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.

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	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. 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. 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.)
SUD demonstration year and quarter	DY2Q2, DY1Q4 (Metrics) and DY1 (Annual Metrics)

Reporting period	10/01/20 - 12/31/20, 04/30/20 – 6/30/20 (Quarterly Metrics), 7/1/19 – 6/30/2020 (Annual 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.

Chemical Dependency Treatment Center (CDTC) and Residential Crisis Stabilization Unit (RCSU) Emergency and Ordinary Administrative Regulations were filed October 2020 to incorporate 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.*

The DMS Behavioral Health (BH) Team continues to issue SUD residential provisional certifications on an ongoing quarterly basis through 4/1/21. During this reporting period, an additional 5 provisional certifications were screened, reviewed and issued with effective date 1/1/21.

During this time, DMS continued to conduct monthly SUD Residential Provider Check-In Calls to address any issues or concerns providers may have regarding Phase 2 Implementation and provide updates regarding the ASAM Level of Care (LOC) Certification and next steps. During this quarter there were an average of 35 participants; including providers, Managed Care Organizations (MCOs) and other stake holders. DMS also continues to distribute monthly newsletters to residential/inpatient providers with relevant updates as well.

In December 2020, DMS conducted a SUD Provider Survey for residential and inpatient providers to gauge provider readiness for the ASAM LOC Certification and identify ways DMS can best support providers during this process. The results of the surveys will be used to shape DMS discussed regarding a possible extension date to the required ASAM LOC Certification.

In partnership with DMS, the Kentucky Opioid Response Effort (KORE) sponsored and purchased a set of ASAM LOC Certification Preparation materials for enrolled residential and inpatient providers. This initiative was to help support providers to be successful through the certification process, while supporting access to evidence-based treatment.

DMS continues to monitor utilization of Fee-For-Service (FFS) residential and inpatient claims paid 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. The BH Team continues provider education regarding the importance of including service facility location information on all claims to better determine the location of services for providers operating more than one residential facility.

In preparation for the mid-point assessment, DMS continues to have communication with Northern Kentucky University (NKU) Institute for Health Innovation to provide additional information as requested.

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		Metric 2,3,4	DY1Q4: The number of beneficiaries with "newly initiated" SUD treatment and/or diagnosis continues to vary and averaged 7,523 per month in the period from April through June 2020, ending the quarter with the second-highest number of newly identified beneficiaries in a month, 8,403, during the first year of the demonstration; the highest monthly total was the 8,416 newly identified beneficiaries in January 2020. The number of beneficiaries with a SUD diagnosis has increased 8.2 percent since the start of the demonstration year, beginning in July 2019 with 100,897 and ending with 109,200 in the final month of demonstration year 1 (DY1). The number of "newly initiated" beneficiaries consistently changes more than 2 percent (+ or -) every month compared to the preceding month, frequently at higher rates. The overall number of beneficiaries with a SUD diagnosis is more consistent and increased 3.1 percent from April to June 2020. However, the rate of change for the number of beneficiaries appears to accelerate over time; compared to the final month of the previous quarterly reporting period (March 2020), the program added approximately 5.1 percent more beneficiaries by the end of June 2020. In the first three (3) quarters of the demonstration year, the change from one period to the next never exceeded 1.6 percent. DY1 Annual: In demonstration year 1 (DY1) from July 2019 through June 2020, the Kentucky Medicaid program provided SUD-related services to 115,395 beneficiaries with a SUD diagnosis. This number is higher than the quarterly aggregate data because it captures the number of unique

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
			beneficiaries for the entire year, not of all of whom were likely enrolled for all twelve months of the measurement period.
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		

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 6-11	DY1Q4: The percent of beneficiaries receiving any SUD treatment (#6) decreased in the final quarter of DY1 compared to the previous quarter but closely resembles the rates for the period from July through December 2019, approximately 43.6 percent for the quarter ending in June 2020. Overall, the number of beneficiaries receiving any treatment has increased by 5,343 beneficiaries, or 12.2 percent, between July 2019 and June 2020. The relative utilization of treatment modalities is unchanged, outpatient care (#8) and MAT (#12) continue to be the most frequently used services. Outpatient and intensive outpatient (#9) were utilized at their lowest rate, respectively, compared to the nine previous months. There are consistent changes above and below 2 percent from month to month, especially among the least utilized services (Metric 6-12). Perhaps the most interesting is the change in intensive outpatient services (Metric 9) and withdrawal management. Compared to the previous quarter, the average monthly utilization rate of intensive outpatient treatment changed from 5.9 percent to 3.3 percent, a decrease of 44.4 percent. Conversely, the average monthly utilization rate of withdrawal treatment (Metric 11) increased from 0.5 percent to 2.1 percent, a four-fold increase. During the same time, the utilization of MAT (Metric 12) changed from a monthly average of 24.6 percent to 26.8 percent, a notable increase of 8.8 percent between quarters. Per CMS feedback received 1/21/21, (Section II, Item 3.): “The approved monitoring protocol noted that bundled rates included withdrawal management services, so Metric #11 (Withdrawal Management) could not be separately calculated. We are pleased to see that recent

