Commonwealth of Kentucky
Overview of Kentucky HEALTH

All information based on Kentucky HEALTH Waiver proposal. Information is subject to change.
Challenges Facing Kentucky

Nationally, Kentucky is ranked close to last in many crucial areas. The state’s unemployment rate, poverty rate, workforce participation rate, and wages are all significantly below the national average.

Over the past decade, the opioid epidemic has wreaked havoc on our families, communities and economy.

- Overdose deaths have climbed to more than 1,000 per year.
- Kentucky’s rate of babies born drug-addicted is twice the national average.
- Drug abuse has negative impacts on daily life and work functions, and is weakening family and social connections and impacting employability (attendance, teamwork, and productivity).
- All of these factors impact people’s ability to be independent.

Kentucky is among the worst nationally in several key population health metrics.

- 1st in the nation for cancer deaths, 2nd highest in the nation for smoking.
- Nearly 1/3 of Kentuckians have weight-related health issues (12th highest rate in the nation).
- There are 6.8 infant deaths per 1,000 live births (17th highest rate in the nation).
- Recent report shows 8 of 13 counties in the nation with largest declines in life expectancy since the 1980s are in Kentucky.
Unsustainable Growth

- **High poverty & high Medicaid enrollment**
  - Workforce participation rate is 59.4% (45th in the nation)
  - 19% of Kentuckians live in poverty
  - 47th in the nation for median household income
  - Nearly 1/3 of total state population is enrolled in Medicaid

- **Kentucky has poor health outcomes despite high spending**
  - 1 in 3 Kentuckians struggle with weight-related health issues
  - Ranks 2nd highest in the nation for smoking
  - Ranks 1st highest in the nation for cancer deaths

- **No long term financing plan**
  - Kentucky is projected to spend approximately **$1.2 billion** over the next five years on expanded Medicaid benefits (SFY 2017-2021)

The cost growth in Medicaid expansion threatens funding for traditional Medicaid coverage for the aged, blind, disabled, pregnant women, & children.
What Determines Health?

Access to healthcare alone will **NOT** dramatically improve the health of Kentuckians.

Kentucky HEALTH seeks to provide a holistic solution to improve member health.

Note: The remaining 10% accounts for miscellaneous factors.
Kentucky HEALTH Benefits

Kentucky HEALTH Vision
Kentucky HEALTH aims to improve lives and re-envision public assistance as a temporary safety net, not a long-term plan. The program aims to improve health by:

- Giving members more control over their healthcare
- Promoting self-sufficiency and encouraging individuals to be engaged in their communities
- Creating opportunities for members to get involved in their healthcare and promoting healthy living
- Implementing a more financially sustainable approach for Kentucky’s Medicaid services
## Kentucky HEALTH Covered Populations

### Medicaid Populations Not Included in Kentucky HEALTH

**Traditional Medicaid (Aged, Blind & Disabled)**

- Home and Community Based Waiver - 1915(c)
  - No Change
- Michelle P Waiver – 1915(c)
  - No Change
- Acquired Brain Injury – 1915(c)
  - No Change
- Nursing Facility and ICF/MR Residents
  - No Change

### Medicaid Populations Included in Kentucky HEALTH

**Non-Disabled Adults & Children**

*Individuals covered before expansion, pregnant women, children, former foster youth up to age 26, Medically Frail, & adult expansion population*

- Model Waiver II – 1915(c)
  - No Change
- Supports for Community Living – 1915(c)
  - No Change
- Acquired Brain Injury, Long Term Care – 1915(c)
  - No Change
- Qualified Medicare Beneficiaries
  - No Change
- Traditional Medicaid Adults Eligible Prior to Expansion
  - Premiums or Copays
  - No Change in Benefits (continue to get vision and dental through MCO)
  - Community Engagement required, unless primary caretaker of dependent
- Medicaid Expansion Adults
  - Premiums or Copays
  - State Employee Benefits
  - Vision and Dental available through My Rewards Account
  - Community Engagement required, unless primary caretaker of dependent
- Pregnant Women & Children (Traditional Medicaid and KCHIP)
  - No Premiums
  - No Change in Benefits
  - Community Engagement initiative not required
- Medically Frail Adults & Former Foster Youth up to age 26
  - Optional Premiums (for access to My Rewards)
  - No Change in Benefits
  - Community Engagement initiative not required
Kentucky HEALTH Medicaid State Plan/CHIP

