration start date<sup>b</sup></b> | July 1, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>SUD (or if broader demonstration, then SUD -related) demonstration goals and objectives</b>              | <p>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.</p> <p>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.</p> <p>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.)</p> |
| <b>SUD demonstration year and quarter</b>                                                                   | DY3Q1, DY2Q3 (Metrics)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

Reporting period

7/1/2021 – 9/30/2021, 1/1/21 – 03/31/2021 (Metrics)

**<sup>a</sup> SUD demonstration start date:** For monitoring purposes, CMS defines the start date of the demonstration as the *effective date* listed in the state’s STCs at time of SUD demonstration approval. For example, if the state’s STCs at the time of SUD demonstration approval note that the SUD demonstration is effective January 1, 2020 – December 31, 2025, the state should consider January 1, 2020 to be the start date of the SUD demonstration. Note that the effective date is considered to be the first day the state may begin its SUD demonstration. In many cases, the effective date is distinct from the approval date of a demonstration; that is, in certain cases, CMS may approve a section 1115 demonstration with an effective date that is in the future. For example, CMS may approve an extension request on 12/15/2020, with an effective date of 1/1/2021 for the new demonstration period. In many cases, the effective date also differs from the date a state begins implementing its demonstration.

**<sup>b</sup> Implementation date of SUD demonstration:** The date the state began claiming federal financial participation for services provided to individuals in institutions for mental disease.

## 2. Executive summary

*The executive summary should be reported in the fillable box below. It is intended for summary-level information only. The recommended word count is 500 words or less.*

KY Department for Medicaid Services (DMS) continues to issue SUD residential provisional certifications on an ongoing quarterly basis. During this reporting period, an additional 4 provisional certifications were reviewed and issued, totaling 127 residential programs who have received DMS Provisional Certification. Due to impacts and constraints of the Public Health Emergency (PHE), DMS extended the requirement for enrolled residential providers to obtain the ASAM Level of Care (LOC) Certification until 7/1/22; during reporting period, 54 providers have obtained this certification. KY DMS participated in a discussion with ASAM and CARF International representatives regarding feedback on KY’s SUD residential programs who have completed the ASAM LOC Certification process, including areas of improvement and strengths. KY was provided the opportunity to provide feedback on the LOC Certification and defining elements as CARF/ASAM review the first year of certification and discuss changes to the future certification process.

KY DMS continued to monitor utilization of Fee-For-Service (FFS) residential claims reimbursed to provisionally certified providers, including the new procedure codes implemented 4/1/20 to ensure access to services at the ASAM LOC 3.1, 3.5 and 3.7 and proper utilization.

Following submission of the Mid-Point Assessment in April, KY DMS responded to CMS questions and have been engaged with Northern Kentucky University (NKU) Institute for Health Innovation as the independent evaluator regarding findings and evaluation methods.

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

During this reporting period, KY DMS worked with the Office of Health Data and Analytics to review metrics calculations and state specific codes to determine if any changes are necessary to KY's reporting. KY discussed proposed metric calculation changes for select measures to incorporate KY specific procedure codes; as well as proposed plan for reporting changes. These changes will be outlined to CMS and incorporated in future reporting.

KY continues to collaborate with sister agencies related to SUD/ODU initiatives across the state in areas such as assessing quality of SUD treatment and opportunities for improving standardized assessment tools/processes.

Effective 7/1/21, KY DMS moved to a single Pharmacy Benefit Manager (PBM) for FFS and Managed Care Organizations (MCOs).

Due to the PHE, no prior authorizations on behavioral health services continues during this period. KY DMS continues to monitor COVID impacts and needed adjustments to ensure beneficiaries are able to access quality treatment based on evidence-based approaches.

