
Table of Contents

State/Territory Name: Kentucky

State Plan Amendment (SPA) #: KY-23-0001-CHIP

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) State Plan Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850



Children and Adults Health Programs Group

October 31, 2023

Lisa Lee
Commissioner, Department for Medicaid Services
Commonwealth of Kentucky, Cabinet for Health and Family Services
275 East Main Street, 6 West A
Frankfort, KY 40621

Dear Commissioner Lee:

Your title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA), KY-23-0001-CHIP, submitted on September 1, 2023, has been approved. This SPA has an effective date of July 1, 2023. Through KY-23-0001-CHIP, the state creates a Health Services Initiative (HSI) to support the Kentucky Poison Control Center of Norton Children's Hospital.

The HSI approval is based on section 2105(a)(1)(D)(ii) of the Social Security Act (the Act) and 42 CFR §§ 457.10 and 457.618, which authorize use of title XXI administrative funding for HSIs that improve the health of children, including targeted low-income children and other low-income children. Consistent with section 2105(c)(6)(B) of the Act and 42 CFR § 457.626, title XXI funds used to support an HSI cannot supplant Medicaid or other sources of federal funding.

The state's total title XXI administrative expenditures may not exceed 10 percent of its total annual title XXI computable expenditures. The state shall ensure that the available title XXI administrative funding is sufficient to continue the proper administration of the CHIP program. If such funds become less than sufficient, the state agrees to redirect title XXI funds from the support of this HSI to the administration of the CHIP program. The state shall report annually to CMS the expenditures funded by the HSI for each federal fiscal year.

Your Project Officer is Joshua Bougie. He is available to answer your questions concerning this amendment and other CHIP-related matters. His contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop: S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-8117
E-mail: joshua.bougie@cms.hhs.gov

Page 2 – Lisa Lee

If you have additional questions, please contact Meg Barry, Director, Division of State Coverage Programs, at (410) 786-1536. We look forward to continuing to work with you and your staff.

Sincerely,

/Signed by Sarah deLone/

Sarah deLone
Director

TEMPLATE FOR CHILD HEALTH PLAN UNDER TITLE XXI OF THE SOCIAL SECURITY ACT
CHILDREN'S HEALTH INSURANCE PROGRAM

(Required under 4901 of the Balanced Budget Act of 1997 (New section 2101(b)))

State/Territory: Kentucky
(Name of State/Territory)

As a condition for receipt of Federal funds under Title XXI of the Social Security Act, (42 CFR, 457.40(b)) _____ (Signature of Governor, or designee, of State/Territory, Date Signed)

submits the following Child Health Plan for the Children's Health Insurance Program and hereby agrees to administer the program in accordance with the provisions of the approved Child Health Plan, the requirements of Title XXI and XIX of the Act (as appropriate) and all applicable Federal regulations and other official issuances of the Department.

The following State officials are responsible for program administration and financial oversight (42 CFR 457.40(c)):

Name: _____ Position/Title: _____
Name: _____ Position/Title: _____
Name: _____ Position/Title: _____

Disclosure Statement This information is being collected to pursuant to 42 U.S.C. 1397aa, which requires states to submit a State Child Health Plan in order to receive federal funding. This mandatory information collection will be used to demonstrate compliance with all requirements of title XXI of the Act and implementing regulations at 42 CFR part 457. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid Office of Management and Budget (OMB) control number. The valid OMB control number for this information collection is 0938-1148 (CMS-10398 #34). Public burden for all of the collection of information requirements under this control number is estimated to average 80 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

Introduction: Section 4901 of the Balanced Budget Act of 1997 (BBA), public law 1005-33 amended the Social Security Act (the Act) by adding a new title XXI, the Children’s Health Insurance Program (CHIP). In February 2009, the Children’s Health Insurance Program Reauthorization Act (CHIPRA) renewed the program. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, further modified the program. The HEALTHY KIDS Act and The Bipartisan Budget Act of 2018 together resulted in an extension of funding for CHIP through federal fiscal year 2027.

This template outlines the information that must be included in the state plans and the State plan amendments (SPAs). It reflects the regulatory requirements at 42 CFR Part 457 as well as the previously approved SPA templates that accompanied guidance issued to States through State Health Official (SHO) letters. Where applicable, we indicate the SHO number and the date it was issued for your reference. The CHIP SPA template includes the following changes:

- Combined the instruction document with the CHIP SPA template to have a single document. Any modifications to previous instructions are for clarification only and do not reflect new policy guidance.
- Incorporated the previously issued guidance and templates (see the Key following the template for information on the newly added templates), including:
 - Prenatal care and associated health care services (SHO #02-004, issued November 12, 2002)
 - Coverage of pregnant women (CHIPRA #2, SHO # 09-006, issued May 11, 2009)
 - Tribal consultation requirements (ARRA #2, CHIPRA #3, issued May 28, 2009)
 - Dental and supplemental dental benefits (CHIPRA # 7, SHO # #09-012, issued October 7, 2009)
 - Premium assistance (CHIPRA # 13, SHO # 10-002, issued February 2, 2010)
 - Express lane eligibility (CHIPRA # 14, SHO # 10-003, issued February 4, 2010)
 - Lawfully Residing requirements (CHIPRA # 17, SHO # 10-006, issued July 1, 2010)
- Moved sections 2.2 and 2.3 into section 5 to eliminate redundancies between sections 2 and 5.
- Removed crowd-out language that had been added by the August 17 letter that later was repealed.
- Added new provisions related to delivery methods, including managed care, to section 3 (81 FR 27498, issued May 6, 2016)

States are not required to resubmit existing State plans using this current updated template. However, States must use this updated template when submitting a new State Plan Amendment.

Federal Requirements for Submission and Review of a Proposed SPA. (42 CFR Part 457 Subpart A) In order to be eligible for payment under this statute, each State must submit a Title XXI plan for approval by the Secretary that details how the State intends to use the funds and fulfill other requirements under the law and regulations at 42 CFR Part 457. A SPA is approved in 90 days unless the Secretary notifies the State in writing that the plan is disapproved or that specified additional information is needed. Unlike Medicaid SPAs, there is only one 90 day review period, or clock for CHIP SPAs, that may be stopped by a request for additional information and restarted after a complete

response is received. More information on the SPA review process is found at 42 CFR 457 Subpart A.

When submitting a State plan amendment, states should redline the changes that are being made to the existing State plan and provide a “clean” copy including changes that are being made to the existing state plan.

The template includes the following sections:

1. **General Description and Purpose of the Children’s Health Insurance Plans and the Requirements-** This section should describe how the State has designed their program. It also is the place in the template that a State updates to insert a short description and the proposed effective date of the SPA, and the proposed implementation date(s) if different from the effective date. (Section 2101); (42 CFR, 457.70)
2. **General Background and Description of State Approach to Child Health Coverage and Coordination-** This section should provide general information related to the special characteristics of each state’s program. The information should include the extent and manner to which children in the State currently have creditable health coverage, current State efforts to provide or obtain creditable health coverage for uninsured children and how the plan is designed to be coordinated with current health insurance, public health efforts, or other enrollment initiatives. This information provides a health insurance baseline in terms of the status of the children in a given State and the State programs currently in place. (Section 2103); (42 CFR 457.410(A))
3. **Methods of Delivery and Utilization Controls-** This section requires the State to specify its proposed method of delivery. If the State proposes to use managed care, the State must describe and attest to certain requirements of a managed care delivery system, including contracting standards; enrollee enrollment processes; enrollee notification and grievance processes; and plans for enrolling providers, among others. (Section 2103); (42 CFR Part 457. Subpart L)
4. **Eligibility Standards and Methodology-** The plan must include a description of the standards used to determine the eligibility of targeted low-income children for child health assistance under the plan. This section includes a list of potential eligibility standards the State can check off and provide a short description of how those standards will be applied. All eligibility standards must be consistent with the provisions of Title XXI and may not discriminate on the basis of diagnosis. In addition, if the standards vary within the state, the State should describe how they will be applied and under what circumstances they will be applied. In addition, this section provides information on income eligibility for Medicaid expansion programs (which are exempt from Section 4 of the State plan template) if applicable. (Section 2102(b)); (42 CFR 457.305 and 457.320)
5. **Outreach-** This section is designed for the State to fully explain its outreach activities. Outreach is defined in law as outreach to families of children likely to be eligible for child health assistance under the plan or under other public or private health coverage programs. The purpose is to inform these families of the availability of, and to assist them in enrolling their children in, such a program. (Section 2102(c)(1)); (42 CFR 457.90)
6. **Coverage Requirements for Children’s Health Insurance-** Regarding the required scope of health insurance coverage in a State plan, the child health assistance provided must consist of

any of the four types of coverage outlined in Section 2103(a) (specifically, benchmark coverage; benchmark-equivalent coverage; existing comprehensive state-based coverage; and/or Secretary-approved coverage). In this section States identify the scope of coverage and benefits offered under the plan including the categories under which that coverage is offered. The amount, scope, and duration of each offered service should be fully explained, as well as any corresponding limitations or exclusions. (Section 2103); (42 CFR 457.410(A))

7. **Quality and Appropriateness of Care-** This section includes a description of the methods (including monitoring) to be used to assure the quality and appropriateness of care and to assure access to covered services. A variety of methods are available for State's use in monitoring and evaluating the quality and appropriateness of care in its child health assistance program. The section lists some of the methods which states may consider using. In addition to methods, there are a variety of tools available for State adaptation and use with this program. The section lists some of these tools. States also have the option to choose who will conduct these activities. As an alternative to using staff of the State agency administering the program, states have the option to contract out with other organizations for this quality of care function. (Section 2107); (42 CFR 457.495)
8. **Cost Sharing and Payment-** This section addresses the requirement of a State child health plan to include a description of its proposed cost sharing for enrollees. Cost sharing is the amount (if any) of premiums, deductibles, coinsurance and other cost sharing imposed. The cost-sharing requirements provide protection for lower income children, ban cost sharing for preventive services, address the limitations on premiums and cost-sharing and address the treatment of pre-existing medical conditions. (Section 2103(e)); (42 CFR 457, Subpart E)
9. **Strategic Objectives and Performance Goals and Plan Administration-** The section addresses the strategic objectives, the performance goals, and the performance measures the State has established for providing child health assistance to targeted low income children under the plan for maximizing health benefits coverage for other low income children and children generally in the state. (Section 2107); (42 CFR 457.710)
10. **Annual Reports and Evaluations-** Section 2108(a) requires the State to assess the operation of the Children's Health Insurance Program plan and submit to the Secretary an annual report which includes the progress made in reducing the number of uninsured low income children. The report is due by January 1, following the end of the Federal fiscal year and should cover that Federal Fiscal Year. In this section, states are asked to assure that they will comply with these requirements, indicated by checking the box. (Section 2108); (42 CFR 457.750)
11. **Program Integrity-** In this section, the State assures that services are provided in an effective and efficient manner through free and open competition or through basing rates on other public and private rates that are actuarially sound. (Sections 2101(a) and 2107(e); (42 CFR 457, subpart I)
12. **Applicant and Enrollee Protections-** This section addresses the review process for eligibility and enrollment matters, health services matters (i.e., grievances), and for states that use premium assistance a description of how it will assure that applicants and enrollees are given the opportunity at initial enrollment and at each redetermination of eligibility to obtain health benefits coverage other than through that group health plan. (Section 2101(a)); (42 CFR 457.1120)

Program Options. As mentioned above, the law allows States to expand coverage for children through a separate child health insurance program, through a Medicaid expansion program, or through a combination of these programs. These options are described further below:

- **Option to Create a Separate Program-** States may elect to establish a separate child health program that are in compliance with title XXI and applicable rules. These states must establish enrollment systems that are coordinated with Medicaid and other sources of health coverage for children and also must screen children during the application process to determine if they are eligible for Medicaid and, if they are, enroll these children promptly in Medicaid.
- **Option to Expand Medicaid-** States may elect to expand coverage through Medicaid. This option for states would be available for children who do not qualify for Medicaid under State rules in effect as of March 31, 1997. Under this option, current Medicaid rules would apply.

Medicaid Expansion- CHIP SPA Requirements

In order to expedite the SPA process, states choosing to expand coverage only through an expansion of Medicaid eligibility would be required to complete sections:

- 1 (General Description)
- 2 (General Background)

They will also be required to complete the appropriate program sections, including:

- 4 (Eligibility Standards and Methodology)
- 5 (Outreach)
- 9 (Strategic Objectives and Performance Goals and Plan Administration including the budget)
- 10 (Annual Reports and Evaluations).