- Current benefits available to individuals outside of the Adult Group
  - Includes Medically Frail and former foster youth up to age 26

Kentucky HEALTH Alternative Benefit Plan

- Kentucky State Employee Benefit Model
  - Same benefits and limitations as this plan
  - The following benefits are moved to My Rewards Account:
    - Vision
    - Dental
  - The following benefits are added to My Rewards Account:
    - Gym membership & fitness activities
## Benefits by Population

<table>
<thead>
<tr>
<th>Population</th>
<th>Benefit Package</th>
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</thead>
<tbody>
<tr>
<td>Adult Group</td>
<td>Kentucky HEALTH Alternative Benefit Plan</td>
</tr>
<tr>
<td>• Medically Frail Adults</td>
<td>No change in benefits (Medicaid State Plan)</td>
</tr>
<tr>
<td>• Former Foster Youth up to Age 26</td>
<td>No change in benefits (Medicaid State Plan)</td>
</tr>
<tr>
<td>• Pregnant Adults</td>
<td>No change in benefits (Medicaid State Plan)</td>
</tr>
<tr>
<td>Parents and Caretakers &amp; TMA</td>
<td>No change in benefits (Medicaid State Plan)</td>
</tr>
<tr>
<td>Pregnancy Category</td>
<td>No change in benefits (Medicaid State Plan)</td>
</tr>
<tr>
<td>Children</td>
<td>No change in benefits (Medicaid State Plan)</td>
</tr>
</tbody>
</table>

**Note:** Vision and dental coverage will continue to be covered by the MCOs (not the My Rewards Account) for all members with access to Medicaid State Plan benefits.
Key Components of Kentucky HEALTH

**Cost Sharing**
Cost sharing introduces members to critical commercial market features, including making timely monthly premiums, tracking deductibles, and managing a healthcare account a way of investing in own health.

**Premium Assistance**
Establishes a path for the state to pay member’s premium if employer sponsored insurance is available.

**Education and Training**
The Health and Financial Literacy classes allow Kentuckians to gain skills for long-term independence and success.

**Deductible Account**
The state-funded deductible account empowers individuals to make cost-conscious healthcare decisions.

**My Rewards Account**
By rewarding health and positive community related activities, My Rewards Account provides incentives for members to improve their health, engage in their communities, and improve their job skills.

**Partnering to Advance Training and Health (PATH) Program**
Research shows an important link between some sort of community engagement (like volunteer work, public service, or employment) and an individual’s overall health and well-being. The PATH program is designed to move people toward financial security, and build and strengthen Kentucky’s workforce.
Kentucky HEALTH Cost Sharing
Qualifying members will pay premiums or copays as a way of investing in personal health. Cost sharing introduces members to key commercial market features, including making timely monthly premium payments, tracking deductibles, and managing a healthcare spending account.

Cost Sharing Breakdown

**Policy**
- Kentucky HEALTH members will have monthly family premiums (ranging from $1 to $15, depending on income)
- Cost sharing is limited to 5% of family income on a quarterly basis (includes all family copayments and premiums)

**What’s Changing?**
- Monthly premiums
- Non-payment penalties vary
  - Over 100% FPL - Disenrolled
  - At or below 100% FPL - shift to state plan with copayments

**Who is Impacted?**
- Adult Group
- Parent/Caretaker Relatives

**Not Impacted**
- Children
- Medically Frail & Former Foster Youth (up to age 26)
- Pregnant Women
- Non-Kentucky HEALTH Medicaid members
Kentucky HEALTH Cost Sharing

**Premium Plan**
- Expansion Adult and Parent/Caretakers
- Budget predictability for Individuals
- Access to My Rewards Account for encouraging access to preventive services benefits

**Copay Plan**
- Expansion Adult and Parent/Caretakers
- Non-payment penalty plan available to those under 100% FPL
- No My Rewards Account access

**Cost-Share Exempt**
- Medically Frail & Former Foster Youth (up to age 26) *(Premium optional for access to My Rewards Account)*
- Pregnant Women
- Children
Deductible Account

The deductible account empowers individuals to be active consumers of healthcare and make cost-conscious decisions by allowing members to utilize the dollars in their deductible accounts towards healthcare services.