### 3. Narrative information on implementation, by milestone and reporting topic

| Prompt                                                                                                                                                                       | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Assessment of need and qualification for SUD services</b>                                                                                                              |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>1.1 Metric trends</b>                                                                                                                                                     |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1.1.1. The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to assessment of need and qualification for SUD services |                                                   | Metric 2,3                 | Kentucky sees a steady influx of patients receiving covered SUD services that is rising in conjunction with new SUD diagnoses. Whether the rise in service provision is associated with initiation of services for newly-diagnosed individuals or providing more services to individuals already engaged in treatment (e.g., a patient moving from an inpatient treatment setting to an intensive outpatient setting and the associated array of services) is a subject of interest to the monitoring team. |
| <b>1.2 Implementation update</b>                                                                                                                                             |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompt                                                                                                                                                                             | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|----------------|
| 1.2.1. Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>1.2.1.i. The target population(s) of the demonstration | X                                                 |                            |                |
| 1.2.1.ii. The clinical criteria (e.g., SUD diagnoses) that qualify a beneficiary for the demonstration                                                                             | X                                                 |                            |                |
| 1.2.2 The state expects to make other program changes that may affect metrics related to assessment of need and qualification for SUD services                                     | X                                                 |                            |                |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompt                                                                                                                                                                                                                                                                                                                                                                                                                                                    | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|----------------|
| <b>2. Access to Critical Levels of Care for OUD and other SUDs (Milestone 1)</b>                                                                                                                                                                                                                                                                                                                                                                          |                                                   |                            |                |
| <b>2.1 Metric trends</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   |                            |                |
| 2.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 1                                                                                                                                                                                                                                                                                                                         |                                                   |                            |                |
| <b>2.2 Implementation update</b>                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                   |                            |                |
| 2.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>2.2.1.i. Planned activities to improve access to SUD treatment services across the continuum of care for Medicaid beneficiaries (e.g. outpatient services, intensive outpatient services, medication-assisted treatment, services in intensive residential and inpatient settings, medically supervised withdrawal management) | X                                                 |                            |                |
| 2.2.1.ii. SUD benefit coverage under the Medicaid state plan or the Expenditure Authority, particularly for residential treatment, medically supervised withdrawal management, and medication-assisted treatment services provided to individual IMDs                                                                                                                                                                                                     | X                                                 |                            |                |
| 2.2.2 The state expects to make other program changes that may affect metrics related to Milestone 1                                                                                                                                                                                                                                                                                                                                                      | X                                                 |                            |                |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompt                                                                                                                                                                                                                                                                                                                     | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3. Use of Evidence-based, SUD-specific Patient Placement Criteria (Milestone 2)</b>                                                                                                                                                                                                                                     |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>3.1 Metric trends</b>                                                                                                                                                                                                                                                                                                   |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 3.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 2                                                                                                                                                                                          | X                                                 |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>3.2. Implementation update</b>                                                                                                                                                                                                                                                                                          |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 3.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:                                                                                                                                                                                                    |                                                   | Metric 1, 5, 10, 36        | DMS continues to provide a set of ASAM LOC Certification Preparation materials for enrolled residential and inpatient providers per providers request.                                                                                                                                                                                                                                                                                                                |
| 3.2.1.i. Planned activities to improve providers' use of evidence-based, SUD-specific placement criteria                                                                                                                                                                                                                   |                                                   |                            | (b) KY DMS continues to monitor monthly utilization of fee-for-service (FFS) residential claims, to ensure proper utilization and access to services at the ASAM LOC 3.1, 3.5 and 3.7. In addition, DMS review monthly MCO reports regarding SUD residential stays.<br><br>KY DMS continues to verify providers are utilizing a six multi-dimensional assessment tool to determine appropriate LOC placement for SUD treatment during the attestation review process. |
| 3.2.1.ii. Implementation of a utilization management approach to ensure (a) beneficiaries have access to SUD services at the appropriate level of care, (b) interventions are appropriate for the diagnosis and level of care, or (c) use of independent process for reviewing placement in residential treatment settings |                                                   |                            | (c) No prior authorization requirements due to Public Health Emergency (PHE) remain in place during this reporting period. Though medical necessity can still be reviewed if providers request and are encouraged to still submit for review in order to better coordinate ongoing services and meet monitoring requirements.                                                                                                                                         |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompt                                                                                               | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
