

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.

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State	Kentucky
Demonstration name	SUD Demonstration, Kentucky Helping to Engage and Achieve Long Term Health (KY HEALTH)
Approval period for section 1115 demonstration	January 12, 2018 – September 30 , 2023
SUD demonstration start date^a	January 12, 2018
Implementation date of SUD demonstration, if different from SUD demonstration start date^b	July 1, 2019
SUD (or if broader demonstration, then SUD -related) demonstration goals and objectives	<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>
SUD demonstration year and quarter	DY2Q4/DY2 Annual, DY2Q2 (Metrics)

Reporting period

7/1/2020 – 6/30/2021, 10/1/2020 – 12/31/2021 (Metrics)

^a 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.

^b 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 DMS continues to issue SUD residential provisional certifications on an ongoing quarterly basis through 4/1/22. During this reporting period, an additional 38 provisional certifications were screened, reviewed and issued totaling 123 residential programs who have received DMS Provisional Certification. Due to impacts and constraints of the Public Health Emergency, DMS extended the requirement for enrolled residential providers to obtain the ASAM LOC Certification until 7/1/22. During DY2, 42 providers have obtained this certification.

Chemical Dependency Treatment Center (CDTC) and Residential Crisis Stabilization Unit (RCSU) Regulations were filed and finalized during DY2. These regulations changes incorporated the State Plan Amendment (SPA) changes effective 1/1/20 to add inpatient coverage in a CDTC and require programs treating SUD to meet the Medically Monitored Intensive Inpatient level of care according to *The American Society for Addiction Medicine (ASAM) Criteria*.

KY DMS continued to conduct monthly SUD Residential Provider Check-In Calls to address issues/concerns post 4/1/20 Phase 2 Implementation and provide updates, as well as expectations regarding the ASAM LOC Certification. There were an average of 35 participants during each call which included providers, provider representatives and MCOs.

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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.

A weekly Buprenorphine Medication Assisted Treatment (MAT) Bundle, was added to the Behavioral Health and SUD Fee Schedule, effective 7/1/20 to ensure individuals receiving buprenorphine in a Narcotic Treatment Program (NTP) could continue to receive services in this setting should they chose to do so.

Beginning 7/1/20, Northern Kentucky University (NKU) Institute for Health Innovation assumed the role as the independent evaluator of the SUD 1115 Demonstration. The Office of Health Data and Analytics facilitated onboarding of NKU and is overseeing the contract. During DY2, the mid-point evaluation was completed and sent to CMS.

Effective 1/1/21 new Managed Care Organization (MCO) contracts became effective; KY now has six MCOs to deliver care to KY Medicaid recipients. KY DMS worked closely with the MCO awardees prior to 1/1/21 during the readiness period to ensure policies and procedures meet contract requirements; the DMS Behavioral Health team stringently reviewed the BH and SUD criteria to ensure contractual obligations were met. Additionally, effective 1/1/21, KY DMS moved to a single preferred drug list PDL in which all recipients now follow the FFS PDL.

As KY DMS moved through DY2, we continued to monitor the PHE and impacts on Kentuckians. The PHE emphasized the importance to ensure access to treatment during which required policy changes that included lifting prior authorization on services and granting flexibilities to deliver services via telehealth. 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
1. Assessment of need and qualification for SUD services			
1.1 Metric trends			
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			

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
1.2 Implementation update			
1.2.1. Compared to the demonstration design and operational details, the state expects to make the following changes to: 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		

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
2. Access to Critical Levels of Care for OUD and other SUDs (Milestone 1)			
2.1 Metric trends			
2.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 1		Metric 2, 3	Kentucky would like to call attention to a favorable dynamic observed in the monitoring data. Generally speaking, the proportion of Medicaid beneficiaries with at least one reported SUD treatment service has grown from the third quarter of 2018 to the fourth quarter of 2020. Specifically, metric #3 describes 90,780 identified beneficiaries – of which 37,707 received at least one treatment service in July 2018. In other words ~42% of diagnosed beneficiaries were served by a treatment provider ($\frac{37,707}{90,780} = 41.54\%$). In December of 2020, this treatment rate had risen to ~60.0% of diagnosed beneficiaries receiving at least one documented treatment service ($\frac{54,202}{90,780} = 59.7\%$). In summary, in recent years, healthcare providers in Kentucky have identified more individuals in need of SUD treatment, and have provided treatment to a greater percentage of those that have been diagnosed. The evidence suggests that more Kentucky beneficiaries in need of help are, in fact, receiving it.
2.2 Implementation update			