**Deductible Account Breakdown**

- **Policy**
  - Members will receive a $1,000 state-funded account to pay for their $1,000 plan deductible
  - The first $1,000 of expenses (except preventive services) will deduct from the account
    - Preventative services are covered, but not counted toward the deductible account. A member with a My Rewards Account will earn dollars for preventative service.

- **What’s Changing?**
  - Members will get statements showing their first $1,000 of claims
  - Up to ½ of the balance at the end of the year (if applicable) rolls over to My Rewards Account for additional benefits

- **Who is Impacted?**
  - Expansion Adults
  - Parents/Caretaker Relatives
  - Medically Frail & Former Foster Youth (up to age 26)

- **Not Impacted**
  - Children
  - Pregnant Women
  - Non-Kentucky HEALTH Medicaid members
Research shows an important link between some sort of community engagement (like volunteer work, public service, or employment) and an individual’s overall health and well-being. The PATH program is a unique community engagement or employment initiative for Kentucky HEALTH members designed to build and strengthen Kentucky’s health and workforce.

**PATH Program Breakdown**

**Partnering to Advance Training and Health**

**Policy**
- Able-bodied working age adults who are not otherwise exempt are required to complete community engagement activities

**What’s Changing?**
- Non-exempt members will need to complete qualifying activities to maintain eligibility, such as employment, volunteering, caretaking, job training, and education

**Who is Impacted?**
- All able-bodied working age adult Kentucky HEALTH members
  - Expansion Adults
  - Parent/Caretakers relatives

**Not Impacted**
- Children
- Pregnant Women
- Medically Frail
- Former Foster Youth up to Age 26
- Chronically Homeless
- Full-Time Students
- Primary Caregiver of a Dependent

**Fulfill PATH Requirement**
- Full-Time Employed
- Those meeting SNAP/TANF work requirements
The Health and Financial Literacy classes will help Kentuckians gain skills for long-term independence and success.

**Education and Training Breakdown**

**Policy**
- Education and Training courses will be available to individuals to earn dollars for My Rewards Account, meet Community Engagement requirements, and end penalty periods

**What’s Changing?**
- The Commonwealth will identify curricula and approve providers
- Course registration and tracking will occur within the Community Engagement tracking system

**Who is Impacted?**
- All Kentucky HEALTH members with the exception of children may earn benefits by completing education and training courses

**Not Impacted**
- Individuals not enrolled in Kentucky HEALTH have no education or training requirements
Premium Assistance

Establishes a path for the state to pay member’s premium if employer sponsored insurance is available, and if this is more cost-effective than the qualifying member remaining in Kentucky HEALTH.

Premium Assistance

- **Policy**
  - Individuals eligible for Kentucky HEALTH may have the option or obligation to enroll in their employer’s health plan instead of the standard Medicaid consumer health plan option

- **What’s Changing?**
  - Kentucky HEALTH will reimburse the employee (minus the required premium amount) for the full cost of the employer plan
  - Medicaid will cover the cost for services that are covered by Kentucky HEALTH, but not the employer plan.

- **Who is Impacted?**
  - **Mandatory enrollment**: Expansion Adults, Parents, Caretakers & TMA who have been enrolled in Kentucky HEALTH for 12 months and employed with the same employer for 12 months if the plan is deemed cost effective.

- **Not Impacted**
  - **Optional enrollment**: Medically Frail, Former Foster Youth (up to age 26), Pregnant Women & Children
By rewarding health, job training and community engagement, the My Rewards Account provides incentives for members to improve their health while becoming active members of the community.

My Rewards Account Breakdown

**Policy**
- My Rewards Account allows members to earn dollars to spend on additional benefits
- The account is available to members in an active status (not in a penalty period)

**What’s Changing?**
- Expansion adults may use My Rewards Account for vision and dental services
- All individuals may use the My Rewards Account for enhanced benefits, such as fitness services or activities

**Who is Impacted?**
- Expansion Adults
- Parents/Caretaker relatives
- Medically Frail & Former Foster Youth (up to age 26)
- Pregnant