|------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|----------------|
| 3.2.2 The state expects to make other program changes that may affect metrics related to Milestone 2 | X                                                 |                            |                |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompt                                                                                                                                                                                                                                                                                                                                    | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <b>4. Use of Nationally Recognized SUD-specific Program Standards to Set Provider Qualifications for Residential Treatment Facilities (Milestone 3)</b>                                                                                                                                                                                   |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>4.1 Metric trends</b>                                                                                                                                                                                                                                                                                                                  |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 4.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 3<br><i>Note: There are no CMS-provided metrics related to Milestone 3. If the state did not identify any metrics for reporting this milestone, the state should indicate it has no update to report.</i> | X                                                 |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>4.2 Implementation update</b>                                                                                                                                                                                                                                                                                                          |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 4.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>4.2.1.i. Implementation of residential treatment provider qualifications that meet the ASAM Criteria or other nationally recognized, SUD-specific program standards                                            |                                                   | Metric 5, 10, 11, 36       | During this reporting period, KY DMS participated in a discussion with ASAM and CARF International representatives regarding feedback on KY's SUD residential programs who have completed the ASAM Level of Care Certification process. CARF shared areas of improvement for the state such as further understanding of the ASAM Criteria and implementing in practice, as well as areas of strength such as overall KY programs were accepting of MAT and meeting this element of certification which access to at least two (2) medications approved by the FDA for the treatment of OUD. During this time, 49 residential programs had received ASAM LOC Certification.<br><br>Following the discussion with ASAM and CARF, DMS and sister agencies began exploring additional opportunities (such as trainings and workgroups) to support providers and implementation of the ASAM Criteria in practice. |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompt                                                                                                                                                          | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.2.1.ii. Review process for residential treatment providers' compliance with qualifications.                                                                   |                                                   | Metric 1, 5, 10, 11, 36,   | KY DMS continues to issue residential provisional certifications; during this period an additional 4 provisional certifications were issued. The provisional certification review process includes a review of the attestation for state regulated compliance; such as licensure, services and behavioral health practitioners. The review also includes programming, staffing, policy and procedures for ensuring emergency care, care coordination, drug screening, assessments tools and discharge planning, during the desk audit process.<br><br>The provisional certification notification sent to providers following the review outlines the requirement for the ASAM LOC Certification, which will be required to ensure all residential and inpatient programs are in compliance meet the appropriate ASAM level of care they are receiving reimbursement. |
| 4.2.1.iii. Availability of medication-assisted treatment at residential treatment facilities, either on-site or through facilitated access to services off site |                                                   | Metric 6, 12, 14           | The desk audit process mentioned in (ii) includes a review of providers attestation related to providing MAT to ensure a. the provider offers MAT, and b. should they not provide the service on-site explain how they are meeting requirements to facilitate off-site.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 4.2.2 The state expects to make other program changes that may affect metrics related to Milestone 3                                                            | X                                                 |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompt                                                                                                                                                                                                                                                                    | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>5. Sufficient Provider Capacity at Critical Levels of Care including for Medication Assisted Treatment for OUD (Milestone 4)</b>                                                                                                                                       |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| <b>5.1 Metric trends</b>                                                                                                                                                                                                                                                  |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| 5.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 4                                                                                                                                         | X                                                 |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| <b>5.2 Implementation update</b>                                                                                                                                                                                                                                          |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| 5.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>Planned activities to assess the availability of providers enrolled in Medicaid and accepting new patients in across the continuum of SUD care | X                                                 |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| 5.2.2 The state expects to make other program changes that may affect metrics related to Milestone 4                                                                                                                                                                      | X                                                 |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| <b>6. Implementation of Comprehensive Treatment and Prevention Strategies to Address Opioid Abuse and OUD (Milestone 5)</b>                                                                                                                                               |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| <b>6.1 Metric trends</b>                                                                                                                                                                                                                                                  |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| 6.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 5                                                                                                                                           | X                                                 |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| <b>6.2 Implementation update</b>                                                                                                                                                                                                                                          |                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                    |
| 6.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>6.2.1.i. Implementation of opioid prescribing guidelines and other interventions related to prevention of OUD                                  |                                                   |                            | Effective 7/1/21, KY DMS including FFS and MCO moved to a single Pharmacy Benefit Manager (PBM) for pharmacy claims processing and PAs.<br>Senate Bill 51 also took effect 7/1/21 removing PA for all MAT products. The removal of PA for MAT products however does not remove safety edits such as age, quantity/dosage limits and drug utilization review edits. |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompt                                                                                                                                                                                                                                                                     | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|----------------|