Medicaid Expansion- Medicaid SPA Requirements

States expanding through Medicaid-only will also be required to submit a Medicaid State plan amendment to modify their Title XIX State plans. These states may complete the first check-off and indicate that the description of the requirements for these sections are incorporated by reference through their State Medicaid plans for sections:

- 3 (Methods of Delivery and Utilization Controls)
- 4 (Eligibility Standards and Methodology)
- 6 (Coverage Requirements for Children's Health Insurance)
- 7 (Quality and Appropriateness of Care)
- 8 (Cost Sharing and Payment)
- 11 (Program Integrity)
- 12 (Applicant and Enrollee Protections)

- **Combination of Options-** CHIP allows states to elect to use a combination of the Medicaid program and a separate child health program to increase health coverage for children. For example, a State may cover optional targeted-low income children in families with incomes of up to 133 percent of poverty through Medicaid and a targeted group of children above that level through a

separate child health program. For the children the State chooses to cover under an expansion of Medicaid, the description provided under “Option to Expand Medicaid” would apply. Similarly, for children the State chooses to cover under a separate program, the provisions outlined above in “Option to Create a Separate Program” would apply. States wishing to use a combination of approaches will be required to complete the Title XXI State plan and the necessary State plan amendment under Title XIX.

Where the state’s assurance is requested in this document for compliance with a particular requirement of 42 CFR 457 et seq., the state shall place a check mark to affirm that it will be in compliance no later than the applicable compliance date.

Proposed State plan amendments should be submitted electronically and one signed hard copy to the Centers for Medicare & Medicaid Services at the following address:

Name of Project Officer
Centers for Medicare & Medicaid Services
7500 Security Blvd
Baltimore, Maryland 21244
Attn: Children and Adults Health Programs Group
Center for Medicaid and CHIP Services
Mail Stop - S2-01-16

Section 1. General Description and Purpose of the Children’s Health Insurance Plans and the Requirements

1.1. The state will use funds provided under Title XXI primarily for (Check appropriate box) (Section 2101(a)(1)); (42 CFR 457.70):

Guidance: Check below if child health assistance shall be provided primarily through the development of a separate program that meets the requirements of Section 2101, which details coverage requirements and the other applicable requirements of Title XXI.

1.1.1. Obtaining coverage that meets the requirements for a separate child health program (Sections 2101(a)(1) and 2103); OR

Guidance: Check below if child health assistance shall be provided primarily through providing expanded eligibility under the State’s Medicaid program (Title XIX). Note that if this is selected the State must also submit a corresponding Medicaid SPA to CMS for review and approval.

1.1.2. Providing expanded benefits under the State’s Medicaid plan (Title XIX) (Section 2101(a)(2)); OR

Guidance: Check below if child health assistance shall be provided through a combination of both 1.1.1. and 1.1.2. (Coverage that meets the requirements of Title XXI, in conjunction with an expansion in the State’s Medicaid program). Note that if this is selected the state must also submit a corresponding Medicaid state plan amendment to CMS for review and approval.

1.1.3. A combination of both of the above. (Section 2101(a)(2))

Program History: In November of 1996, Kentucky began working on increasing health care access to all age groups. At that time a workgroup was convened by the Cabinet for Health Services and included many interested parties. Three target groups were identified: 1) Uninsured children; 2) Uninsured adults; and 3) Elderly with difficulty affording needed medicines. As Title XXI funds became available, the children’s program became a priority. Several subgroups were formed to tackle specific issues such as the benefits package, financing, and policy issues including outreach, coordination, and evaluation.

Kentucky’s Title XXI State Plan expands children’s access to health coverage by implementing state enabling legislation and building on the experience and infrastructure of the Kentucky Medicaid program. The state began with a Medicaid expansion and separate CHIP (a combination program).

Medicaid Expansion: The Medicaid program was expanded to cover poverty level children 14 to 19 to 100% FPL, July 1, 1998. An additional CHIP Medicaid expansion took place on July 1, 1999, to cover optional targeted low-income children from one to 19 in families up to 150% FPL.

The state's separate CHIP (Medicaid look alike) was designed to cover children from birth to 19 years of age who are not eligible for Medicaid or the KCHIP Medicaid Expansion and have family incomes at or below 200% FPL. This program became effective on November 1, 1999. Health care services included all current Medicaid services with the exception of non-emergency transportation and EPSDT Special Services. Health care services are provided through the existing Medicaid service delivery system.

Current Separate CHIP: Effective July 2022, the Kentucky Children's Health Insurance Program (KCHIP) has two components. 1) A Medicaid expansion program that covers all children reflected in the CS3 template, and 2) A separate CHIP that covers targeted low-income pregnant individuals through the 12-month postpartum period as reflected in the CS8 template. Therefore, Kentucky has combination program (Medicaid expansion and separate CHIP).

1.1-DS The State will provide dental-only supplemental coverage. Only States operating a separate CHIP program are eligible for this option. States choosing this option must also complete sections 4.1-DS, 4.2-DS, 6.2-DS, 8.2-DS, and 9.10 of this SPA template. (Section 2110(b)(5))

1.2. Check to provide an assurance that expenditures for child health assistance will not be claimed prior to the time that the State has legislative authority to operate the State plan or plan amendment as approved by CMS. (42 CFR 457.40(d))

We assure that in Kentucky expenditures for child health assistance will not be claimed prior to the time that the state has legislative authority to operate the State plan or plan amendment as approved by CMS.

1.3. Check to provide an assurance that the State complies with all applicable civil rights requirements, including title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28 CFR part 35. (42CFR 457.130)

We assure that Kentucky complies with all applicable civil rights requirements, including title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28

CFR part 35.

Guidance: The effective date as specified below is defined as the date on which the State begins to incur costs to implement its State plan or amendment. (42 CFR 457.65) The implementation date is defined as the date the State begins to provide services; or, the date on which the State puts into practice the new policy described in the State plan or amendment. For example, in a State that has increased eligibility, this is the date on which the State begins to provide coverage to enrollees (and not the date the State begins outreach or accepting applications).

- 1.4.** Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

Original Plan

Effective Date: July 1, 1998

Implementation Date: July 1, 1998

SPA # Purpose of SPA:

Proposed effective date:

Proposed implementation date:

SPA #1: Medicaid Expansion to 150% FPL

Proposed effective date: July 1, 1999

Proposed implementation date: July 1, 1999

SPA #2: Separate Insurance Program

Effective Date: November 1, 1999

Implementation Date: November 1, 1999

SPA #3: Application and Recertification Process Change

Effective Date: June 1, 2001

Implementation Date: June 1, 2001

SPA #4: Application Process Change and Compliance

Effective Date: July 1, 2002

Implementation Date: July 1, 2002

SPA 5: Cost Sharing

Effective Date: July 1, 2002

Implementation Date: July 1, 2002

SPA #6: Cost Sharing
Effective Date: July 1, 2003
Implementation Date: July 1, 2003

SPA #7: Cost Sharing
Effective Date: November 1, 2003
Implementation Date: November 1, 2003

SPA # 8: Benefit Cost Sharing, Delivery System
Effective Date: May 15, 2006
Implementation Date: May 15, 2006

SPA #9: Eligibility Determination
Effective Date: November 1, 2008
Implementation Date: Withdrawn

SPA #10 Eligibility Determination
Effective Date: November 1, 2008
Implementation Date: November 1, 2008

SPA #11: Premium Payment
Effective Date: July 1, 2010
Implementation Date: July 1, 2010

SPA #12 Children of State Employees
Effective Date: October 1, 2010
Implementation Date: October 1, 2010

SPA #13 Updates related to the Affordable Care Act Provisions
Effective Date: January 1, 2014
Implementation Date: January 1, 2014

SPA #13-0013: MAGI Eligibility & Methods
CS7: Eligibility-Targeted Low-Income Children
CS10: Children with Access to Public Employee coverage
CS15: MAGI-Based Income Methodologies
Effective Date: January 1, 2014
Implementation Date: January 1, 2014

SPA #13-0014: XXI Medicaid Expansion
CS3: Eligibility for Medicaid Expansion Program
Effective Date: January 1, 2014
Implementation Date: January 1, 2014

SPA #13-0015: Establish 2101(f) Group
CS14: Children ineligible for Medicaid as a result of the Elimination of Income Disregards
Effective Date: January 1, 2014
Implementation Date: January 1, 2014

SPA #13-0016: Eligibility Process
CS24: Single, Streamlined application Screen and enroll process
Effective Date: October 1, 2013
Implementation Date: October 1, 2013

SPA #14-0017: Non-Financial Eligibility
CS17: Non-Financial Eligibility-Residency
CS18: Non-Financial-Citizenship
CS19: Non-Financial-Social Security
CS20: Substitution of Coverage
Effective Date: January 1, 2014
Implementation Date: January 1, 2014

SPA #17-000 Eligibility Process
CS24: Single, Streamlined application screen and enroll process renewals) supersedes previous CS24)
Effective Date: July 1, 2017
Implementation Date: July 1, 2017

SPA #18-0001: Parity
Effective Date: October 2, 2017
Implementation Date: October 2, 2017

SPA #18-0002: Eliminated Cost Sharing
Effective Date: January 1, 2019
Implementation Date: January 1, 2019

SPA # KY-19-0001 MCO Compliance
Effective Date: January 1, 2018
Implementation Date: January 1, 2018

SPA # KY-20-0001 Covid-19 Disaster
Effective Date: March 1, 2020
Implementation Date: March 1, 2020

SPA # KY-CHIP 20-0002 BH-SUPPORT
Effective Date: October 24, 2019

Implementation Date: October 24, 2019

SPA # KY-21-0001-CHIP Pregnant Women
Effective Date: July 1, 2021
Implementation Date: July 1, 2021
CS8L: PW Eligibility
CS13: Deemed Newborn Eligibility
CS18: Eligibility-Citizenship
CS20: PE Waiting period
CS29: PW Presumptive Eligibility

SPA # KY-21-0002-CHIP Pregnant Women
Effective Date: July 1, 2022
Implementation Date: July 1, 2022

SPA #KY-22-0002 12-month postpartum coverage for pregnant women
Effective Date: April 1, 2022
Implementation Date: April 1, 2022
CS27: Postpartum coverage for pregnant women

KY-22-0003-CHIP Transition all eligible children in its separate CHIP to a Medicaid expansion program.
CS3: Update Medicaid expansion eligibility levels
CS7, 10, and 14: These templates are now obsolete.
CS18: Eligibility/citizenship: Update to remove references to children
Effective Date: July 1, 2022
Implementation Date: August 1, 2022

KY-22-0004 CHIP COVID Testing, Treatment and Vaccine Coverage for compliance with American Rescue Plan
Effective Date: March 11, 2021
Implementation Date: March 11, 2021

KY-22-0005 Companion SPA to KY-22-0003. Update entire state plan to specify policies for pregnant individuals and remove policies specific to children in certain sections. .
Effective Date: July 1, 2022
Implementation Date: August 1, 2022

KY-23-0001-CHIP Poison Control Center Funding

Effective Date: July 1, 2023
Implementation Date: July 1, 2023

1.4- TC Tribal Consultation (Section 2107(e)(1)(C)) Describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment, when it occurred and who was involved.

TN No: Approval Date Effective Date

Not applicable. There are no federally recognized American Indian Tribes in Kentucky.

Section 2. General Background and Description of Approach to Children’s Health Insurance Coverage and Coordination

Guidance: The demographic information requested in 2.1. can be used for State planning and will be used strictly for informational purposes. **THESE NUMBERS WILL NOT BE USED AS A BASIS FOR THE ALLOTMENT.**

Factors that the State may consider in the provision of this information are age breakouts, income brackets, definitions of insurability, and geographic location, as well as race and ethnicity. The State should describe its information sources and the assumptions it uses for the development of its description.

- Population
- Number of uninsured
- Race demographics
- Age Demographics
- Info per region/Geographic information

2.1. Describe the extent to which, and manner in which, children in the State (including targeted low-income children and other groups of children specified) identified , by income level and other relevant factors, such as race, ethnicity and geographic location, currently have creditable health coverage (as defined in 42 CFR 457.10). To the extent feasible, distinguish between creditable coverage under public health insurance programs and public-private partnerships (See Section 10 for annual report requirements). (Section 2102(a)(1)); (42 CFR 457.80(a))

Historical/Children: Population estimates for 2022 show that there are 4, 512,340 people living in Kentucky. Of the 22.5% of Kentucky’s population who are children under the age of 18, 22.2% live in poverty, and 4% are uninsured. (2022 US Census Bureau data). As of December 2022, 628,901 Kentucky children were enrolled in Medicaid or Medicaid

Expansion.