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
			reports have included data for this metric, and would appreciate a brief update in the next Part B monitoring report further detailing the steps the state has taken to overcome the obstacle noted in the monitoring protocol." Kentucky now attests that the "reporting matches the CMS-provided technical specifications manual," Version 3.0, for Metrics #11, Withdrawal Management, and #12, Medication-Assisted Treatment (MAT). However, Kentucky will continue to monitor if the criteria accurately capture the services utilized by beneficiaries.
2.2 Implementation update			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
2.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 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)		Metric 10, 11, 13	DY2Q2: DMS continues to issue quarterly provisional residential certifications through 6/30/21 in which all provisional certifications will be end dated and the ASAM LOC Certification will be required 7/1/21 per regulation changes 7/1/19 and those filed October 2020. During this reporting period, an additional 5 provisional certifications were issued with effective date 1/1/21. Chemical Dependency Treatment Center (CDTC) and Residential Crisis Stabilization Units (RCSU) regulations were refiled in October 2020 to incorporate effective 1/1/2020 State Plan Amendment (SPA) changes. Inpatient coverage was added to the CDTC regulation. Additional changes allow for Medically Monitored Intensive Inpatient Services and Medically Monitored Inpatient Withdrawal Management (WDM) in these settings meeting ASAM Criteria. Programs treating SUD are also 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.
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		

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		Metric 5, 36	DY1 Annual: In demonstration year 1 (DY1) DMS provided SUD-related services to 115,395 beneficiaries with a SUD diagnosis. Approximately, 16.5 percent of beneficiaries with a SUD diagnosis and a related service were treated, at some point over the year, in an IMD. The average length of stay (LOS) for beneficiaries discharged from IMD residential treatment for SUD was 8.7 days.
3.2. Implementation update			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
3.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 3.2.1.i. Planned activities to improve providers' use of evidence-based, SUD-specific placement criteria			DY2Q2: The BH Team continues to conduct monthly residential and inpatient provider calls to support providers through the ASAM LOC Certification process and taking a step forward in increasing access to evidence-based treatment and ensuring beneficiaries are receiving the appropriate LOC to meet their needs. 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 help support providers to be successful through the certification process, while increasing access to evidence-based treatment. KORE purchased 60 sets of the *ASAM Level of Care Certification Preparation Workbook* and *ASAM LOC Certification Manual*, mailed directly to the "parent" organization.

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
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		Metrics 10, 11, 13	DY2Q2: (a) BH Team continues to monitor monthly utilization of Fee-For-Service (FFS) residential claims paid to provisionally certified providers for new codes implemented 4/1/20 to ensure access to services at the ASAM LOC 3.1, 3.5 and 3.7 and proper utilization. (b) Through the ongoing provisional certification process and desk audit reviews, the BH Team continues to verify providers attestation includes utilizing a multi-dimensional assessment tool to determine appropriate LOC placement for SUD treatment. (c) During this reporting period, the BH Team was involved with reviewing new Managed Care Organization (MCO) contracts effective 1/1/21. During the review, the BH Team ensured the new contracts continue to require the use of The ASAM Criteria for medical necessity criteria and authorization regarding LOC determination for SUD treatment. Due to the Public Health Emergency (PHE) and during this reporting period, prior authorizations are not required for SUD services, though medical necessity could still be reviewed if providers requested.
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 *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.*	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			DY2Q2: CDTC and RCSU regulations filed in October 2020 required these programs to utilize The ASAM Criteria for Medically Monitored Intensive Inpatient Services and Medically Monitored Intensive WDM with the requirement to obtain the ASAM LOC Certification by 7/1/21.