| 6.2.1.ii. Expansion of coverage for and access to naloxone                                                                                                                                                                                                                 | X                                                 |                            |                |
| 6.2.2 The state expects to make other program changes that may affect metrics related to Milestone 5                                                                                                                                                                       | X                                                 |                            |                |
| <b>7. Improved Care Coordination and Transitions between Levels of Care (Milestone 6)</b>                                                                                                                                                                                  |                                                   |                            |                |
| <b>7.1 Metric trends</b>                                                                                                                                                                                                                                                   |                                                   |                            |                |
| 7.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 6                                                                                                                                          | X                                                 |                            |                |
| <b>7.2 Implementation update</b>                                                                                                                                                                                                                                           |                                                   |                            |                |
| 7.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: Implementation of policies supporting beneficiaries' transition from residential and inpatient facilities to community-based services and supports | X                                                 |                            |                |
| 7.2.2 The state expects to make other program changes that may affect metrics related to Milestone 6                                                                                                                                                                       | X                                                 |                            |                |
| <b>8. SUD health information technology (health IT)</b>                                                                                                                                                                                                                    |                                                   |                            |                |
| <b>8.1 Metric trends</b>                                                                                                                                                                                                                                                   |                                                   |                            |                |
| 8.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to its health IT metrics                                                                                                                                | X                                                 |                            |                |
| <b>8.2 Implementation update</b>                                                                                                                                                                                                                                           |                                                   |                            |                |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompt                                                                                                                                                                                                                             | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response                                                                                                                                                                                                                                                               |
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| 8.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>8.2.1.i. How health IT is being used to slow down the rate of growth of individuals identified with SUD | X                                                 |                            |                                                                                                                                                                                                                                                                              |
| How health IT is being used to treat effectively individuals identified with SUD                                                                                                                                                   | X                                                 |                            |                                                                                                                                                                                                                                                                              |
| 8.2.1.ii. How health IT is being used to effectively monitor “recovery” supports and services for individuals identified with SUD                                                                                                  | X                                                 |                            |                                                                                                                                                                                                                                                                              |
| 8.2.1.iii. Other aspects of the state’s plan to develop the health IT infrastructure/capabilities at the state, delivery system, health plan/MCO, and individual provider levels                                                   | X                                                 |                            |                                                                                                                                                                                                                                                                              |
| 8.2.1.iv. Other aspects of the state’s health IT implementation milestones                                                                                                                                                         | X                                                 |                            |                                                                                                                                                                                                                                                                              |
| 8.2.1.v. The timeline for achieving health IT implementation milestones                                                                                                                                                            | X                                                 |                            |                                                                                                                                                                                                                                                                              |
| 8.2.1.vi. Planned activities to increase use and functionality of the state’s prescription drug monitoring program                                                                                                                 |                                                   |                            | Per KY call with CMS on 7/12/21, the Office of Inspector General (OIG) had requested to make updates to the Implementation Plan regarding some deliverables and timelines. The proposed changes have been outlined in the corresponding document upload with this submission |
| 8.2.2 The state expects to make other program changes that may affect metrics related to health IT                                                                                                                                 | X                                                 |                            |                                                                                                                                                                                                                                                                              |
| <b>9. Other SUD-related metrics</b>                                                                                                                                                                                                |                                                   |                            |                                                                                                                                                                                                                                                                              |
| <b>9.1 Metric trends</b>                                                                                                                                                                                                           |                                                   |                            |                                                                                                                                                                                                                                                                              |