<p>2.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:</p> <p>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)</p>		<p>Metric 6, 8, 10, 11, 12, 13</p>	<p>DY2 Annual Report:</p> <p>Following first year of enrollment and discussion with Narcotic Treatment Programs (NTPs), KY implemented a weekly Buprenorphine MAT Bundle to ensure recipients receiving this treatment in an NTP can continue services without disruption.</p> <p>DMS implemented Phase 2 of the demonstration in Spring 2020; during DY2, DMS continued to issue quarterly provisional residential certifications as SUD residential providers who attested to their ASAM Level of Care. An additional 38 programs received DMS provisional certification, during which time 42 programs obtained ASAM LOC Certification. These programs are eligible to receive reimbursement up to 96 beds per location increasing access to services and expanding the continuum of care.</p> <p>Due to the Public Health Emergency (PHE), the ASAM LOC Certification process underwent several changes during DY2 following its launch in Summer 2020. DMS communicated with CARF regarding these changes to best prepare KY providers for the certification process and be successful in meeting regulatory requirements to obtain the certification by 7/1/21. Through monthly newsletters and provider calls, DMS kept providers aware as changes were made and information was available.</p> <p>DMS conducted a provider survey in Fall 2020 to gauge readiness for the ASAM LOC Certification and identify ways DMS can best support providers during this process. A total of 25 surveys were received; of those 15 indicated they were in the application phase of the certification process and at least 4 had received ASAM LOC</p>
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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
			<p>Certification. 60% of respondents felt well prepared for the application process, however only 20% felt well prepared for the survey and 65% somewhat prepared.</p> <p>Based on feedback from the provider survey, providers were notified in February 2021 due to the impacts and constraints the PHE placed on providers and certifying bodies, DMS granted an extension for SUD residential and inpatient providers to obtain the ASAM LOC Certification from 7/1/21 to 7/1/22. KY revised its policy to extend issued DMS Provisional Certifications through 6/30/22; providers were notified during the provider calls, as well as provider letters and posting on DMS website.</p> <p>October 2020, Chemical Dependency Treatment Center (CDTC) and Residential Crisis Stabilization Units (RCSU) regulations were refiled to incorporate effective 1/1/2020 State Plan Amendment (SPA) changes. These changes included: Inpatient coverage added to the CDTC regulation to allow for Medically Monitored Intensive Inpatient Services and Medically Monitored Inpatient Withdrawal Management (WDM) in these settings meeting ASAM Criteria. Programs treating SUD are required to provide care coordination and facilitate Medication Assisted Treatment (MAT), as appropriate and per recipient choice. Public Comment for these regulations extended through 12/31/2020. Following review of the public comments, DMS made minimal changes to regulations. These regulations then became effective May 2021.</p>

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
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		

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
3. Use of Evidence-based, SUD-specific Patient Placement Criteria (Milestone 2)			
3.1 Metric trends			
3.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 2	X		
3.2. Implementation update			