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.			DY2Q2: During the residential provisional certification process, the BH Team continues to review provider attestations for state regulated compliance such as licensure, as well as programming, staffing, policy and procedures for ensuring emergency care, care coordination, drug screening, assessments, discharge planning, etc. during the desk audit process. The provisional certification notification also outlines the requirement for the ASAM LOC Certification, which will be required to ensure all residential and inpatient programs are in compliance with ASAM.
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 14	DY2Q2: The desk audit process mentioned in (ii) also includes review of providers attestation related to providing medication assisted treatment (MAT) and whether it is provided on-site; if not explaining how it is facilitated off-site.
4.2.2 The state expects to make other program changes that may affect metrics related to Milestone 3	X		

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		Metric 13 & 14	DY1 Annual: Unlike the SUD Health Information Technology measure that captures the number of unique provider organizations that enroll in the Medicaid program, measures #13 and #14 count the number of individual providers and bill the Medicaid program for reimbursement. Throughout DY1, 9,066 individual SUD providers were reimbursed (paid) for services by the Medicaid program, and 960 providers for medication-assisted treatment (MAT), now more commonly known as Medication for Opioid Use Disorder (MOUD).
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		Metric 18-22, 23 & 24	DY1Q4: The average utilization of emergency (#23) and inpatient (#24) care for SUD increased in the final quarter of DY1 after two consecutive quarters of lower, or in the case of inpatient care stable, utilization. However, a potentially interesting trend is emerging, the utilization per 1,000 beneficiaries for both services was highest in the first quarter, from July through September 2019, then decreased in the fall and winter months, and in the most recently available data has begun to increase but remains under (ED) or similar (inpatient) to the observed rates in the first quarter. Similar to other services with relatively low volume, there are consistent changes above and below 2 percent from month to month. However, the average monthly rate of emergency department utilization increased approximately 7.9 percent compared to the previous quarter, and 7.5 percent for inpatient care. DY1 Annual: Metric 18-22: Another measure of comprehensive treatment and prevention is the use of opioids in persons without cancer, the concurrent use of opioids and benzodiazepines, and the continuity of pharmacotherapy for OUD. Among beneficiaries without cancer, approximately 8.0 percent, or one in thirteen, use opioids from multiple providers, and about 2.5 percent use opioids at high doses, however, the vast majority of patients using high doses receive opioids from a single provider (only 0.13 percent use opioids in high dosage from multiple providers). Among all prescription opioid users, seventeen percent use opioids and benzodiazepines concurrently, and nearly two-thirds (60.7 percent) receive pharmacotherapy for OUD.

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
6.2 Implementation update			
6.2.1 Compared to the demonstration design and operational details, the state expects to make the following changes to: 6.2.1.i. Implementation of opioid prescribing guidelines and other interventions related to prevention of OUD			DY2Q2: The no prior authorization requirements for medication assisted treatment (MAT) products remains in effect for this reporting period.
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		
7. Improved Care Coordination and Transitions between Levels of Care (Milestone 6)			
7.1 Metric trends			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
7.1.1 The state reports the following metric trends, including all changes (+ or -) greater than 2 percent related to Milestone 6		Metric 15 & 17	DY1 Annual: Metric 15: Over fifty thousand Medicaid beneficiaries experienced a new episode of alcohol abuse, opioid abuse, or other drug (AOD) abuse during calendar year 2019. Among the three principal groups, beneficiaries with opioid abuse initiated treatment most frequently, followed by other drug and alcohol abuse. Interestingly, there is great variation in treatment engagement, defined as two or more additional treatments following initiation. Nearly 83 percent or 8,657 of 10,477 beneficiaries that initiated treatment for opioid use disorder (OUD) continued ("engaged") with treatment compared to 43.2 percent and 51.7 percent, respectively, for beneficiaries with alcohol or other drug dependence. Metric 17: Improvements in care coordination are measured using the percent of beneficiaries that complete a follow-up visit within 7 or 30 days of the index emergency department (ED) visit. Among beneficiaries discharged from the ED for alcohol and other drug dependence, approximately 10.6 percent completed a follow-up visit within 7 days, and nearly a quarter in the first month after discharge. The rates are higher for discharges from the ED for a mental illness, about 29.2 percent of beneficiaries complete a follow-up visit within 7 days and nearly one in two, or 44.9 percent within 30 days.
7.2 Implementation update			