| Prompt                                                                                                                                          | State has no trends/update to report (place an X) | Related metric(s) (if any) | State response |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------|----------------|
| 9.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to other SUD-related metrics | X                                                 |                            |                |
| <b>9.2 Implementation update</b>                                                                                                                |                                                   |                            |                |
| 9.2.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to other SUD-related metrics | X                                                 |                            |                |

#### 4. Narrative information on other reporting topics

| Prompts                                 | State has no update to report (Place an X) | State response |
|-----------------------------------------|--------------------------------------------|----------------|
| <b>10. Budget neutrality</b>            |                                            |                |
| <b>10.1 Current status and analysis</b> |                                            |                |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompts                                                                                                                                                                                                                                                                                       | State has no update to report (Place an X) | State response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| 10.1.1 If the SUD component is part of a broader demonstration, the state should provide an analysis of the SUD-related budget neutrality and an analysis of budget neutrality as a whole. Describe the current status of budget neutrality and an analysis of the budget neutrality to date. |                                            | <p>The reported member months for the waiver are: Waiver Year 1 = 1; Waiver Year 2 = 46; Waiver Year 3 = 16,969; and Waiver Year 4 = 32,502. To date, the average quarterly expenditures have steadily increased alongside the average quarterly member months. If current rates continue, these trends contribute to the projection of higher program expenditures in the remaining waiver period. Member months figures only include those individuals that received a waiver-related service during the reporting period, not all beneficiaries eligible for waiver services. This dynamic may increase the perceived cost of the demonstration project on a “per member, per month” (PMPM) basis.</p> <p>As Kentucky noted in a previous report, several dynamics in the Medicaid program and the broader population of Kentucky may explain this upward trend in expenditures on substance use disorder treatment. The monitoring team believes that it is reasonable to assume that the COVID-19 pandemic – and its associated stressors – accounts for an increased volume of substance use, and a consequent growth in demand for substance use disorder treatment. In other words, there are accounts of individuals who were in sustained SUD recovery relapsing after losing connection with their support networks, individuals turning to substance use as a means to cope with grief and loss, and other ways that the disruptions of the pandemic have exacerbated Kentucky’s problems with substance use at the population level.</p> |
| <b>10.2 Implementation update</b>                                                                                                                                                                                                                                                             |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 10.2.1 The state expects to make other program changes that may affect budget neutrality                                                                                                                                                                                                      | X                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | State has no update to report (Place an X) | State response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>11. SUD-related demonstration operations and policy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>11.1 Considerations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 11.1.1 The state should highlight significant SUD (or if broader demonstration, then SUD-related) demonstration operations or policy considerations that could positively or negatively affect beneficiary enrollment, access to services, timely provision of services, budget neutrality, or any other provision that has potential for beneficiary impacts. Also note any activity that may accelerate or create delays or impediments in achieving the SUD demonstration's approved goals or objectives, if not already reported elsewhere in this document. See report template instructions for more detail. |                                            | During the reporting period, the PHE was extended in KY. As KY remains in the PHE, we continue to see a rise in overdose deaths, and as mentioned, there were no PA requirements during this reporting period for behavioral health services to ensure accessibility for needed services. KY DMS anticipates, there maybe an increase in SUD services, which may also have an impact on the budget neutrality. KY continues to evaluate increase in utilization and impacts related to increased access to services under the 1115, as well has policies related to the PHE. |
| <b>11.2 Implementation update</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 11.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | X                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 11.2.1.i. How the delivery system operates under the demonstration (e.g. through the managed care system or fee for service)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 11.2.1.ii. Delivery models affecting demonstration participants (e.g. Accountable Care Organizations, Patient Centered Medical Homes)                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | X                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 11.2.1.iii. Partners involved in service delivery                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | X                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 11.2.2 The state experienced challenges in partnering with entities contracted to help implement the demonstration (e.g., health plans, credentialing vendors, private sector providers) and/or noted any performance issues with contracted entities                                                                                                                                                                                                                                                                                                                                                              | X                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompts                                                                                                                                                            | State has no update to report (Place an X) | State response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11.2.3 The state is working on other initiatives related to SUD or OUD                                                                                             |                                            | <p>KY DMS is participating in the House Bill 124 initiative which tasked the Cabinet to look at standards and quality of SUD treatment across the state. DMS in collaboration with sister agencies within the quality workgroup have identified measures and developing reporting processes to stakeholders and legislators.</p> <p>KY DMS also participated in the KORE Treatment Access Program workgroup designed to “brainstorm” and explore changes that are needed to the program to expand eligibility criteria and providers enrolled in the program.</p> <p>During this reporting period, the KORE Communications Workgroup reconvened. DMS is a participating partner as the group works toward establishing a statewide anti-stigma campaign in collaboration with Shatterproof.</p> |