Pregnant Individuals

The fertility rate in Kentucky in 2020 was 60.8 per 1,000 women ages 15-44 with 51,668 live births in the state. Of all live births during 2018-2020 (average), 6.4% were Hispanic, 80.3% were white, 10.1% were black, 0.1% were American Indian/Alaska Native and 2.3% were Asian/Pacific Islander. Additionally, 6.7% were born to women under the age of 20, 57.1% were to women ages 20-29, 34.2% were to women ages 30-39, and 2.0% were to women ages 40 and older. The percentage of women with Medicaid coverage at the time of delivery has remained at 48% or greater since 2017. In 2021, about 1 in 15 women of childbearing age (6.9%) was uninsured in Kentucky.

Guidance: Section 2.2 allows states to request to use the funds available under the 10 percent limit on administrative expenditures in order to fund services not otherwise allowable. The health services initiatives must meet the requirements of 42 CFR 457.10.

- 2.2. Health Services Initiatives-** Describe if the State will use the health services initiative option as allowed at 42 CFR 457.10. If so, describe what services or programs the State is proposing to cover with administrative funds, including the cost of each program, and how it is currently funded (if applicable), also update the budget accordingly. (Section 2105(a)(1)(D)(ii)); (42 CFR 457.10)

Poison Control Centers. As permitted under Section 2105(a)(1)(D)(ii) of the Social Security Act and federal regulations at 42 CFR 457.10, Kentucky will establish a health services initiative (HSI) that will use CHIP funds, within the 10 percent federal administrative expenditures cap allowed for states, to support the Kentucky Poison Control Center of Norton Children's Hospital. The poison control center provides 24-hour, immediate response to acute and chronic poisoning. The center is staffed by nurses, pharmacists and physicians specially trained in clinical toxicology. The physicians and pharmacists are board certified in toxicology, and the nurses are nationally certified as specialists in poison information. The center's nurses triage and respond to poisonings and inquiries from the public and healthcare providers. The center's physicians and pharmacists are immediately available to assist with complicated cases or to consult with clinicians at the bedside.

One of the primary targets for poison control outreach and education is parents and caregivers of children, as young children account for nearly half of all calls received at poison control.

In 2022, the KPCC:

- Distributed 35,000 pieces of poison prevention material through physician offices, health departments and other community agencies
- Expanded virtual offers of both recorded and live poison prevention education presentations to groups that work with caregivers and young children.
- Continued work with statewide groups including Safe Kids, HANDS, and other groups that focus on healthy kids
- Distributed a monthly e-newsletter that includes quarterly “special edition” issues that target those who work with young children and teens
- Shared educational information through social media (Facebook, Twitter and Pinterest)

In 2022 (the most recent full year of data), the KPCC responded to 45,778 calls for assistance, resulting in 40,110 cases. Of these, 31,999 cases were possible human poisonings in Kentucky residents and specifically, 20,591 (64%) were concerning Kentucky children under the age of 18 years. Seventy-five percent of all pediatric cases were managed safely at the site of the exposure, as opposed to a healthcare facility. If the poison center was called prior to any other action (e.g. calling 911 or self-referral to a hospital), then 93% percent of children were safely managed by the poison center, thereby preventing unnecessary emergency care. As these statistics demonstrate, most children with accidental poisoning can be safely managed by poison centers, preventing unnecessary 911 calls and emergency department visits. Prior studies indicate that up to 50 percent of callers would self-refer to an ED if a poison center was not available. According to research by the American Association of Poison Control Centers (AAPCC), poison centers save \$1.8 billion annually in medical costs in the United States. Costs are saved by managing poisonings at home and reducing unnecessary ambulance rides, hospital days, and hospital transfer costs. Kentucky estimates that in 2022 at least 7,800 pediatric ED visits were averted. Assuming an average cost of \$1,740 (facility plus physician fee), prevention of 7,800 ED visits results in a conservative estimate of \$13.5M in annual savings to the Commonwealth.

Currently, the Kentucky Department for Medicaid Services and the Kentucky Children’s Insurance Program covers 639,268 of the 1.1 million children in Kentucky, or approximately 58% of all children in the state. Applying these percentages to pediatric cases handled by the Kentucky Poison Control Center, the KPCC serves an estimated 11,943 low-income children per year.

Total CHIP HSI funding to the Poison Control Centers (combined federal and state) will not exceed the share of the center’s budget that goes toward providing services to children. This maximum amount is calculated by applying the percentage of calls involving children 0-18 in the most recent year for which data is available (e.g., 64% in 2022). Only Kentucky calls are included in the totals.

HSI funding is only available to the extent that funds remain under the state's 10% CHIP administrative cap after accounting for all CHIP administrative expenses. Kentucky

assures that funding under this HSI will not supplant or match CHIP federal funds with other federal funds, nor will it allow other federal funds to supplant or match CHIP federal funds.

The state assures that the funds for this health services initiative will only target children under the age of 19.

2.3-TC Tribal Consultation Requirements- (Sections 1902(a)(73) and 2107(e)(1)(C)); (ARRA #2, CHIPRA #3, issued May 28, 2009) Section 1902(a)(73) of the Social Security Act (the Act) requires a State in which one or more Indian Health Programs or Urban Indian Organizations furnish health care services to establish a process for the State Medicaid agency to seek advice on a regular, ongoing basis from designees of Indian health programs, whether operated by the Indian Health Service (IHS), Tribes or Tribal organizations under the Indian Self-Determination and Education Assistance Act (ISDEAA), or Urban Indian Organizations under the Indian Health Care Improvement Act (IHCIA). Section 2107(e)(1)(C) of the Act was also amended to apply these requirements to the Children's Health Insurance Program (CHIP). Consultation is required concerning Medicaid and CHIP matters having a direct impact on Indian health programs and Urban Indian organizations.

Describe the process the State uses to seek advice on a regular, ongoing basis from federally-recognized tribes, Indian Health Programs and Urban Indian Organizations on matters related to Medicaid and CHIP programs and for consultation on State Plan Amendments, waiver proposals, waiver extensions, waiver amendments, waiver renewals and proposals for demonstration projects prior to submission to CMS. Include information about the frequency, inclusiveness and process for seeking such advice.

Not applicable.

Section 3. Methods of Delivery and Utilization Controls

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan, and continue on to Section 4 (Eligibility Standards and Methodology).

Health care services will be provided through the existing Medicaid service delivery system. Medicaid and KCHIP recipients will be mandatorily enrolled in a managed care capitated system.

Guidance: In Section 3.1, describe all delivery methods the State will use to provide services to enrollees, including: (1) contracts with managed care organizations (MCO), prepaid inpatient health plans (PIHP), prepaid ambulatory health plans (PAHP), primary care case management entities (PCCM entities), and primary care case managers (PCCM); (2) contracts with indemnity health insurance plans; (3) fee-for-service (FFS) paid by

the State to health care providers; and (4) any other arrangements for health care delivery. The State should describe any variations based upon geography and by population (including the conception to birth population). States must submit the managed care contract(s) to CMS' Regional Office for review.

3.1. Delivery Systems (Section 2102(a)(4)) (42 CFR 457.490; Part 457, Subpart L)

3.1.1 Choice of Delivery System

3.1.1.1 Does the State use a managed care delivery system for its CHIP populations? Managed care entities include MCOs, PIHPs, PAHPs, PCCM entities and PCCMs as defined in 42 CFR 457.10. Please check the box and answer the questions below that apply to your State.

No, the State does not use a managed care delivery system for any CHIP populations.

Yes, the State uses a managed care delivery system for all CHIP populations.

Yes, the State uses a managed care delivery system; however, only some of the CHIP population is included in the managed care delivery system and some of the CHIP population is included in a fee-for-service system.

If the State uses a managed care delivery system for only some of its CHIP populations and a fee-for-service system for some of its CHIP populations, please describe which populations are, and which are not, included in the State's managed care delivery system for CHIP. States will be asked to specify which managed care entities are used by the State in its managed care delivery system below in Section 3.1.2.

Guidance: Utilization control systems are those administrative mechanisms that are designed to ensure that enrollees receiving health care services under the State plan receive only appropriate and medically necessary health care consistent with the benefit package.

Examples of utilization control systems include, but are not limited to: requirements for referrals to specialty care; requirements that clinicians use clinical practice guidelines; or demand management systems (e.g., use of an 800 number for after-hours and urgent care). In addition, the State should describe its plans for review, coordination, and implementation of utilization controls, addressing both procedures and State developed standards for review, in order to assure that necessary

care is delivered in a cost-effective and efficient manner. (42 CFR 457.490(b))

If the State does not use a managed care delivery system for any or some of its CHIP populations, describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of:

- The methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102(a)(4); 42 CFR 457.490(a))
- The utilization control systems designed to ensure that enrollees receiving health care services under the State plan receive only appropriate and medically necessary health care consistent with the benefit package described in the approved State plan. (Section 2102(a)(4); 42 CFR 457.490(b))

Guidance: Only States that use a managed care delivery system for all or some CHIP populations need to answer the remaining questions under Section 3 (starting with 3.1.1.2). If the State uses a managed care delivery system for only some of its CHIP population, the State's responses to the following questions will only apply to those populations.

- 3.1.1.2** Do any of your CHIP populations that receive services through a managed care delivery system receive any services outside of a managed care delivery system?
- No
 Yes

If yes, please describe which services are carved out of your managed care delivery system and how the State provides these services to an enrollee, such as through fee-for-service. Examples of carved out services may include transportation and dental, among others.

3.1.2 Use of a Managed Care Delivery System for All or Some of the State's CHIP Populations

- 3.1.2.1** Check each of the types of entities below that the State will contract with under its managed care delivery system, and select and/or explain the method(s) of payment that the State will use:

- Managed care organization (MCO) (42 CFR 457.10)
 Capitation payment
Describe population served:

- Prepaid inpatient health plan (PIHP) (42 CFR 457.10)
 - Capitation payment
 - Other (please explain)
 Describe population served:

Guidance: If the State uses prepaid ambulatory health plan(s) (PAHP) to exclusively provide non-emergency medical transportation (a NEMT PAHP), the State should not check the following box for that plan. Instead, complete section 3.1.3 for the NEMT PAHP.

- Prepaid ambulatory health plan (PAHP) (42 CFR 457.10)
 - Capitation payment
 - Other (please explain)
 Describe population served:
- Primary care case manager (PCCM) (individual practitioners) (42 CFR 457.10)
 - Case management fee
 - Other (please explain)
- Primary care case management entity (PCCM Entity) (42 CFR 457.10)
 - Case management fee
 - Shared savings, incentive payments, and/or other financial rewards for improved quality outcomes (see 42 CFR 457.1240(f))
 - Other (please explain)

If PCCM entity is selected, please indicate which of the following function(s) the entity will provide (as described in 42 CFR 457.10), in addition to PCCM services:

- Provision of intensive telephonic case management
- Provision of face-to-face case management
- Operation of a nurse triage advice line
- Development of enrollee care plans
- Execution of contracts with fee-for-service (FFS) providers in the FFS program
- Oversight responsibilities for the activities of FFS providers in the FFS program
- Provision of payments to FFS providers on behalf of the State
- Provision of enrollee outreach and education activities
- Operation of a customer service call center
- Review of provider claims, utilization and/or practice patterns to conduct provider profiling and/or practice improvement

- Implementation of quality improvement activities including administering enrollee satisfaction surveys or collecting data necessary for performance measurement of providers
- Coordination with behavioral health systems/providers
- Other (please describe)

- 3.1.2.2 The State assures that if its contract with an MCO, PAHP, or PIHP allows the entity to use a physician incentive plan, the contract stipulates that the entity must comply with the requirements set forth in 42 CFR 422.208 and 422.210. (42 CFR 457.1201(h), cross-referencing to 42 CFR 438.3(i))

3.1.3 Nonemergency Medical Transportation PAHPs

Guidance: Only complete Section 3.1.3 if the State uses a PAHP to exclusively provide non-emergency medical transportation (a NEMT PAHP). If a NEMT PAHP is the only managed care entity for CHIP in the State, please continue to Section 4 after checking the assurance below. If the State uses a PAHP that does not exclusively provide NEMT and/or uses other managed care entities beyond a NEMT PAHP, the State will need to complete the remaining sections within Section 3.