<p>3.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:</p> <p>3.2.1.i. Planned activities to improve providers’ use of evidence-based, SUD-specific placement criteria</p>		<p>Metric 1, 5, 10, 36</p>	<p>DY2 Annual Report:</p> <p>During this reporting period, KY DMS continued to conduct SUD residential and inpatient provider calls to support providers through the ASAM LOC Certification process to increase access to evidence-based treatment and ensuring beneficiaries are receiving the appropriate LOC to meet their needs. During this period, there were an average of 35 participants on these calls (participants often operated or represented multiple residential facilities across the state).</p> <p>DMS supported training module opportunities sponsored by Kentucky Opioid Response Effort (KORE) for providers that included review of <i>The ASAM Criteria</i> and other topics such as Motivational Interviewing and Cognitive Behavioral Therapy. These models were made available to providers and their staff and could be accessed for one year. At the end of the year (8/1/20), 317 out of 401 “slots” purchased were used by providers. Due to the PHE, in person ASAM training opportunities were not available during this reporting period; DMS plans to approach sister agencies about additional opportunities to support KY providers with adopting <i>The ASAM Criteria</i> in practice.</p> <p>By request of DMS, the Kentucky Opioid Response Effort (KORE) sponsored the effort to purchase a set of ASAM LOC Certification Preparation materials for enrolled residential and inpatient providers. This initiative was to further support providers in being successful through the certification process, while increasing access to evidence-based treatment. KORE purchased 60 sets of the <i>ASAM Level of Care Certification Preparation Workbook</i> and <i>ASAM LOC</i></p>
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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
			<i>Certification Manual</i> , mailed directly to the “parent” organization. DMS continues to distribute preparation materials with providers requests.

<p>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</p>			<p>DY2 Annual:</p> <p>(a) Throughout DY2, KY DMS monitored monthly utilization of fee-for-service (FFS) residential claims reimbursed to provisionally certified providers for the new codes implemented 4/1/20, to ensure proper utilization and access to services at the ASAM LOC 3.1, 3.5 and 3.7.</p> <p>During DY2, new MCOs contracts were rewarded and effective 1/1/21. Per contracts, MCOs “shall maintain an adequate network that provides continuum of care to ensure the Enrollee has access to care at the appropriate level.” During MCO readiness review process prior to 1/1/21, DMS ensured awardees had policies and procedures to support this. In addition to MCO network adequacy efforts, KY DMS sends a weekly SUD residential/inpatient file to the MCOs that include provider type, provider, residential program name, location, ASAM level(s) and effective dates to notify MCOs which providers are DMS provisional/ASAM certified, eligible for the enhanced reimbursement and reimbursement beyond 16 beds. This information is beneficial for MCOs to ensure network adequacy and access to the full continuum or care, as well as during the prior authorization process ensure providers are able to provide the appropriate LOC to meet the individual’s needs.</p> <p>(b) During the ongoing provisional certification process and desk audit reviews; KY DMS verifies SUD residential providers attested are utilizing a multi-dimensional assessment tool to determine appropriate LOC placement for SUD treatment.</p>
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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
			(c) During award of new MCOs contracts, DMS ensured the continuation to require MCOs to utilize <i>The ASAM Criteria</i> for authorization regarding LOC determination for SUD treatment. During the PHE extended through DY2, prior authorizations however were lifted, though medical necessity could still be reviewed if providers requested and encouraged to still submit for review in order to better coordinate ongoing services and meet monitoring requirements.
3.2.2 The state expects to make other program changes that may affect metrics related to Milestone 2	X		

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
4. Use of Nationally Recognized SUD-specific Program Standards to Set Provider Qualifications for Residential Treatment Facilities (Milestone 3)			
4.1 Metric trends			
4.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 3 <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		
4.2 Implementation update			
4.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 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	DY2 Annual: October 2020, Chemical Dependency Treatment Center (CDTC) and Residential Crisis Stabilization Units (RCSU) regulations were refiled to incorporate effective 1/1/2020 State Plan Amendment (SPA) changes. Inpatient CDTCs and RCSUs treating SUD are required to meet ASAM Criteria for Medically Monitored Intensive Inpatient Services and Medically Monitored Inpatient Withdrawal Management (WDM) and obtain the ASAM LOC Certification for Level 3.7 by 7/1/22. Changes to the regulations also required programs to utilize a multidimensional assessment tool to determine appropriate level of care, and provide care coordination and facilitate Medication Assisted Treatment (MAT), as appropriate and per recipient choice. These regulations then became effective May 2021.