| 11.2.4 The initiatives described above are related to the SUD or OUD demonstration (The state should note similarities and differences from the SUD demonstration) | X                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompts                                                                                                                                                                                                                                                                                                              | State has no update to report (Place an X) | State response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>12. SUD demonstration evaluation update</b>                                                                                                                                                                                                                                                                       |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>12.1 Narrative information</b>                                                                                                                                                                                                                                                                                    |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 12.1.1 Provide updates on SUD evaluation work and timeline. The appropriate content will depend on when this report is due to CMS and the timing for the demonstration. There are specific requirements per Code of Federal Regulations (CFR) for annual reports. See report template instructions for more details. |                                            | <p>Principal activities during the period consisted of methodological refinements, data collection, and data analysis including quantitative and qualitative analyses.</p> <p>Quantitative analyses consisted of resolving issues around the virtual machine environment including access and tests of data reliability, software updates, review of CMS required metrics, data operationalization, and data analysis. Generally, Medicaid claims data were explored and analyzed relative to required outcome metrics and established hypotheses.</p> <p>Qualitative analyses, principal activities centered on finalizing the research methodology, including sampling frame, sampling technique, and research instruments. A random sample of provider organizations was drawn, and research accrual began in mid-October.</p> <p>Relative to the evaluation plan, both the qualitative and quantitative analyses are being enhanced to include research activities that provide an assessment of the Midpoint Evaluation findings. The purpose is to determine whether areas of concern are being addressed and the effectiveness of any specific activities.</p> |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompts                                                                                                                                                                                                                                                          | State has no update to report (Place an X) | State response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12.1.2 Provide status updates on deliverables related to the demonstration evaluation and indicate whether the expected timelines are being met and/or if there are any real or anticipated barriers in achieving the goals and timeframes agreed to in the STCs |                                            | <p>The Interim Assessment Draft is due 9/30/22 and the Interim Assessment Final Report is due 1/31/23. These timelines are on track. The principal risk to achieving these goals is the resurgence of COVID-19 through the Delta or other variants. This primarily effects the qualitative research activities. This barrier could be ameliorated by using virtual interviews. However, challenges to beneficiary accrual for the interviews would remain a significant issue.</p> <p>A second area of risk concerns the licensing of the use of HEDIS measures for this evaluation. We believe that this appears to be near resolution and thus should not affect the deliverables.</p> <p>The expectation is that all goals and timeframes will be achieved relative to the independent evaluation as agreed to in the STCs.</p> |
| 12.1.3 List anticipated evaluation-related deliverables related to this demonstration and their due dates                                                                                                                                                        |                                            | <p>DY2 Annual Report:</p> <p>The Midpoint Evaluation was completed and delivered on-time. Future deliverables are expected to be delivered as contractually specified. These Report and Due Dates are:</p> <ol style="list-style-type: none"> <li>1. Interim Assessment Report Draft 9/30/22</li> <li>2. Interim Assessment Final Report 1/31/23</li> <li>3. Final Assessment Report 6/30/24</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>13. Other demonstration reporting</b>                                                                                                                                                                                                                         |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>13.1 General reporting requirements</b>                                                                                                                                                                                                                       |                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 13.1.1 The state reports changes in its implementation of the demonstration that might necessitate a change to approved STCs, implementation plan, or monitoring protocol                                                                                        | X                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 13.1.2 The state anticipates the need to make future changes to the STCs, implementation plan, or monitoring protocol, based on expected or upcoming implementation changes                                                                                      | X                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