- The State assures that it complies with all requirements applicable to NEMT PAHPs, and through its contracts with such entities, requires NEMT PAHPs to comply with all applicable requirements, including the following (from 42 CFR 457.1206(b)):
 - All contract provisions in 42 CFR 457.1201 except those set forth in 42 CFR 457.1201(h) (related to physician incentive plans) and 42 CFR 457.1201(l) (related to mental health parity).
 - The information requirements in 42 CFR 457.1207 (see Section 3.5 below for more details).
 - The provision against provider discrimination in 42 CFR 457.1208.
 - The State responsibility provisions in 42 CFR 457.1212 (about disenrollment), 42 CFR 457.1214 (about conflict of interest safeguards), and 42 CFR 438.62(a), as cross-referenced in 42 CFR 457.1216 (about continued services to enrollees).
 - The provisions on enrollee rights and protections in 42 CFR 457.1220, 457.1222, 457.1224, and 457.1226.
 - The PAHP standards in 42 CFR 438.206(b)(1), as cross-referenced by 42 CFR 457.1230(a) (about availability of services), 42 CFR 457.1230(d) (about coverage and authorization of services), and 42 CFR 457.1233(a), (b) and (d) (about structure and operation standards).
 - An enrollee's right to a State review under subpart K of 42 CFR 457.
 - Prohibitions against affiliations with individuals debarred or excluded by

Federal agencies in 42 CFR 438.610, as cross referenced by 42 CFR 457.1285.

- Requirements relating to contracts involving Indians, Indian Health Care Providers, and Indian managed care entities in 42 CFR 457.1209.

3.2. General Managed Care Contract Provisions

- 3.2.1 The State assures that it provides for free and open competition, to the maximum extent practical, in the bidding of all procurement contracts for coverage or other services, including external quality review organizations, in accordance with the procurement requirements of 45 CFR part 75, as applicable. (42 CFR 457.940(b); 42 CFR 457.1250(a), cross referencing to 42 CFR 438.356(e))
- 3.2.2 The State assures that it will include provisions in all managed care contracts that define a sound and complete procurement contract, as required by 45 CFR part 75, as applicable. (42 CFR 457.940(c))
- 3.2.3 The State assures that each MCO, PIHP, PAHP, PCCM, and PCCM entity complies with any applicable Federal and State laws that pertain to enrollee rights, and ensures that its employees and contract providers observe and protect those rights (42 CFR 457.1220, cross-referencing to 42 CFR 438.100). These Federal and State laws include: Title VI of the Civil Rights Act of 1964 (45 CFR part 80), Age Discrimination Act of 1975 (45 CFR part 91), Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, Titles II and III of the Americans with Disabilities Act, and section 1557 of the Patient Protection and Affordable Care Act.
- 3.2.4 The State assures that it operates a Web site that provides the MCO, PIHP, PAHP, and PCCM entity contracts. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(3))

3.3 Rate Development Standards and Medical Loss Ratio

- 3.3.1 The State assures that its payment rates are:
- Based on public or private payment rates for comparable services for comparable populations; and
 - Consistent with actuarially sound principles as defined in 42 CFR 457.10. (42 CFR 457.1203(a))

Guidance: States that checked both boxes under 3.3.1 above do not need to make the next assurance. If the state is unable to check both boxes under 3.1.1 above, the state must check the next assurance.

If the State is unable to meet the requirements under 42 CFR 457.1203(a), the State attests that it must establish higher rates because such rates are necessary to ensure sufficient provider participation or provider access or to enroll providers who demonstrate exceptional efficiency or quality in the provision of services. (42 CFR 457.1203(b))

3.3.2 The State assures that its rates are designed to reasonably achieve a medical loss ratio standard equal to at least 85 percent for the rate year and provide for reasonable administrative costs. (42 CFR 457.1203(c))

3.3.3 The State assures that it will provide to CMS, if requested by CMS, a description of the manner in which rates were developed in accordance with the requirements of 42 CFR 457.1203(a) through (c). (42 CFR 457.1203(d))

3.3.4 The State assures that it annually submits to CMS a summary description of the reports pertaining to the medical loss ratio received from the MCOs, PIHPs, and PAHPs. (42 CFR 457.1203(e), cross referencing to 42 CFR 438.74(a))

3.3.5 Does the State require an MCO, PIHP, or PAHP to pay remittances through the contract for not meeting the minimum MLR required by the State? (42 CFR 457.1203(e), cross referencing to 42 CFR 438.74(b)(1))

No, the State does not require any MCO, PIHP, or PAHP to pay remittances.

Yes, the State requires all MCOs, PIHPs, and PAHPs to pay remittances.

Yes, the State requires some, but not all, MCOs, PIHPs, and PAHPs to pay remittances.

If the State requests some, but not all, MCOs, PIHPs, and PAHPs to pay remittances through the contract for not meeting the minimum MLR required by the State, please describe which types of managed care entities are and are not required to pay remittances. For example, if a state requires a medical MCO to pay a remittances but not a dental PAHP, please include this information.

If the answer to the assurance above is yes for any or all managed care entities, please answer the next assurance:

The State assures that if a remittance is owed by an MCO, PIHP, or PAHP to the State, the State:

- Reimburses CMS for an amount equal to the Federal share of the remittance, taking into account applicable differences in the Federal matching rate; and
- Submits a separate report describing the methodology used to determine the State and Federal share of the remittance with the annual report provided to CMS that summarizes the reports received from the MCOs,

PIHPs, and PAHPs. (42 CFR 457.1203(e), cross referencing to 42 CFR 438.74(b))

- 3.3.6 The State assures that each MCO, PIHP, and PAHP calculates and reports the medical loss ratio in accordance with 42 CFR 438.8. (42 CFR 457.1203(f))

3.4 Enrollment

- The State assures that its contracts with MCOs, PIHPs, PAHPs, PCCMs, and PCCM entities provide that the MCO, PIHP, PAHP, PCCM or PCCM entity:
- Accepts individuals eligible for enrollment in the order in which they apply without restriction (unless authorized by CMS), up to the limits set under the contract (42 CFR 457.1201(d), cross-referencing to 42 CFR 438.3(d)(1));
 - Will not, on the basis of health status or need for health care services, discriminate against individuals eligible to enroll (42 CFR 457.1201(d), cross-referencing to 42 CFR 438.3(d)(3)); and
 - Will not discriminate against individuals eligible to enroll on the basis of race, color, national origin, sex, sexual orientation, gender identity, or disability and will not use any policy or practice that has the effect of discriminating on the basis of race, color, national origin, sex, sexual orientation, gender identity or disability. (42 CFR 457.1201(d), cross-referencing to 438.3(d)(4))

3.4.1 Enrollment Process

- 3.4.1.1 The State assures that it provides informational notices to potential enrollees in an MCO, PIHP, PAHP, PCCM, or PCCM entity that includes the available managed care entities, explains how to select an entity, explains the implications of making or not making an active choice of an entity, explains the length of the enrollment period as well as the disenrollment policies, and complies with the information requirements in 42 CFR 457.1207 and accessibility standards established under 42 CFR 457.340. (42 CFR 457.1210(c))
- 3.4.1.2 The State assures that its enrollment system gives beneficiaries already enrolled in an MCO, PIHP, PAHP, PCCM, or PCCM entity priority to continue that enrollment if the MCO, PIHP, PAHP, PCCM, or PCCM entity does not have the capacity to accept all those seeking enrollment under the program. (42 CFR 457.1210(b))
- 3.4.1.3 Does the State use a default enrollment process to assign beneficiaries to an MCO, PIHP, PAHP, PCCM, or PCCM entity? (42 CFR 457.1210(a))
- Yes
- No

If the State uses a default enrollment process, please make the following assurances:

- The State assigns beneficiaries only to qualified MCOs, PIHPs, PAHPs, PCCMs, and PCCM entities that are not subject to the intermediate sanction of having suspension of all new enrollment (including default enrollment) under 42 CFR 438.702 and have capacity to enroll beneficiaries. (42 CFR 457.1210(a)(1)(i))
- The State maximizes continuation of existing provider-beneficiary relationships under 42 CFR 457.1210(a)(1)(ii) or if that is not possible, distributes the beneficiaries equitably and does not arbitrarily exclude any MCO, PIHP, PAHP, PCCM or PCCM entity from being considered. (42 CFR 457.1210(a)(1)(ii), 42 CFR 457.1210(a)(1)(iii))

3.4.2 Disenrollment

- 3.4.2.1 The State assures that the State will notify enrollees of their right to disenroll consistent with the requirements of 42 CFR 438.56 at least annually. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(f)(2))
- 3.4.2.2 The State assures that the effective date of an approved disenrollment, regardless of the procedure followed to request the disenrollment, will be no later than the first day of the second month following the month in which the enrollee requests disenrollment or the MCO, PIHP, PAHP, PCCM or PCCM entity refers the request to the State. (42 CFR 457.1212, cross-referencing to 438.56(e)(1))
- 3.4.2.3 If a beneficiary disenrolls from an MCO, PIHP, PAHP, PCCM, or PCCM entity, the State assures that the beneficiary is provided the option to enroll in another plan or receive benefits from an alternative delivery system. (Section 2103(f)(3) of the Social Security Act, incorporating section 1932(a)(4); 42 CFR 457.1212, cross referencing to 42 CFR 438.56; State Health Official Letter #09-008)

3.4.2.4 MCO, PIHP, PAHP, PCCM and PCCM Entity Requests for Disenrollment.

- The State assures that contracts with MCOs, PIHPs, PAHPs, PCCMs and PCCM entities describe the reasons for which an MCO, PIHP, PAHP, PCCM and PCCM entity may request disenrollment of an enrollee, if any. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(b))

Guidance: Reasons for disenrollment by the MCO, PIHP, PAHP, PCCM, and PCCM entity must be specified in the contract with the State. Reasons

for disenrollment may not include an adverse change in the enrollee's health status, or because of the enrollee's utilization of medical services, diminished mental capacity, or uncooperative or disruptive behavior resulting from his or her special needs (except when his or her continued enrollment in the MCO, PIHP, PAHP, PCCM or PCCM entity seriously impairs the entity's ability to furnish services to either this particular enrollee or other enrollees). (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(b)(2))

3.4.2.5 Enrollee Requests for Disenrollment.

Guidance: The State may also choose to limit disenrollment from the MCO, PIHP, PAHP, PCCM, or PCCM entity, except for either: 1) for cause, at any time; or 2) without cause during the latter of the 90 days after the beneficiary's initial enrollment or the State sends the beneficiary notice of that enrollment, at least once every 12 months, upon reenrollment if the temporary loss of CHIP eligibility caused the beneficiary to miss the annual disenrollment opportunity, or when the State imposes the intermediate sanction specified in 42 CFR 438.702(a)(4). (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c))

Does the State limit disenrollment from an MCO, PIHP, PAHP, PCCM and PCCM entity by an enrollee? (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c))

- Yes
 No

If the State limits disenrollment by the enrollee from an MCO, PIHP, PAHP, PCCM and PCCM entity, please make the following assurances (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c)):

- The State assures that enrollees and their representatives are given written notice of disenrollment rights at least 60 days before the start of each enrollment period. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(f)(1))
- The State assures that beneficiary requests to disenroll for cause will be permitted at any time by the MCO, PIHP, PAHP, PCCM or PCCM entity. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c)(1) and (d)(2))
- The State assures that beneficiary requests for disenrollment without cause will be permitted by the MCO, PIHP, PAHP, PCCM or PCCM entity at the following times:
- During the 90 days following the date of the beneficiary's initial enrollment into the MCO, PIHP, PAHP, PCCM, or PCCM entity, or during the 90 days following the date the State sends the beneficiary notice of that enrollment, whichever is later;

- At least once every 12 months thereafter;
- If the State plan provides for automatic reenrollment for an individual who loses CHIP eligibility for a period of 2 months or less and the temporary loss of CHIP eligibility has caused the beneficiary to miss the annual disenrollment opportunity; and
- When the State imposes the intermediate sanction on the MCO, PIHP, PAHP, PCCM or PCCM entity specified in 42 CFR 438.702(a)(4). (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c)(2))

3.4.2.6 The State assures that the State ensures timely access to a State review for any enrollee dissatisfied with a State agency determination that there is not good cause for disenrollment. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(f)(2))

3.5 Information Requirements for Enrollees and Potential Enrollees

3.5.1 The State assures that it provides, or ensures its contracted MCOs, PAHPs, PIHPs, PCCMs and PCCM entities provide, all enrollment notices, informational materials, and instructional materials related to enrollees and potential enrollees in accordance with the terms of 42 CFR 457.1207, cross-referencing to 42 CFR 438.10.