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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,	<p>DY2 Annual: KY DMS continued to issue residential provisional certifications during DY2. 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.</p> <p>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.</p>
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	<p>DY2 Annual: Per regulations and SPA changes made in DY1; SUD residential programs are required to facilitate MAT treatment off-site, if not offered on-site per the recipient choice. 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.</p>

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
4.2.2 The state expects to make other program changes that may affect metrics related to Milestone 3	X		

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
5. Sufficient Provider Capacity at Critical Levels of Care including for Medication Assisted Treatment for OUD (Milestone 4)			
5.1 Metric trends			
5.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 4	X		
5.2 Implementation update			
5.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 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		
6. Implementation of Comprehensive Treatment and Prevention Strategies to Address Opioid Abuse and OUD (Milestone 5)			
6.1 Metric trends			
6.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 5			
6.2 Implementation update			

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
<p>6.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to:</p> <p>6.2.1.i. Implementation of opioid prescribing guidelines and other interventions related to prevention of OUD</p>			<p>DY2 Annual:</p> <p>During DY2, KY presented significant changes in the pharmacy space, most notably the move to a unified preferred drug list (PDL) on January 1, 2021 across all six managed care organizations (MCOs); all Kentucky Medicaid members now follow the Fee-for-Service (FFS) PDL. DMS worked collaboratively with the MCOs to ensure a smooth transition from their formularies to the single PDL. MCO beneficiaries on existing therapies were given a 90 day grace period to transition from their respective formularies to the Kentucky single PDL list (used for the FFS population). The MCOs work closely with their members to educate them about changes to their pharmacy benefit including but not limited to frequent letters, clinical programs and adherence initiatives.</p> <p>The PHE posed challenges for opioid prescribing with an overall increase in the utilization of opioids therapies and other controlled substances. During the PHE and DY2, prior authorization requirements for medication assisted treatment (MAT) products where lifted.</p> <p>KY continues to monitor changes to SAMHSA’s Buprenorphine Practice Guidelines and impacts this may have to KY’s current regulations pertaining to prescribing and services provided to beneficiaries.</p>

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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			<p>DY2 Annual: With the move to the single PDL 1/1/21, Naloxone continues to be managed as a non-PDL product and may be obtained via a prescriber protocol or via prescription.</p> <p>DMS continues to collaborate with KORE on treating SUD and recovery across the state. In FY2020, KORE distributed 36,900 free Naloxone kits, or 11.4% increase from the prior fiscal year.</p> <p>Dr. Connie White, Commissioner for The Department for Public Health continues to be the ordering physician for the state protocol developed to allow state pharmacies across the state to dispense naloxone prescriptions with permission to be the provider. Dr. White is partnering with DMS to ensure these pharmacies are enrolled as Medicaid providers.</p>
6.2.2 The state expects to make other program changes that may affect metrics related to Milestone 5	X		
7. Improved Care Coordination and Transitions between Levels of Care (Milestone 6)			
7.1 Metric trends			
7.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 6	X		
7.2 Implementation update			

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
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			DY2 Annual: CDTC and RCSU regulations filed October 2020 included care coordination requirements within SUD residential and inpatient treatment facilities to include referring the recipient to appropriate community services, facilitating medical and behavioral health follow ups and linking to appropriate level of substance use treatment within the continuum in order to provide ongoing support for recipients. Care coordination shall also include facilitating medication assisted treatment recipients as necessary, per recipient choice. These regulations were effective May, 2021. Per the MCO contracts mentioned in 3.2.1.ii “The Contractor shall ensure that upon decertifying an Enrollee at a certain level of care, there is access to Providers for continued care at a lower level, if such care is determined Medically Necessary.” During MCO readiness review process prior to 1/1/21, DMS ensured awardees had policies and procedures to support this. All MCO reporting was revised 2021; changes made to the SUD IMD residential report included adding discharge disposition.
7.2.2 The state expects to make other program changes that may affect metrics related to Milestone 6	X		
8. SUD health information technology (health IT)			
8.1 Metric trends			
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		
8.2 Implementation update			

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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
8.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 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		During DY2, KASPER continued to make enhancements to connectivity between the state’s PDMP and any statewide, regional or local health information exchange by continuing work on integration redevelopment to improve the capacity and performance for integration/interstate data sharing; a load balancer and additional web server were added to the integration/interstate process. Additional integration partners were added through the two national PDMP hubs.
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		