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		Metric 5, 10, 16	DY2Q2: 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 off-site for residential recipients as necessary, per recipient choice.
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		Health IT Q1-Q3	DY1 Annual: Q1: Kentucky selected three (3) information technology (IT) applications for monitoring because of their anticipated importance to the success of the demonstration project. The Prescription Drug Monitoring Program (PDMP), eKasper, had 39,663 registered uses in DY1, including prescribers, pharmacists, licensure boards, and the courts (judges), and received nearly 22 million electronic requests for information, an average of approximately 60,000 per day. Q2: The Kentucky Medicaid Partner Portal Application (KY MPPA), its provider resource directory, has been available to SUD providers since June 2019 and includes 150 unique provider organizations with effective dates on or before June 2020. The SUD provider component of the Kentucky Medicaid Partner Portal Application (KY MPPA) became operational in June 2019. The report summarizes information for SUD provider type (PT) 03-Behavioral Health Service Organization (BHSO), 26-Residential Crisis Stabilization Unit, and 30-Community Mental Health. Provider capacity is currently also captured by metrics #13 and #14 and summarized as the count of unique providers with paid claims for SUD beneficiaries. Q3: The Kentucky Health Information Exchange (KHIE), a statewide HIE system, only has two "live" connections to the state's correction system, one with the Division of Community Corrections in Lexington, Kentucky, and the Metro Department of Corrections in Louisville, Kentucky. Currently, there are only two (2) systems that are "live," the Division of Community Corrections in Lexington and Louisville Metro Department of Corrections.

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
8.2 Implementation update			
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		SUD health information technology Q1	DY2Q2: The University of Louisville and University of Kentucky have begun integration of their Electronic Healthcare Record systems with KASPER. This will allow for more efficient retrieval of controlled substance usage by patients for use in clinical decision making.
8.2.1.iv. Other aspects of the state's health IT implementation milestones			DY2Q2: Development was begun on enhancements to prepare for Electronic Prescribing of Controlled Substances effective January 1, 2021. The goal is to reduce fraudulent acquisition of controlled substances.
8.2.1.v. The timeline for achieving health IT implementation milestones	X		

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
8.2.1.vi. Planned activities to increase use and functionality of the state's prescription drug monitoring program			DY2Q2: In addition, work continued on the paperless account request and account approval process. Concurrently, development efforts continue with modernizing the KASPER system to include more functionality and a modular design.
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		Metric 25, 26 & 28	DY1 Annual: The all-cause 30-day hospital readmission rate (Metric 25) among beneficiaries with a SUD of 13.52 percent is similar to published national statistics for the Medicaid program overall. The overdose deaths (Metric 26) of over one thousand Kentuckians in the Medicaid program were attributed to an overdose, a rate of 0.662 per thousand. Per CMS feedback received 1/21/21 (Section II, Recommendation 7), Provide chosen method for calculating SUD Spending (Metric #28): In aggregate, using the method outlined in Version 3.0 of the technical specifications, Kentucky spent over $546.6 million for SUD in DY1, including about a quarter, approximately $134.6M for treatment in IMDs; this results in an average expenditure of $4,741.33 per beneficiary (per capita) with a SUD, and about $7,089.08 per beneficiary for treatment with an IMD.
9.2 Implementation update			

Prompt	State has no trends/update to report (place an X)	Related metric(s) (if any)	State response
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		
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.		This is the first incremental update of the SUD-related budget neutrality report and includes expenditures reported on the CMS-64.The program expenditures for waiver year 4 (WY4), from July 1, 2020, through December 31, 2020 ($12,479,467) nearly match the expenditures for the entire previous year ($13,127,848), suggesting a significant increase in program expenditures for the current year. The submission includes the total prior period adjustments and projected spending although additional (incremental) data will be required to more accurately assess and forecast program expenditures. The current projections only use two (2) data points, Kentucky's first submission of budget neutrality report and the current submission, and assumes a linear increase that likely overstates future expenditures.
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		
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.		DY2Q2: Due to impacts related to the Public Health Emergency (PHE), DMS anticipates needing to adjust the 7/1/21 requirement for residential/inpatient providers to obtain the ASAM LOC Certification. DMS was made aware CARF International began scheduling virtual surveys during this reporting period. In December, DMS conducted a SUD Provider Survey for residential and inpatient providers to gauge provider readiness for the ASAM LOC Certification and identify ways DMS can best support providers during this process. The results of the surveys will be reviewed the following quarter and be used to shape DMS discussed regarding a possible extension date to the required ASAM LOC Certification. During the PHE, individuals who do not have medical insurance that pays for doctors, pharmacy, and hospital visits can apply for Presumptive Eligibility (PE) under the Kentucky Medicaid program. PE Medicaid during the PHE has been extended; as a result of this, KY has seen a significant increase in FFS beneficiaries. Due to the PHE, there remains no PA requirements for behavioral health and SUD services (FFS or MCO) to increase access to services. Furthermore, due to the impacts of the ongoing PHE and no PA requirements, DMS anticipates seeing an increase in utilization of SUD services.