3.5.2 The State assures that all required information provided to enrollees and potential enrollees are in a manner and format that may be easily understood and is readily accessible by such enrollees and potential enrollees. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(1))

3.5.3 The State assures that it operates a Web site that provides the content specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(g)-(i) either directly or by linking to individual MCO, PIHP, PAHP and PCCM entity Web sites.

3.5.4 The State assures that it has developed and requires each MCO, PIHP, PAHP and PCCM entity to use:

- Definitions for the terms specified under 42 CFR 438.10(c)(4)(i), and
- Model enrollee handbooks, and model enrollee notices. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(4))

3.5.5 If the State, MCOs, PIHPs, PAHPs, PCCMs or PCCM entities provide the information required under 42 CFR 457.1207 electronically, check this box to confirm that the State assures that it meets the requirements under 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(6) for providing the material in an accessible manner. Including that:

- The format is readily accessible;
- The information is placed in a location on the State, MCO's, PIHP's, PAHP's, or PCCM's, or PCCM entity's Web site that is prominent and

- readily accessible;
- The information is provided in an electronic form which can be electronically retained and printed;
- The information is consistent with the content and language requirements in 42 CFR 438.10; and
- The enrollee is informed that the information is available in paper form without charge upon request and is provided the information upon request within 5 business days.

3.5.6 ☒

The State assures that it meets the language and format requirements set forth in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(d), including but not limited to:

- Establishing a methodology that identifies the prevalent non-English languages spoken by enrollees and potential enrollees throughout the State, and in each MCO, PIHP, PAHP, or PCCM entity service area;
- Making oral interpretation available in all languages and written translation available in each prevalent non-English language;
- Requiring each MCO, PIHP, PAHP, and PCCM entity to make its written materials that are critical to obtaining services available in the prevalent non-English languages in its particular service area;
- Making interpretation services available to each potential enrollee and requiring each MCO, PIHP, PAHP, and PCCM entity to make those services available free of charge to each enrollee; and
- Notifying potential enrollees, and requiring each MCO, PIHP, PAHP, and PCCM entity to notify its enrollees:
 - That oral interpretation is available for any language and written translation is available in prevalent languages;
 - That auxiliary aids and services are available upon request and at no cost for enrollees with disabilities; and
 - How to access the services in 42 CFR 457.1207, cross-referencing 42 CFR 438.10(d)(5)(i) and (ii).

3.5.7 ☒

The State assures that the State or its contracted representative provides the information specified in 42 CFR 457.1207, cross-referencing to 438.10(e)(2), and includes the information either in paper or electronic format, to all potential enrollees at the time the potential enrollee becomes eligible to enroll in a voluntary managed care program or is first required to enroll in a mandatory managed care program and within a timeframe that enables the potential enrollee to use the information to choose among the available MCOs, PIHPs, PAHPs, PCCMs and PCCM entities:

- Information about the potential enrollee's right to disenroll consistent with the requirements of 42 CFR 438.56 and which explains clearly the process for exercising this disenrollment right, as well as the alternatives available to the potential enrollee based on their specific circumstance;

- The basic features of managed care;
- Which populations are excluded from enrollment in managed care, subject to mandatory enrollment, or free to enroll voluntarily in the program;
- The service area covered by each MCO, PIHP, PAHP, PCCM, or PCCM entity;
- Covered benefits including:
 - Which benefits are provided by the MCO, PIHP, or PAHP; and which, if any, benefits are provided directly by the State; and
 - For a counseling or referral service that the MCO, PIHP, or PAHP does not cover because of moral or religious objections, where and how to obtain the service;
- The provider directory and formulary information required in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(h) and (i);
- Any cost-sharing for the enrollee that will be imposed by the MCO, PIHP, PAHP, PCCM, or PCCM entity consistent with those set forth in the State plan;
- The requirements for each MCO, PIHP or PAHP to provide adequate access to covered services, including the network adequacy standards established in 42 CFR 457.1218, cross-referencing 42 CFR 438.68;
- The MCO, PIHP, PAHP, PCCM and PCCM entity's responsibilities for coordination of enrollee care; and
- To the extent available, quality and performance indicators for each MCO, PIHP, PAHP and PCCM entity, including enrollee satisfaction.

3.5.8 ☒ The State assures that it will provide the information specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(f) to all enrollees of MCOs, PIHPs, PAHPs and PCCM entities, including that the State must notify all enrollees of their right to disenroll consistent with the requirements of 42 CFR 438.56 at least annually.

3.5.9 ☒ The State assures that each MCO, PIHP, PAHP and PCCM entity will provide the information specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(f) to all enrollees of MCOs, PIHPs, PAHPs and PCCM entities, including that:

- The MCO, PIHP, PAHP and, when appropriate, the PCCM entity, must make a good faith effort to give written notice of termination of a contracted provider within the timeframe specified in 42 CFR 438.10(f), and
- The MCO, PIHP, PAHP and, when appropriate, the PCCM entity must make available, upon request, any physician incentive plans in place as set forth in 42 CFR 438.3(i).

3.5.10 ☒ The State assures that each MCO, PIHP, PAHP and PCCM entity will provide enrollees of that MCO, PIHP, PAHP or PCCM entity an enrollee handbook that meets the requirements as applicable to the MCO, PIHP, PAHP and PCCM

entity, specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(g)(1)-(2), within a reasonable time after receiving notice of the beneficiary's enrollment, by a method consistent with 42 CFR 438.10(g)(3), and including the following items:

- Information that enables the enrollee to understand how to effectively use the managed care program, which, at a minimum, must include:
 - Benefits provided by the MCO, PIHP, PAHP or PCCM entity;
 - How and where to access any benefits provided by the State, including any cost sharing, and how transportation is provided; and
 - In the case of a counseling or referral service that the MCO, PIHP, PAHP, or PCCM entity does not cover because of moral or religious objections, the MCO, PIHP, PAHP, or PCCM entity must inform enrollees that the service is not covered by the MCO, PIHP, PAHP, or PCCM entity and how they can obtain information from the State about how to access these services;
- The amount, duration, and scope of benefits available under the contract in sufficient detail to ensure that enrollees understand the benefits to which they are entitled;
- Procedures for obtaining benefits, including any requirements for service authorizations and/or referrals for specialty care and for other benefits not furnished by the enrollee's primary care provider;
- The extent to which, and how, after-hours and emergency coverage are provided, including:
 - What constitutes an emergency medical condition and emergency services;
 - The fact that prior authorization is not required for emergency services; and
 - The fact that, subject to the provisions of this section, the enrollee has a right to use any hospital or other setting for emergency care;
- Any restrictions on the enrollee's freedom of choice among network providers;
- The extent to which, and how, enrollees may obtain benefits, including family planning services and supplies from out-of-network providers;
- Cost sharing, if any is imposed under the State plan;
- Enrollee rights and responsibilities, including the elements specified in 42 CFR §438.100;
- The process of selecting and changing the enrollee's primary care provider;
- Grievance, appeal, and review procedures and timeframes, consistent with 42 CFR 457.1260, in a State-developed or State-approved description, including:

- The right to file grievances and appeals;
- The requirements and timeframes for filing a grievance or appeal;
- The availability of assistance in the filing process; and
- The right to request a State review after the MCO, PIHP or PAHP has made a determination on an enrollee's appeal which is adverse to the enrollee;
- How to access auxiliary aids and services, including additional information in alternative formats or languages;
- The toll-free telephone number for member services, medical management, and any other unit providing services directly to enrollees; and
- Information on how to report suspected fraud or abuse.

3.5.11 ☒ The State assures that each MCO, PIHP, PAHP and PCCM entity will give each enrollee notice of any change that the State defines as significant in the information specified in the enrollee handbook at least 30 days before the intended effective date of the change. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(g)(4))

3.5.12 ☒ The State assures that each MCO, PIHP, PAHP and when appropriate, PCCM entity, will make available a provider directory for the MCO's, PIHP's, PAHP's or PCCM entity's network providers, including for physicians (including specialists), hospitals, pharmacies, and behavioral health providers, that includes information as specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(h)(1)-(2) and (4).

3.5.13 ☒ The State assures that each MCO, PIHP, PAHP and when appropriate, PCCM entity, will update any information included in a paper provider directory at least monthly and in an electronic provider directories as specified in 42 CFR 438.10(h)(3). (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(h)(3))

3.5.14 ☒ The State assures that each MCO, PIHP, PAHP and when appropriate, PCCM entity, will make available the MCO's, PIHP's, PAHP's, or PCCM entity's formulary that meets the requirements specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(i), including:

- Which medications are covered (both generic and name brand); and
- What tier each medication is on.

3.5.15 ☒ The State assures that each MCO, PIHP, PAHP, PCCM and PCCM entity follows the requirements for marketing activities under 42 CFR 457.1224, cross-referencing to 42 CFR 438.104 (except 42 CFR 438.104(c)).

Guidance: Requirements for marketing activities include, but are not limited to, that the MCO, PIHP, PAHP, PCCM, or PCCM entity does not distribute any marketing materials without first obtaining State approval; distributes the materials to its

entire service areas as indicated in the contract; does not seek to influence enrollment in conjunction with the sale or offering of any private insurance; and does not, directly or indirectly, engage in door-to-door, telephone, email, texting, or other cold-call marketing activities. (42 CFR 104(b))

Guidance: Only States with MCOs, PIHPs, or PAHPs need to answer the remaining assurances in Section 3.5 (3.5.16 through 3.5.18).

3.5.16 The State assures that each MCO, PIHP and PAHP protects communications between providers and enrollees under 42 CFR 457.1222, cross-referencing to 42 CFR 438.102.

3.5.17 The State assures that MCOs, PIHPs, and PAHPs have arrangements and procedures that prohibit the MCO, PIHP, and PAHP from conducting any unsolicited personal contact with a potential enrollee by an employee or agent of the MCO, PAHP, or PIHP for the purpose of influencing the individual to enroll with the entity. (42 CFR 457.1280(b)(2))

Guidance: States should also complete Section 3.9, which includes additional provisions about the notice procedures for grievances and appeals.

3.5.18 The State assures that each contracted MCO, PIHP, and PAHP comply with the notice requirements specified for grievances and appeals in accordance with the terms of 42 CFR 438, Subpart F, except that the terms of 42 CFR 438.420 do not apply and that references to reviews should be read to refer to reviews as described in 42 CFR 457, Subpart K. (42 CFR 457.1260)

3.6 Benefits and Services

Guidance: The State should also complete Section 3.10 (Program Integrity).

3.6.1 The State assures that MCO, PIHP, PAHP, PCCM entity, and PCCM contracts involving Indians, Indian health care providers, and Indian managed care entities comply with the requirements of 42 CFR 438.14. (42 CFR 457.1209)

3.6.2 The State assures that all services covered under the State plan are available and accessible to enrollees. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206)

3.6.3 The State assures that it:

- Publishes the State’s network adequacy standards developed in accordance with 42 CFR 457.1218, cross-referencing 42 CFR 438.68(b)(1) on the Web site required by 42 CFR 438.10;
- Makes available, upon request, the State’s network adequacy standards at no cost to enrollees with disabilities in alternate formats

or through the provision of auxiliary aids and services. (42 CFR 457.1218, cross-referencing 42 CFR 438.68(e))

Guidance: Only States with MCOs, PIHPs, or PAHPs need to complete the remaining assurances in Section 3.6 (3.6.4 through 3.6.20).