<p>8.2.1.vi. Planned activities to increase use and functionality of the state’s prescription drug monitoring program</p>		<p>DY2 Annual Report: Calendar year 2020 saw work continue on Modernizing the KASPER system. Paperless account request and approval is live and being readily utilized. A new Electronic Prescribing of Controlled Substances (EPCS) was rolled out, with a waiver process. OIG processed a little over a 1000 waivers. Enhanced Interstate Data Sharing was deployed providing end users suggestions of states they may want to query based on data analytics. Kentucky currently shares with 18 states and will be utilizing KASPER data to identify next states to engage for interstate data sharing. An overlap flag indicating an overlapping in prescribing of opioids or opioids an benzodiazepines was deployed in its first phase to the prescriber report card; which provides a list of patients of that prescriber with such overlaps. A subsequent analysis was performed of prescribing habits for those that viewed their report card prior to the deployment of the flag and then after; the results are as follows: The statewide count of overlapping (concurrent) opioid prescriptions, expressed as a distinct patient count in July 2021 was 23,449, and in August 2021 was 21,451, representing a 8.5% decrease in one month. For this same time period, prescribers who reviewed their Prescriber Report Card showed a decrease in overlapping (concurrent) opioid prescriptions of 10.4% (from 1,317 to 1,180 unique patients). During the second phase the overlap flag will be added to the Patient Report; additional analysis will be conducted post implementation. We continue to enhance clinical supports through integration, Kentucky is now integrated with 85 organizations across the Commonwealth providing KASPER reports to 9800+ prescribers and pharmacists within their system.</p>
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Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
8.2.2 The state expects to make other program changes that may affect metrics related to health IT	X		
9. Other SUD-related metrics			
9.1 Metric trends			
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		
9.2 Implementation update			
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
10. Budget neutrality		
10.1 Current status and analysis		

<p>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>	<p>DY2 (DY4 Budget Neutrality) Annual Report:</p> <p>Spending and member months projections are based on year-over-year changes between demonstration year 03 and the second quarter of demonstration year 04 (03/01/2021 – 6/30/2021). The budget neutrality report for the period ending June 30, 2021, includes the current expenditures, member months, and projections. Total quarterly expenditures and member months continue to increase compared to the preceding demonstration year. For example, the reported member months for the waiver are: DY1 = 1; DY2 = 46; DY3 = 16,945; and DY4 = 29,676. 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 demonstration years. Member months figures only include those individuals that received a waiver-related service during the reporting period, not all beneficiaries eligible for waiver services; which increases the perceived cost of the demonstration project on a “per member, per month” (PMPM) basis.</p> <p>Several dynamics in the Medicaid program and the broader population of Kentucky may explain this upward trend in expenditures. The monitoring team believes that it is reasonable to assume the PHE, and its associated stressors, may account for an increased volume of substance use, and a consequent growth in demand for SUD treatment. This is supported by Czeisler and colleagues (2020)*, who conducted representative panel surveys of the United States and found elevated levels of adverse mental health conditions, substance use, and suicidal ideation among the population following the official declarations of public health emergencies. Additionally, due to the impacts of the PHE has placed on Kentuckians mental health and substance use wellbeing, KY leaders wants to ensure individuals have access to much needed services during this time and have lifted prior authorization (PA) requirements on behavioral health services; this may also be a contributing factor to the increase in expenditures. KY DMS, along</p>
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Prompts	State has no update to report (Place an X)	State response
		with the MCOs continues to monitor utilization of these services and determining a process for reinstating PAs. <i>*Czeisler, M. É., Lane, R. I., Petrosky, E., Wiley, J. F., Christensen, A., Njai, R., ... & Rajaratnam, S. M. (2020). Mental health, substance use, and suicidal ideation during the COVID-19 pandemic—United States, June 24–30, 2020. Morbidity and Mortality Weekly Report, 69(32), 1049.</i>
10.2 Implementation update		
10.2.1 The state expects to make other program changes that may affect budget neutrality	X	

Prompts	State has no update to report (Place an X)	State response
11. SUD-related demonstration operations and policy		
11.1 Considerations		