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		DY2Q2: New MCO contracts were awarded during this period and DMS is worked with these organizations to ensure readiness for 1/1/21. One additional MCO was included in the award, resulting in 6 MCOs to provide services to KY Medicaid recipients effective 1/1/21. The BH Team was involved with reviewing reporting materials and behavioral health including SUD components of the contracts, while our partners facilities systems changes and readiness.
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	

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		DY2Q2: During this reporting period, Kentucky was selected to participate in "Advancing Housing-Related Supports for Individuals with Substance Use Disorders State Medicaid Learning Collaborative". The learning collaborative was developed and DMS will be partnering with Kentucky Housing Corporation (KHC), Department for Behavioral Health Developmental and Intellectual Disabilities (BHDID) and Kentucky Opioid Response Effort (KORE) on this initiative. Through the learning collaborative, KY hopes to identify and coordinate with non-Medicaid funding sources to support housing access and stability among individuals with SUD by developing and strengthening, behavioral health and housing partnerships; as well as, working with MCOs to expand and support housing initiative. KY is also interested in exploring approaches in rural areas, as an identified barrier to services and supports in our state.
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		
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.		DY2Q2: 1. Continued working with staff of the KY Department for Medicaid Services and others in the Cabinet for Health and Family Services to create access to data needed to monitor and determine progress toward outcomes. This issue was resolved shortly after the end of the reporting period. 2. Developed data queries and other analytical approaches necessary to support the evaluation work. 3. Finalized plans for the Midpoint Assessment. It will consist of three parts: (a) a Cascade of Care approach to summarizing the many initiatives underway in Kentucky and how the 1115 Demonstration fits into that statewide context, (b) a description of the specific mechanisms the 1115 Demonstration affords the state, and whether these were already underway at the time the waiver was approved, and (c) a summary of the strengths, weaknesses, opportunities, and threats (SWOT) associated with Kentucky's implementation to date of the 1115 Demonstration.

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		DY2Q2: Due to the timeline of approval of a Data Use Agreement between the Kentucky Cabinet of Health and Family Services and Northern Kentucky University, the analysis of Medicaid claims data was delayed until the first quarter of the calendar year. This delay is not material to meeting the requirements of the evaluation plan. The Midpoint Evaluation is on course. Interviewing will be largely complete in January 2021 and various internal review processes can be conducted in February and March 2021. At this time there are no planned or anticipated changes to the Evaluation Plan.
12.1.3 List anticipated evaluation-related deliverables related to this demonstration and their due dates		SUD Mid-Point Assessment due April 12th, 2021 SUD Interim Evaluation Report due September 2022 SUD Final Evaluation Report due March 2025
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	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	

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: 13.1.3.i. The schedule for completing and submitting monitoring reports		DMS requested an extension to the 2/28/21 deliverables to submit by 3/31/21; approval from CMS received 2/23/21.

Prompts	State has no update to report (Place an X)	State response
13.1.3.ii. The content or completeness of submitted reports and/or future reports		DY2Q2: KY DMS requested to keep additional components of the boarder Kentucky HEALTH 1115 Demonstration: (1) to extend coverage to former foster care youth who are under 26 years of age, who were in foster care under the responsibility of another state or tribe on the date of attaining 18 years of age (or such higher age as the state has elected), and who were enrolled in Medicaid on that date, (2) for a substance use disorder (SUD) program available to all Kentucky Medicaid beneficiaries and former foster care youth from another state, (3) for a waiver of Non-Emergency Medical Transportation (NEMT) to and from providers for all Medicaid beneficiaries to the extent the NEMT is for methadone treatment services, and (4) to align a beneficiary's annual redetermination with their employer-sponsored insurance open enrollment. For this reporting period: (1&2) DMS is submitting an annual evaluation with this submission, the evaluation is uploaded as document titled "Annual Monitoring Report: Coverage of Former Foster Youth" (3) DMS is submitting an annual evaluation with this submission, the evaluation is uploaded as document titled "Annual Monitoring Report: Waiver for Non-Emergency Medical Transportation". (4) 217 beneficiaries where approved for KI-HIPP enrollment and recertification. Phase 3 of the alignment is scheduled to occur 2/26/21, therefore DMS is unable to complete an evaluation at this time. DMS continues to monitor progress and will conduct its evaluation following full implementation of the program.
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		
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	
14. Notable state achievements and/or innovations		
14.1 Narrative information		
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.		DY2Q2: To date of this reporting period, 98 SUD residential programs received a waive of the IMD exclusion including reimbursement beyond 16 beds, up to 96 beds per location with provisional certification or by obtaining the ASAM LOC Certification increasing access to treatment.

*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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