- 3.6.4** The State assures that each MCO, PAHP and PIHP meet the State’s network adequacy standards. (42 CFR 457.1218, cross-referencing 42 CFR 438.68; 42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206)
- 3.6.5** The State assures that each MCO, PIHP, and PAHP includes within its network of credentialed providers:
- A sufficient number of providers to provide adequate access to all services covered under the contract for all enrollees, including those with limited English proficiency or physical or mental disabilities;
 - Women’s health specialists to provide direct access to covered care necessary to provide women’s routine and preventative health care services for female enrollees; and
 - Family planning providers to ensure timely access to covered services. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206(b))
- 3.6.6** The State assures that each contract under 42 CFR 457.1201 permits an enrollee to choose his or her network provider. (42 CFR 457.1201(j), cross-referencing 42 CFR 438.3(l))
- 3.6.7** The State assures that each MCO, PIHP, and PAHP provides for a second opinion from a network provider, or arranges for the enrollee to obtain one outside the network, at no cost. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206(b)(3))
- 3.6.8** The State assures that each MCO, PIHP, and PAHP ensures that providers, in furnishing services to enrollees, provide timely access to care and services, including by:
- Requiring the contract to adequately and timely cover out-of-network services if the provider network is unable to provide necessary services covered under the contract to a particular enrollee and at a cost to the enrollee that is no greater than if the services were furnished within the network;
 - Requiring the MCO, PIHP and PAHP meet and its network providers to meet State standards for timely access to care and services, taking into account the urgency of the need for services;
 - Ensuring that the hours of operation for a network provider are no less than the hours of operation offered to commercial enrollees or comparable to Medicaid or CHIP Fee-For-Service, if the provider

serves only Medicaid or CHIP enrollees;

- Ensuring that the MCO, PIHP and PAHP makes available services include in the contract on a 24 hours a day, 7 days a week basis when medically necessary;
- Establishing mechanisms to ensure compliance by network providers;
- Monitoring network providers regularly to determine compliance;
- Taking corrective action if there is a failure to comply by a network provider. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206(b)(4) and (5) and (c))

3.6.9 ☒ The State assures that each MCO, PIHP, and PAHP has the capacity to serve the expected enrollment in its service area in accordance with the State's standards for access to care. (42 CFR 457.1230(b), cross-referencing to 42 CFR 438.207)

3.6.10 ☒ The State assures that each MCO, PIHP, and PAHP will be required to submit documentation to the State, at the time of entering into a contract with the State, on an annual basis, and at any time there has been a significant change to the MCO, PIHP, or PAHP's operations that would affect the adequacy of capacity and services, to demonstrate that each MCO, PIHP, and PAHP for the anticipated number of enrollees for the service area:

- Offers an appropriate range of preventative, primary care and specialty services; and
- Maintains a provider network that is sufficient in number, mix, and geographic distribution. (42 CFR 457.1230, cross-referencing to 42 CFR 438.207(b))

3.6.11 ☒ Except that 42 CFR 438.210(a)(5) does not apply to CHIP, the State assures that its contracts with each MCO, PIHP, or PAHP comply with the coverage of services requirements under 42 CFR 438.210, including:

- Identifying, defining, and specifying the amount, duration, and scope of each service that the MCO, PIHP, or PAHP is required to offer; and
- Permitting an MCO, PIHP, or PAHP to place appropriate limits on a service. (42 CFR 457.1230(d), cross referencing to 42 CFR 438.210(a) except that 438.210(a)(5) does not apply to CHIP contracts)

3.6.12 ☒ Except that 438.210(b)(2)(iii) does not apply to CHIP, the State assures that its contracts with each MCO, PIHP, or PAHP comply with the authorization of services requirements under 42 CFR 438.210, including that:

- The MCO, PIHP, or PAHP and its subcontractors have in place and follow written policies and procedures;
- The MCO, PIHP, or PAHP have in place mechanisms to ensure consistent application of review criteria and consult with the

requesting provider when appropriate; and

- Any decision to deny a service authorization request or to authorize a service in an amount, duration, or scope that is less than requested be made by an individual with appropriate expertise in addressing the enrollee's medical, or behavioral health needs. (42 CFR 457.1230(d), cross referencing to 42 CFR 438.210(b), except that 438.210(b)(2)(iii) does not apply to CHIP contracts)

3.6.13 The State assures that its contracts with each MCO, PIHP, or PAHP require each MCO, PIHP, or PAHP to notify the requesting provider and given written notice to the enrollee of any adverse benefit determination to deny a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested. (42 CFR 457.1230(d), cross-referencing to 42 CFR 438.210(c))

3.6.14 The State assures that its contracts with each MCO, PIHP, or PAHP provide that compensation to individuals or entities that conduct utilization management activities is not structured so as to provide incentives for the individual or entity to deny, limit, or discontinue medically necessary services to any enrollee. (42 CFR 457.1230(d), cross-referencing to 42 CFR 438.210(e))

3.6.15 The State assures that it has a transition of care policy that meets the requirements of 438.62(b)(1) and requires that each contracted MCO, PIHP, and PAHP implements the policy. (42 CFR 457.1216, cross-referencing to 42 CFR 438.62)

3.6.16 The State assures that each MCO, PIHP, and PAHP has implemented procedures to deliver care to and coordinate services for all enrollees in accordance with 42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208, including:

- Ensure that each enrollee has an ongoing source of care appropriate to his or her needs;
- Ensure that each enrollee has a person or entity formally designated as primarily responsible for coordinating the services accessed by the enrollee;
- Provide the enrollee with information on how to contact their designated person or entity responsible for the enrollee's coordination of services;
- Coordinate the services the MCO, PIHP, or PAHP furnishes to the enrollee between settings of care; with services from any other MCO, PIHP, or PAHP; with fee-for-service services; and with the services the enrollee receives from community and social support providers;
- Make a best effort to conduct an initial screening of each enrollees needs within 90 days of the effective date of enrollment for all new

- enrollees;
- Share with the State or other MCOs, PIHPs, or PAHPs serving the enrollee the results of any identification and assessment of the enrollee's needs;
- Ensure that each provider furnishing services to enrollees maintains and shares, as appropriate, an enrollee health record in accordance with professional standards; and
- Ensure that each enrollee's privacy is protected in the process of coordinating care is protected with the requirements of 45 CFR parts 160 and 164 subparts A and E. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(b))

Guidance: For assurances 3.6.17 through 3.6.20, applicability to PIHPs and PAHPs is based a determination by the State in relation to the scope of the entity's services and on the way the State has organized its delivery of managed care services, whether a particular PIHP or PAHP is required to implement the mechanisms for identifying, assessing, and producing a treatment plan for an individual with special health care needs. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(a)(2))

- 3.6.17** The State assures that it has implemented mechanisms for identifying to MCOs, PIHPs, and PAHPs enrollees with special health care needs who are eligible for assessment and treatment services under 42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c) and included the mechanism in the State's quality strategy.
- 3.6.18** The State assures that each applicable MCO, PIHP, and PAHP implements the mechanisms to comprehensively assess each enrollee identified by the state as having special health care needs. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c)(2))
- 3.6.19** The State assures that each MCO, PIHP, and PAHP will produce a treatment or service plan that meets the following requirements for enrollees identified with special health care needs:
- Is in accordance with applicable State quality assurance and utilization review standards;
 - Reviewed and revised upon reassessment of functional need, at least every 12 months, or when the enrollee's circumstances or needs change significantly. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c)(3))
- 3.6.20** The State assures that each MCO, PIHP, and PAHP must have a mechanism in place to allow enrollees to directly access a specialist as appropriate for the enrollee's condition and identified needs for enrollees identified with special

health care needs who need a course of treatment or regular care monitoring. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c)(4))

3.7 Operations

- 3.7.1 The State assures that it has established a uniform credentialing and recredentialing policy that addresses acute, primary, behavioral, and substance use disorders providers and requires each MCO, PIHP and PAHP to follow those policies. (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(b)(1))

Guidance: Only States with MCOs, PIHPs, or PAHPs need to answer the remaining assurances in Section 3.7 (3.7.2 through 3.7.9).

- 3.7.2 The State assures each contracted MCO, PIHP and PAHP will comply with the provider selection requirements in 42 CFR 457.1208 and 457.1233(a), cross-referencing 42 CFR 438.12 and 438.214, including that:
- Each MCO, PIHP, or PAHP implements written policies and procedures for selection and retention of network providers (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(a));
 - MCO, PIHP, and PAHP network provider selection policies and procedures do not discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatment (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(c));
 - MCOs, PIHPs, and PAHPs do not discriminate in the participation, reimbursement, or indemnification of any provider who is acting within the scope of his or her license or certification, solely on the basis of that license or certification (42 CFR 457.1208, cross referencing 42 CFR 438.12(a));
 - If an MCO, PIHP, or PAHP declines to include individual or groups of providers in the MCO, PIHP, or PAHP's provider network, the MCO, PIHP, and PAHP gives the affected providers written notice of the reason for the decision (42 CFR 457.1208, cross referencing 42 CFR 438.12(a)); and
 - MCOs, PIHPs, and PAHPs do not employ or contract with providers excluded from participation in Federal health care programs under either section 1128 or section 1128A of the Act. (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(d)).
- 3.7.3 The State assures that each contracted MCO, PIHP, and PAHP complies with the subcontractual relationships and delegation requirements in 42 CFR 457.1233(b), cross-referencing 42 CFR 438.230, including that:
- The MCO, PIHP, or PAHP maintains ultimate responsibility for adhering to and otherwise fully complying with all terms and conditions of its contract with the State;

- ☒ All contracts or written arrangements between the MCO, PIHP, or PAHP and any subcontractor specify that all delegated activities or obligations, and related reporting responsibilities, are specified in the contract or written agreement, the subcontractor agrees to perform the delegated activities and reporting responsibilities specified in compliance with the MCO's, PIHP's, or PAHP's contract obligations, and the contract or written arrangement must either provide for revocation of the delegation of activities or obligations, or specify other remedies in instances where the State or the MCO, PIHP, or PAHP determine that the subcontractor has not performed satisfactorily;
- ☒ All contracts or written arrangements between the MCO, PIHP, or PAHP and any subcontractor must specify that the subcontractor agrees to comply with all applicable CHIP laws, regulations, including applicable subregulatory guidance and contract provisions; and
- ☒ The subcontractor agrees to the audit provisions in 438.230(c)(3).

3.7.4 ☒ The State assures that each contracted MCO and, when applicable, each PIHP and PAHP, adopts and disseminates practice guidelines that are based on valid and reliable clinical evidence or a consensus of providers in the particular field; consider the needs of the MCO's, PIHP's, or PAHP's enrollees; are adopted in consultation with network providers; and are reviewed and updated periodically as appropriate. (42 CFR 457.1233(c), cross referencing 42 CFR 438.236(b) and (c))

3.7.5 ☒ The State assures that each contracted MCO and, when applicable, each PIHP and PAHP makes decisions for utilization management, enrollee education, coverage of services, and other areas to which the guidelines apply are consistent with the practice guidelines. (42 CFR 457.1233(c), cross referencing 42 CFR 438.236(d))

3.7.6 ☒ The State assures that each contracted MCO, PIHP, and PAHP maintains a health information system that collects, analyzes, integrates, and reports data consistent with 42 CFR 438.242. The systems must provide information on areas including, but not limited to, utilization, claims, grievances and appeals, and disenrollments for other than loss of CHIP eligibility. (42 CFR 457.1233(d), cross referencing 42 CFR 438.242)

3.7.7 ☒ The State assures that it reviews and validates the encounter data collected, maintained, and submitted to the State by the MCO, PIHP, or PAHP to ensure it is a complete and accurate representation of the services provided to the enrollees under the contract between the State and the MCO, PIHP, or PAHP and meets the requirements 42 CFR 438.242 of this section. (42 CFR 457.1233(d), cross referencing 42 CFR 438.242)

- 3.7.8 The State assures that it will submit to CMS all encounter data collected, maintained, submitted to the State by the MCO, PIHP, and PAHP once the State has reviewed and validated the data based on the requirements of 42 CFR 438.242. (CMS State Medicaid Director Letter #13-004)
- 3.7.9 The State assures that each contracted MCO, PIHP and PAHP complies with the privacy protections under 42 CFR 457.1110. (42 CFR 457.1233(e))

3.8 **Beneficiary Protections**

- 3.8.1 The State assures that each MCO, PIHP, PAHP, PCCM and PCCM entity has written policies regarding the enrollee rights specified in 42 CFR 438.100. (42 CFR 457.1220, cross-referencing to 42 CFR 438.100(a)(1))
- 3.8.2 The State assures that its contracts with an MCO, PIHP, PAHP, PCCM, or PCCM entity include a guarantee that the MCO, PIHP, PAHP, PCCM, or PCCM entity will not avoid costs for services covered in its contract by referring enrollees to publicly supported health care resources. (42 CFR 457.1201(p))
- 3.8.3 The State assures that MCOs, PIHPs, and PAHPs do not hold the enrollee liable for the following:
- The MCO's, PIHP's or PAHP's debts, in the event of the entity's solvency. (42 CFR 457.1226, cross-referencing to 42 CFR 438.106(a))
 - Covered services provided to the enrollee for which the State does not pay the MCO, PIHP or PAHP or for which the State, MCO, PIHP, or PAHP does not pay the individual or the health care provider that furnished the services under a contractual, referral or other arrangement. (42 CFR 457.1226, cross-referencing to 42 CFR 438.106(b))
 - Payments for covered services furnished under a contract, referral or other arrangement that are in excess of the amount the enrollee would owe if the MCO, PIHP or PAHP covered the services directly. (42 CFR 457.1226, cross-referencing to 42 CFR 438.106(c))

3.9 **Grievances and Appeals**

Guidance: Only States with MCOs, PIHPs, or PAHPs need to complete Section 3.9. States with PCCMs and/or PCCM entities should be adhering to the State's review process for benefits.