**Not Impacted**
- Children
- Non-Kentucky HEALTH Medicaid members
### Examples: My Rewards Qualifying Activities*

<table>
<thead>
<tr>
<th>Education and Training</th>
<th>Community Engagement</th>
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</thead>
<tbody>
<tr>
<td>Complete health risk assessment with MCO</td>
<td>Register with career center and complete goal needs assessment</td>
</tr>
<tr>
<td>Complete diabetes, cardiovascular, weight management, or other chronic disease management course</td>
<td>Participate in qualifying community activity (including services)</td>
</tr>
<tr>
<td>Complete Health Access Nurturing Development Services (HANDS) program intended for any new or expectant parents</td>
<td>Complete job skills training or training with career coach</td>
</tr>
<tr>
<td>Participate in Moving Beyond Depression (MBD) intended for mothers suffering from depression needing assistance to function optimally and support their child’s development</td>
<td>Conduct job search activities</td>
</tr>
<tr>
<td>Participate in Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC)</td>
<td>Employment - related education or GED - prep classes</td>
</tr>
<tr>
<td>Complete a My Rewards qualifying course</td>
<td>Pass the GED exam</td>
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<table>
<thead>
<tr>
<th>Prevention</th>
<th>Healthy Living</th>
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<tbody>
<tr>
<td>Take part in health screenings and preventative services, such as: mammograms, pap smears, prostrate screenings, colonoscopy, &amp; flu shots</td>
<td>Participate in smoking cessation activity</td>
</tr>
<tr>
<td>Get annual physical, including biometric screening</td>
<td>Participate in drug addiction counseling (including for alcohol)</td>
</tr>
<tr>
<td>Complete well-child physical, preventative dental exam, or vision screening for dependent child</td>
<td>Complete First Step Program</td>
</tr>
<tr>
<td>Complete adult preventative dental exam</td>
<td>Avoid inappropriate emergency room visits</td>
</tr>
<tr>
<td>Complete adult preventative vision exam</td>
<td>Follow-up with primary care after ER visit</td>
</tr>
</tbody>
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*This is not an exhaustive list of My Rewards Qualifying Activities*
Members Can Earn My Rewards Dollars
6 Months Before Kentucky HEALTH Benefits

6 months to earn My Rewards Dollars

January 2018
• Members are able to earn dollars for their My Rewards Account by getting preventive services
  • Includes going to the dentist, taking a child in for a check-up, getting a mammogram and any other type of preventive service (see preventative services examples on slide 17)

April 2018
• Dollars earned from January to April are credited to the My Rewards Account
  • Members have the opportunity to continue earning dollars by participating in My Rewards education & training activities (see examples on slide 17)

July 2018
• From July onward, Medicaid Expansion Adults (ADLT) are able to earn for all qualifying activities, and use the dollars in My Rewards Accounts to pay for dental services, vision services, and some other fitness activities

NOTE: After benefits change to Kentucky HEALTH on July 1, MCOs will continue to cover vision and dental services for Traditional Medicaid Adults (PACAs), pregnant women, children, former foster youth (up to age 26), and those determined to be Medically Frail. These individuals will not use My Rewards Accounts for these services.
Kentucky HEALTH Proposed Roadmap

<table>
<thead>
<tr>
<th>Thread</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td></td>
<td>A S O N D</td>
<td>J F M A M J J A S O N D</td>
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<tr>
<td>Kentucky HEALTH Phase #1</td>
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<tr>
<td>Identification of Kentucky HEALTH population for outreach</td>
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<tr>
<td>Members can earn My Rewards dollars for preventive services (will be credited retroactively based on claims beginning January 1, 2018)</td>
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<td>1/1/2018</td>
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<tr>
<td>Kentucky HEALTH Phase #2</td>
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<tr>
<td>Community Engagement: Courses for My Rewards accrual available</td>
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<tr>
<td>My Rewards: Beginning balance of a member’s My Rewards Account is updated based on his/her claim(s) processed for preventative services starting from 1/1/18. Active accrual of My Rewards dollars also starts at this time</td>
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<td>4/1/2018</td>
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<tr>
<td>Kentucky HEALTH Phase #3</td>
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<tr>
<td>Implementation of Alternate Benefits Plan (ABP)</td>
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<tr>
<td>Tracking of penalties and suspension</td>
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<tr>
<td>Community Engagement: Begin tracking Community Engagement hours, enable business connect functions (such as ability for partners to register and post opportunities), re-entry courses available</td>
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<tr>
<td>My Rewards: Claims processing for member reimbursement, Medicaid provider authorization and claims processing for dental and vision services</td>
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<tr>
<td>Implementation of Premium Assistance</td>
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7/1/2018