Prompts	State has no update to report (Place an X)	State response
<p>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.</p>		<p>DY2 Annual Report: Most notably, throughout DY2, DMS continued to monitor the PHE, and impacts on beneficiaries receiving treatment, providers ability to serve and meet beneficiaries needs, while coordinating at all levels across state agencies how to best ensure polices support access to services and treatment needs.</p> <p>As mentioned, during DY2, PA requirements for behavioral health services were lifted to increase access during the PHE; these impacts were noted Section 10.1 related to Budget Neutrality. Also during this time, individuals who did not have medical insurance that pays for doctors, pharmacy, and hospital visits could apply for Presumptive Eligibility (PE) under the Kentucky Medicaid program. During the PHE, PE was extended and as a result, KY did see a significant increase in PE and FFS population and beneficiary enrollment.</p> <p>KY DMS also awarded new MCO contracts effective 1/1/21, in which KY went from 5 to 6 MCOs. KY DMS diligently worked with MCOs during the readiness phase prior to 1/1/21 to ensure policies and procedures meet contract requirements; this included the behavioral health and SUD requirements mentioned in the prior reporting sections.</p> <p>KY DMS continued to work closely our SUD residential providers regarding the ASAM LOC Certification requirements. As noted, due to impacts on providers and certifying bodies, DMS did need to make adjustments to the 7/1/21 requirement for residential/inpatient providers to obtain the ASAM LOC to 7/1/22 and ensure providers can be successful with meeting this standard.</p>

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Prompts	State has no update to report (Place an X)	State response
11.2 Implementation update		
11.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 11.2.1.i. How the delivery system operates under the demonstration (e.g. through the managed care system or fee for service)	X	
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		DY2 Annual Report: As noted in previous sections of the report, new MCO contracts were awarded in DY2. KY DMS worked with these organizations to ensure readiness for 1/1/21, specifically the BH Team involvement with reviewing reporting materials and behavioral health including SUD components of the contracts. One additional MCO was included in the award, resulting in 6 MCOs to provide services to KY Medicaid recipients effective 1/1/21.
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	

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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		DY2 Annual Report: Kentucky was selected to participate in the “Advancing Housing-Related Supports for Individuals with Substance Use Disorders State Medicaid Learning Collaborative”. Kentucky Housing Corporation (KHC), Department for Behavioral Health Developmental and Intellectual Disabilities (BHDID) and KORE is partnering with KY DMS on this initiative. Along with learning from other states regarding current efforts related to housing supports, reviewing state options, the KY Team has identified gaps and barriers to delivering housing supports and exposing ways to develop/strengthen, behavioral health and housing partnerships. KY is reviewing opportunities to expand housing supports and care coordination to those with SUD or OUD and how to partner with non-Medicaid funding sources to support these initiatives. The learning collaborative concludes August 2021, KY is currently developing a plan to sustain these partnerships and continue discussions.
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	

Prompts	State has no update to report (Place an X)	State response
12. SUD demonstration evaluation update		
12.1 Narrative information		

<p>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>	<p>DY2 Annual Report: The principal activities during the period consisted of three major components:</p> <ol style="list-style-type: none"> 1. Data collection, analysis and writing of the Midpoint Evaluation which was submitted in April 2021. 2. Working with the Department of Medicaid and other entities within the Kentucky Cabinet for Health and Family Services to refine processes to allow independent more efficient access to data to monitor and measure progress toward outcomes. Parallel to this was the development and refinement of data queries and other analytical approaches necessary to support the evaluation. 3. The refinement and enhancement of the qualitative research that is in process to support the evaluation. <p>The Midpoint Evaluation provided an early assessment of the implementation of the demonstration and created a foundation for longer-term evaluation activities. The evaluation was conducted in direct collaboration with the stakeholders to ensure that the findings will influence subsequent implementation and enhance longer-term assessment activities. Two complimentary frameworks were used: a crosswalk analysis using the Cascade of Care Model framework was used to organize and understand the SUD/ODU initiatives in Kentucky and more precisely evaluate the 1115 Demonstration; SWOT analyses were applied against the mechanisms used to implement the 1115 Demonstration. Specific recommendations were made for improvement of the Demonstration project.</p> <p>The second and third activities are interrelated and ongoing. They consist of (a) an iterative process of the analysis Medicaid claims, Vital Statistics and other data to measure performance against established</p>
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Prompts	State has no update to report (Place an X)	State response
		hypotheses and required outcome metrics and (b) the development and implementation of qualitative
<p>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>		<p>DY2 Annual Report:</p> <p>The Midpoint Evaluation was delivered on April 8, 2021. 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.</p> <p>The principal risk to achieving these goals is the resurgence of COVID-19 through the Delta or other variants. It primarily effects the qualitative research activities. This barrier is being ameliorated by using virtual interviews.</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>
<p>12.1.3 List anticipated evaluation-related deliverables related to this demonstration and their due dates</p>		<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"> 1. Interim Assessment Report Draft 9/30/22 2. Interim Assessment Final Report 1/31/23 3. Final Assessment Report 6/30/24