- 3.9.1 The State assures that each MCO, PIHP, and PAHP has a grievance and appeal system in place that allows enrollees to file a grievance and request an appeal. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c))

- 3.9.2** The State assures that each MCO, PIHP, and PAHP has only one level of appeal for enrollees. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(b))
- 3.9.3** The State assures that an enrollee may request a State review after receiving notice that the adverse benefit determination is upheld, or after an MCO, PIHP, or PAHP fails to adhere to the notice and timing requirements in 42 CFR 438.408. (42 CFR 457.1260, cross-referencing to 438.402(c))
- 3.9.4.** Does the state offer and arrange for an external medical review?
 Yes
 No
- Guidance: Only states that answered yes to assurance 3.9.4 need to complete the next assurance (3.9.5).
- 3.9.5** The State assures that the external medical review is:
- At the enrollee's option and not required before or used as a deterrent to proceeding to the State review;
 - Independent of both the State and MCO, PIHP, or PAHP;
 - Offered without any cost to the enrollee; and
 - Not extending any of the timeframes specified in 42 CFR 438.408. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(1)(i))
- 3.9.6** The State assures that an enrollee may file a grievance with the MCO, PIHP, or PAHP at any time. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(2)(i))
- 3.9.7** The State assures that an enrollee has 60 calendar days from the date on an adverse benefit determination notice to file a request for an appeal to the MCO, PIHP, or PAHP. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(2)(ii))
- 3.9.8** The State assures that an enrollee may file a grievance and request an appeal either orally or in writing. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(3)(i))
- 3.9.9** The State assures that each MCO, PIHP, and PAHP gives enrollees timely and adequate notice of an adverse benefit determination in writing consistent with the requirements below in Section 3.9.10 and in 42 CFR 438.10.
- 3.9.10** The State assures that the notice of an adverse benefit determination explains:
- The adverse benefit determination.
 - The reasons for the adverse benefit determination, including the right of the enrollee to be provided upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the

enrollee's adverse benefit determination. Such information includes medical necessity criteria, and any processes, strategies, or evidentiary standards used in setting coverage limits.

- The enrollee's right to request an appeal of the MCO's, PIHP's, or PAHP's adverse benefit determination, including information on exhausting the MCO's, PIHP's, or PAHP's one level of appeal and the right to request a State review.
- The procedures for exercising the rights specified above under this assurance.
- The circumstances under which an appeal process can be expedited and how to request it. (42 CFR 457.1260, cross-referencing to 42 CFR 438.404(b))

3.9.11 The State assures that the notice of an adverse benefit determination is provided in a timely manner in accordance with 42 CFR 457.1260. (42 CFR 457.1260, cross-referencing to 42 CFR 438.404(c))

3.9.12 The State assures that MCOs, PIHPs, and PAHPs give enrollees reasonable assistance in completing forms and taking other procedural steps related to a grievance or appeal. This includes, but is not limited to, auxiliary aids and services upon request, such as providing interpreter services and toll-free numbers that have adequate TTY/TTD and interpreter capability. (42 CFR 457.1260, cross-referencing to 42 CFR 438.406(a))

3.9.13 The state makes the following assurances related to MCO, PIHP, and PAHP processes for handling enrollee grievances and appeals:

- Individuals who make decisions on grievances and appeals were neither involved in any previous level of review or decision-making nor a subordinate of any such individual.
- Individuals who make decisions on grievances and appeals, if deciding any of the following, are individuals who have the appropriate clinical expertise in treating the enrollee's condition or disease:
 - An appeal of a denial that is based on lack of medical necessity.
 - A grievance regarding denial of expedited resolution of an appeal.
 - A grievance or appeal that involves clinical issues.
- All comments, documents, records, and other information submitted by the enrollee or their representative will be taken into account, without regard to whether such information was submitted or considered in the initial adverse benefit determination.
- Enrollees have a reasonable opportunity, in person and in writing, to present evidence and testimony and make legal and factual arguments.
- Enrollees are provided the enrollee's case file, including medical records, other documents and records, and any new or additional evidence considered, relied upon, or generated by the MCO, PIHP or PAHP (or at

the direction of the MCO, PIHP or PAHP) in connection with the appeal of the adverse benefit determination. This information must be provided free of charge and sufficiently in advance of the resolution timeframe for appeals.

The enrollee and his or her representative or the legal representative of a deceased enrollee's estate are included as parties to the appeal. (42 CFR 457.1260, cross-referencing to 42 CFR 438.406(b))

3.9.14 The State assures that standard grievances are resolved (including notice to the affected parties) within 90 calendar days from the day the MCO, PIHP, or PAHP receives the grievance. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(b))

3.9.15 The State assures that standard appeals are resolved (including notice to the affected parties) within 30 calendar days from the day the MCO, PIHP, or PAHP receives the appeal. The MCO, PIHP, or PAHP may extend the timeframe by up to 14 calendar days if the enrollee requests the extension or the MCO, PIHP, or PAHP shows that there is need for additional information and that the delay is in the enrollee's interest. (42 CFR 457.1260, cross-referencing to 42 CFR 42 CFR 438.408(b) and (c))

3.9.16 The State assures that each MCO, PIHP, and PAHP establishes and maintains an expedited review process for appeals that is no longer than 72 hours after the MCO, PIHP, or PAHP receives the appeal. The expedited review process applies when the MCO, PIHP, or PAHP determines (for a request from the enrollee) or the provider indicates (in making the request on the enrollee's behalf or supporting the enrollee's request) that taking the time for a standard resolution could seriously jeopardize the enrollee's life, physical or mental health, or ability to attain, maintain, or regain maximum function. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(b) and (c), and 42 CFR 438.410(a))

3.9.17 The State assures that if an MCO, PIHP, or PAHP denies a request for expedited resolution of an appeal, it transfers the appeal within the timeframe for standard resolution in accordance with 42 CFR 438.408(b)(2). (42 CFR 457.1260, cross-referencing to 42 CFR 438.410(c)(1))

3.9.18 The State assures that if the MCO, PIHP, or PAHP extends the timeframes for an appeal not at the request of the enrollee or it denies a request for an expedited resolution of an appeal, it completes all of the following:

- Make reasonable efforts to give the enrollee prompt oral notice of the delay.
- Within 2 calendar days give the enrollee written notice of the reason for the decision to extend the timeframe and inform the enrollee of the right to file a grievance if he or she disagrees with that decision.

- Resolve the appeal as expeditiously as the enrollee's health condition requires and no later than the date the extension expires. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(c) and 42 CFR 438.410(c))

3.9.19 The State assures that if an MCO, PIHP, or PAHP fails to adhere to the notice and timing requirements in this section, the enrollee is deemed to have exhausted the MCO's, PIHP's, or PAHP's appeals process and the enrollee may initiate a State review. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(c)(3))

3.9.20 The State assures that has established a method that an MCO, PIHP, and PAHP will use to notify an enrollee of the resolution of a grievance and ensure that such methods meet, at a minimum, the standards described at 42 CFR 438.10. (42 CFR 457.1260, cross referencing to 42 CFR 457.408(d)(1))

3.9.21 For all appeals, the State assures that each contracted MCO, PIHP, and PAHP provides written notice of resolution in a format and language that, at a minimum, meet the standards described at 42 CFR 438.10. The notice of resolution includes at least the following items:

- The results of the resolution process and the date it was completed; and
- For appeals not resolved wholly in favor of the enrollees:
 - The right to request a State review, and how to do so.
 - The right to request and receive benefits while the hearing is pending, and how to make the request.
 - That the enrollee may, consistent with State policy, be held liable for the cost of those benefits if the hearing decision upholds the MCO's, PIHP's, or PAHP's adverse benefit determination. (42 CFR 457.1260, cross referencing to 42 CFR 457.408(d)(2)(i) and (e))

3.9.22 For notice of an expedited resolution, the State assures that each contracted MCO, PIHP, or PAHP makes reasonable efforts to provide oral notice, in addition to the written notice of resolution. (42 CFR 457.1260, cross referencing to 42 CFR 457.408(d)(2)(ii))

3.9.23 The State assures that if it offers an external medical review:

- The review is at the enrollee's option and is not required before or used as a deterrent to proceeding to the State review;
- The review is independent of both the State and MCO, PIHP, or PAHP; and
- The review is offered without any cost to the enrollee. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(f))

3.9.24 The State assures that MCOs, PIHPs, and PAHPs do not take punitive action against providers who request an expedited resolution or support an enrollee's appeal. (42 CFR 457.1260, cross-referencing to 42 CFR 438.410(b))

- 3.9.25** The State assures that MCOs, PIHPs, or PAHPs must provide information specified in 42 CFR 438.10(g)(2)(xi) about the grievance and appeal system to all providers and subcontractors at the time they enter into a contract. This includes:
- The right to file grievances and appeals;
 - The requirements and timeframes for filing a grievance or appeal;
 - The availability of assistance in the filing process;
 - The right to request a State review after the MCO, PIHP or PAHP has made a determination on an enrollee's appeal which is adverse to the enrollee; and
 - The fact that, when requested by the enrollee, benefits that the MCO, PIHP, or PAHP seeks to reduce or terminate will continue if the enrollee files an appeal or a request for State review within the timeframes specified for filing, and that the enrollee may, consistent with State policy, be required to pay the cost of services furnished while the appeal or State review is pending if the final decision is adverse to the enrollee. (42 CFR 457.1260, cross-referencing to 42 CFR 438.414)

- 3.9.26** The State assures that it requires MCOs, PIHPs, and PAHPs to maintain records of grievances and appeals and reviews the information as part of its ongoing monitoring procedures, as well as for updates and revisions to the State quality strategy. The record must be accurately maintained in a manner accessible to the state and available upon request to CMS. (42 CFR 457.1260, cross-referencing to 42 CFR 438.416)

- 3.9.27** The State assures that if the MCO, PIHP, or PAHP, or the State review officer reverses a decision to deny, limit, or delay services that were not furnished while the appeal was pending, the MCO, PIHP, or PAHP must authorize or provide the disputed services promptly and as expeditiously as the enrollee's health condition requires but no later than 72 hours from the date it receives notice reversing the determination. (42 CFR 457.1260, cross-referencing to 42 CFR 438.424(a))

3.10 Program Integrity

Guidance: The State should complete Section 11 (Program Integrity) in addition to Section 3.10.

Guidance: Only States with MCOs, PIHPs, or PAHPs need to answer the first seven assurances (3.10.1 through 3.10.7).