| Prompts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | State has no update to report (Place an X) | State response |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------|
| 13.1.3 Compared to the demonstration design and operational details, the state expects to make the following changes to:<br>13.1.3.i. The schedule for completing and submitting monitoring reports                                                                                                                                                                                                                                                                                                                                                                                   | X                                          |                |
| 13.1.3.ii. The content or completeness of submitted reports and/or future reports                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | X                                          |                |
| 13.1.4 The state identified real or anticipated issues submitting timely post-approval demonstration deliverables, including a plan for remediation                                                                                                                                                                                                                                                                                                                                                                                                                                   | X                                          |                |
| <b>13.2 Post-award public forum</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                            |                |
| 13.2.2 If applicable within the timing of the demonstration, provide a summary of the annual post-award public forum held pursuant to 42 CFR § 431.420(c) indicating any resulting action items or issues. A summary of the post-award public forum must be included here for the period during which the forum was held and in the annual report.                                                                                                                                                                                                                                    | X                                          |                |
| <b>14. Notable state achievements and/or innovations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                            |                |
| <b>14.1 Narrative information</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                            |                |
| 14.1.1 Provide any relevant summary of achievements and/or innovations in demonstration enrollment, benefits, operations, and policies pursuant to the hypotheses of the SUD (or if broader demonstration, then SUD related) demonstration or that served to provide better care for individuals, better health for populations, and/or reduce per capita cost. Achievements should focus on significant impacts to beneficiary outcomes. Whenever possible, the summary should describe the achievement or innovation in quantifiable terms, e.g., number of impacted beneficiaries. | X                                          |                |

\*The state should remove all example text from the table prior to submission.

Note: Licensee and states must prominently display the following notice on any display of Measure rates:

Medicaid Section 1115 SUD Demonstrations Monitoring Report – Part B Version 3.0  
Kentucky, KY HEALTH

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*Measures IET-AD, FUA-AD, FUM-AD, and AAP [Metrics #15, 17(1), 17(2), and 32] are Healthcare Effectiveness Data and Information Set (HEDIS®) measures that are owned and copyrighted by the National Committee for Quality Assurance (NCQA). HEDIS measures and specifications are not clinical guidelines, do not establish a standard of medical care and have not been tested for all potential applications. The measures and specifications are provided “as is” without warranty of any kind. NCQA makes no representations, warranties or endorsements about the quality of any product, test or protocol identified as numerator compliant or otherwise identified as meeting the requirements of a HEDIS measure or specification. NCQA makes no representations, warranties, or endorsement about the quality of any organization or clinician who uses or reports performance measures and NCQA has no liability to anyone who relies on HEDIS measures or specifications or data reflective of performance under such measures and specifications.*

*The measure specification methodology used by CMS is different from NCQA’s methodology. NCQA has not validated the adjusted measure specifications but has granted CMS permission to adjust. A calculated measure result (a “rate”) from a HEDIS measure that has not been certified via NCQA’s Measure Certification Program, and is based on adjusted HEDIS specifications, may not be called a “HEDIS rate” until it is audited and designated reportable by an NCQA-Certified HEDIS Compliance Auditor. Until such time, such measure rates shall be designated or referred to as “Adjusted, Uncertified, Unaudited HEDIS rates.”*