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Prompts	State has no update to report (Place an X)	State response
13. Other demonstration reporting		
13.1 General reporting requirements		
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		DY2 Annual Report: Beginning 7/1/20, Northern Kentucky University (NKU) Institute for Health Innovation assumed the role as the independent evaluator of the SUD 1115 Demonstration. The Office of Health Data and Analytics (OHDA) is overseeing this contract for KY and facilitated onboarding efforts. NKU will be following the approved monitoring protocol with some proposed enhancements.
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	
13.1.3 Compared to the demonstration design and operational details, the state expects to make the following changes to: 13.1.3.i. The schedule for completing and submitting monitoring reports		DMS requested an extension to the DY2 Annual Report due to the states proposed changes discussed with CMS related to metric calculations (see metric workbook and attached documentation for changes). Per confirmation from CMS on 9/21/21, the deliverable date was moved to 10/29/21.
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	

Prompts	State has no update to report (Place an X)	State response
13.2 Post-award public forum		
<p>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.</p>		<p>DY2 Annual Report: DMS conducted virtual two Town Hall meetings on 10/12/20 & 10/26/20. These meetings were an opportunity for the state to provide updates on the 1115 and overview of the proposed incarceration amendment. Participants were given the opportunity to ask questions and send public comments to the Department. Approximately 100 participants were in attendance. Prior to the meetings, notifications were posted on the KY DMS website, as well as email correspondences sent to stakeholder groups across the state. Overall the feedback was positive considering the impacts the PHE has had on providers and the delivery of services.</p> <p>In accordance with 42 CFR 431.428(a)5, KY reports the following: All KY MCOs conduct beneficiary behavioral health, including SUD services satisfaction surveys. Of all surveys completed during DY2; 96% of adults and 89% of children were overall satisfied with services received.</p> <p>KY MCOs are also required to report grievances and appeals to the state. A total of 36 member and 185 provider appeals were received and resolved for behavioral health, including SUD services during DY2. DMS is currently reviewing the reporting process to determine if changes are needed to better capture behavioral health services, specifically SUD satisfaction, grievances and appeals.</p>

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Prompts	State has no update to report (Place an X)	State response
14. Notable state achievements and/or innovations		
14.1 Narrative information		
<p>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.</p>		<p>DY2 Annual Report: An additional 38 SUD residential programs received DMS Provisional Certification during DY2, totaling 123 DMS Provisionally Certified SUD residential programs through DY2. These programs were then eligible to receive reimbursement beyond 16 beds, up to 96 beds per location. The below outlines provisional certification by ASAM Level(s): ASAM 3.1 Only: 3 ASAM 3.5 Only: 58 ASAM 3.7 Only: 4 ASAM 3.1 & 3.5: 53 ASAM 3.5 & 3.7: 4 ASAM 3.1 – 3.7: 1 Through DY2, 42 SUD residential programs have received ASAM LOC Certification.</p> <p>With adding methadone coverage for SUD treatment to the State Plan in DY1 allowing Narcotic Treatment Programs (NTP) to enroll with Medicaid and be reimbursed for methadone treatment, all NTPs remain enrolled with KY DMS as BHSO Tier 2 providers (or as a Community Mental Health Center operating a NTP). Through DY2, 8,664 beneficiaries received methadone treatment for SUD, compared to the 5,061 in DY1 (71% increase from DY1 to DY2).</p>

*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:

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