- 3.10.1** The State assures that any entity seeking to contract as an MCO, PIHP, or PAHP under a separate child health program has administrative and management arrangements or procedures designed to safeguard against fraud and abuse, including:
- Enforcing MCO, PIHP, and PAHP compliance with all applicable Federal and State statutes, regulations, and standards;

- ☒ Prohibiting MCOs, PIHPs, or PAHPs from conducting any unsolicited personal contact with a potential enrollee by an employee or agent of the MCO, PAHP, or PIHP for the purpose of influencing the individual to enroll with the entity; and
- ☒ Including a mechanism for MCOs, PIHPs, and PAHPs to report to the State, to CMS, or to the Office of Inspector General (OIG) as appropriate, information on violations of law by subcontractors, providers, or enrollees of an MCO, PIHP, or PAHP and other individuals. (42 CFR 457.1280)

3.10.2 ☒ The State assures that it has in effect safeguards against conflict of interest on the part of State and local officers and employees and agents of the State who have responsibilities relating to the MCO, PIHP, or PAHP contracts or enrollment processes described in 42 CFR 457.1210(a). (42 CFR 457.1214, cross referencing 42 CFR 438.58)

3.10.3 ☒ The State assures that it periodically, but no less frequently than once every 3 years, conducts, or contracts for the conduct of, an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by, or on behalf of, each MCO, PIHP or PAHP. (42 CFR 457.1285, cross referencing 42 CFR 438.602(e))

3.10.4 ☒ The State assures that it requires MCOs, PIHPs, PAHP, and or subcontractors (only to the extent that the subcontractor is delegated responsibility by the MCO, PIHP, or PAHP for coverage of services and payment of claims) implement and maintain arrangements or procedures that are designed to detect and prevent fraud, waste, and abuse. The arrangements or procedures must include the following:

- A compliance program that include all of the elements described in 42 CFR 438.608(a)(1);
- Provision for prompt reporting of all overpayments identified or recovered, specifying the overpayments due to potential fraud, to the State;
- Provision for prompt notification to the State when it receives information about changes in an enrollee's circumstances that may affect the enrollee's eligibility;
- Provision for notification to the State when it receives information about a change in a network provider's circumstances that may affect the network provider's eligibility to participate in the managed care program, including the termination of the provider agreement with the MCO, PIHP or PAHP;
- Provision for a method to verify, by sampling or other methods, whether services that have been represented to have been delivered by network providers were received by enrollees and the application of such verification processes on a regular basis;
- In the case of MCOs, PIHPs, or PAHPs that make or receive annual

payments under the contract of at least \$5,000,000, provision for written policies for all employees of the entity, and of any contractor or agent, that provide detailed information about the False Claims Act and other Federal and State laws described in section 1902(a)(68) of the Act, including information about rights of employees to be protected as whistleblowers;

- Provision for the prompt referral of any potential fraud, waste, or abuse that the MCO, PIHP, or PAHP identifies to the State Medicaid/CHIP program integrity unit or any potential fraud directly to the State Medicaid Fraud Control Unit; and
- Provision for the MCO's, PIHP's, or PAHP's suspension of payments to a network provider for which the State determines there is a credible allegation of fraud in accordance with 42 CFR 455.23. (42 CFR 457.1285, cross referencing 42 CFR 438.608(a))

- 3.10.5** The State assures that each MCO, PIHP, or PAHP requires and has a mechanism for a network provider to report to the MCO, PIHP or PAHP when it has received an overpayment, to return the overpayment to the MCO, PIHP or PAHP within 60 calendar days after the date on which the overpayment was identified, and to notify the MCO, PIHP or PAHP in writing of the reason for the overpayment. (42 CFR 457.1285, cross referencing 42 CFR 438.608(d)(2))
- 3.10.6** The State assures that each MCO, PIHP, or PAHP reports annually to the State on their recoveries of overpayments. (42 CFR 457.1285, cross referencing 42 CFR 438.608(d)(3))
- 3.10.7** The State assures that it screens and enrolls, and periodically revalidates, all network providers of MCOs, PIHPs, and PAHPs, in accordance with the requirements of part 455, subparts B and E. This requirement also extends to PCCMs and PCCM entities to the extent that the primary care case manager is not otherwise enrolled with the State to provide services to fee-for-service beneficiaries. (42 CFR 457.1285, cross referencing 42 CFR 438.602(b)(1) and 438.608(b))
- 3.10.8** The State assures that it reviews the ownership and control disclosures submitted by the MCO, PIHP, PAHP, PCCM or PCCM entity, and any subcontractors. (42 CFR 457.1285, cross referencing 42 CFR 438.602(c))
- 3.10.9** The State assures that it confirms the identity and determines the exclusion status of the MCO, PIHP, PAHP, PCCM or PCCM entity, any subcontractor, as well as any person with an ownership or control interest, or who is an agent or managing employee of the MCO, PIHP, PAHP, PCCM or PCCM entity through routine checks of Federal databases. If the State finds a party that is excluded, the State promptly notifies the MCO, PIHP, PAHP, PCCM, or PCCM entity and takes action consistent with 42 CFR 438.610(c). (42 CFR 457.1285, cross referencing 42 CFR 438.602(d))

- 3.10.10** The State assures that it receives and investigates information from whistleblowers relating to the integrity of the MCO, PIHP, PAHP, PCCM, or PCCM entity, subcontractors, or network providers receiving Federal funds under this part. (42 CFR 457.1285, cross referencing 42 CFR 438.602(f))
- 3.10.11** The State assures that MCOs, PIHPs, PAHPs, PCCMs, or PCCM entities with which the State contracts are not located outside of the United States and that no claims paid by an MCO, PIHP, or PAHP to a network provider, out-of-network provider, subcontractor or financial institution located outside of the U.S. are considered in the development of actuarially sound capitation rates. (42 CFR 457.1285, cross referencing to 42 CFR 438.602(i); Section 1902(a)(80) of the Social Security Act)
- 3.10.12** The State assures that MCOs, PIHPs, PAHPs, PCCMs, and PCCM entities submit to the State the following data, documentation, and information:
- Encounter data in the form and manner described in 42 CFR 438.818.
 - Data on the basis of which the State determines the compliance of the MCO, PIHP, or PAHP with the medical loss ratio requirement described in 42 CFR 438.8.
 - Data on the basis of which the State determines that the MCO, PIHP or PAHP has made adequate provision against the risk of insolvency as required under 42 CFR 438.116.
 - Documentation described in 42 CFR 438.207(b) on which the State bases its certification that the MCO, PIHP or PAHP has complied with the State's requirements for availability and accessibility of services, including the adequacy of the provider network, as set forth in 42 CFR 438.206.
 - Information on ownership and control described in 42 CFR 455.104 of this chapter from MCOs, PIHPs, PAHPs, PCCMs, PCCM entities, and subcontractors as governed by 42 CFR 438.230.
 - The annual report of overpayment recoveries as required in 42 CFR 438.608(d)(3). (42 CFR 457.1285, cross referencing 42 CFR 438.604(a))
- 3.10.13** The State assures that:
- It requires that the data, documentation, or information submitted in accordance with 42 CFR 457.1285, cross referencing 42 CFR 438.604(a), is certified in a manner that the MCO's, PIHP's, PAHP's, PCCM's, or PCCM entity's Chief Executive Officer or Chief Financial Officer is ultimately responsible for the certification. (42 CFR 457.1285, cross referencing 42 CFR 438.606(a))
 - It requires that the certification includes an attestation that, based on best information, knowledge, and belief, the data, documentation, and information specified in 42 CFR 438.604 are accurate, complete, and truthful. (42 CFR 457.1285, cross referencing 42 CFR 438.606(b)); and

It requires the MCO, PIHP, PAHP, PCCM, or PCCM entity to submit the certification concurrently with the submission of the data, documentation, or information required in 42 CFR 438.604(a) and (b). (42 CFR 457.1285, cross referencing 42 CFR 438.604(c))

3.10.14 The State assures that each MCO, PIHP, PAHP, PCCM, PCCM entity, and any subcontractors provides: written disclosure of any prohibited affiliation under 42 CFR 438.610, written disclosure of and information on ownership and control required under 42 CFR 455.104, and reports to the State within 60 calendar days when it has identified the capitation payments or other payments in excess of amounts specified in the contract. (42 CFR 457.1285, cross referencing 42 CFR 438.608(c))

3.10.15 The State assures that services are provided in an effective and efficient manner. (Section 2101(a))

3.10.16 The State assures that it operates a Web site that provides:

- The documentation on which the State bases its certification that the MCO, PIHP or PAHP has complied with the State's requirements for availability and accessibility of services;
- Information on ownership and control of MCOs, PIHPs, PAHPs, PCCMs, PCCM entities, and subcontractors; and
- The results of any audits conducted under 42 CFR 438.602(e). (42 CFR 457.1285, cross-referencing to 42 CFR 438.602(g)).

3.11 Sanctions

Guidance: Only States with MCOs need to answer the next three assurances (3.11.1 through 3.11.3).

Intermediate sanctions are defined at 42 CFR 438.702(a)(4) as: (1) Civil money penalties; (2) Appointment of temporary management (for an MCO); (3) Granting enrollees the right to terminate enrollment without cause; (4) Suspension of all new enrollment; and (5) Suspension of payment for beneficiaries.

3.11.1 The State assures that it has established intermediate sanctions that it may impose if it makes the determination that an MCO has acted or failed to act in a manner specified in 438.700(b)-(d). (42 CFR 457.1270, cross referencing 42 CFR 438.700)

3.11.2 The State assures that it will impose temporary management if it finds that an MCO has repeatedly failed to meet substantive requirements of part 457 subpart L. (42 CFR 457.1270, cross referencing 42 CFR 438.706(b))

- 3.11.3 The State assures that if it imposes temporary management on an MCO, the State allows enrollees the right to terminate enrollment without cause and notifies the affected enrollees of their right to terminate enrollment. (42 CFR 457.1270, cross referencing 42 CFR 438.706(b))

Guidance: Only states with PCCMs, or PCCM entities need to answer the next assurance (3.11.4).

- 3.11.4 Does the State establish intermediate sanctions for PCCMs or PCCM entities?
 Yes
 No

Guidance: Only states with MCOs and states that answered yes to assurance 3.11.4 need to complete the next three assurances (3.11.5 through 3.11.7).

- 3.11.5 The State assures that before it imposes intermediate sanctions, it gives the affected entity timely written notice. (42 CFR 457.1270, cross referencing 42 CFR 438.710(a))

- 3.11.6 The State assures that if it intends to terminate an MCO, PCCM, or PCCM entity, it provides a pre-termination hearing and written notice of the decision as specified in 42 CFR 438.710(b). If the decision to terminate is affirmed, the State assures that it gives enrollees of the MCO, PCCM or PCCM entity notice of the termination and information, consistent with 42 CFR 438.10, on their options for receiving CHIP services following the effective date of termination. (42 CFR 457.1270, cross referencing 42 CFR 438.710(b))

- 3.11.7 The State assures that it will give CMS written notice that complies with 42 CFR 438.724 whenever it imposes or lifts a sanction for one of the violations listed in 42 CFR 438.700. (42 CFR 457.1270, cross referencing 42 CFR 438.724)

3.12 **Quality Measurement and Improvement; External Quality Review**

Guidance: The State should complete Sections 7 (Quality and Appropriateness of Care) and 9 (Strategic Objectives and Performance Goals and Plan Administration) in addition to Section 3.12.

Guidance: States with MCO(s), PIHP(s), PAHP(s), or certain PCCM entity/ies (PCCM entities whose contract with the State provides for shared savings, incentive payments or other financial reward for improved quality outcomes - see 42 CFR 457.1240(f)) - should complete the applicable sub-sections for each entity type in this section, regarding 42 CFR 457.1240 and 1250.

3.12.1 **Quality Strategy**

Guidance: All states with MCOs, PIHPs, PAHPs, PCCMs, or PCCM entities need to complete section 3.12.1.

- 3.12.1.1** ☒ The State assures that it will draft and implement a written quality strategy for assessing and improving the quality of health care and services furnished CHIP enrollees as described in 42 CFR 438.340(a). The quality strategy must include the following items:
- The State-defined network adequacy and availability of services standards for MCOs, PIHPs, and PAHPs required by 42 CFR 438.68 and 438.206 and examples of evidence-based clinical practice guidelines the State requires in accordance with 42 CFR 438.236;
 - A description of:
 - The quality metrics and performance targets to be used in measuring the performance and improvement of each MCO, PIHP, and PAHP with which the State contracts, including but not limited to, the performance measures reported in accordance with 42 CFR 438.330(c); and
 - The performance improvement projects to be implemented in accordance with 42 CFR 438.330(d), including a description of any interventions the State proposes to improve access, quality, or timeliness of care for beneficiaries enrolled in an MCO, PIHP, or PAHP;
 - Arrangements for annual, external independent reviews, in accordance with 42 CFR 438.350, of the quality outcomes and timeliness of, and access to, the services covered under each contract;
 - A description of the State's transition of care policy required under 42 CFR 438.62(b)(3);
 - The State's plan to identify, evaluate, and reduce, to the extent practicable, health disparities based on age, race, ethnicity, sex, and primary language;
 - For MCOs, appropriate use of intermediate sanctions that, at a minimum, meet the requirements of subpart I of 42 CFR Part 438;
 - A description of how the State will assess the performance and quality outcomes achieved by each PCCM entity;
 - The mechanisms implemented by the State to comply with 42 CFR 438.208(c)(1) (relating to the identification of persons with special health care needs);
 - Identification of the external quality review (EQR)-related activities for which the State has exercised the option under 42 CFR 438.360 (relating to nonduplication of EQR-related activities), and explain the rationale for the State's determination that the private accreditation activity is comparable to such EQR-related activities;
 - Identification of which quality measures and performance outcomes the State will publish at least annually on the Web site required under

42 CFR 438.10(c)(3); and

- The State's definition of a “significant change” for the purposes of updating the quality strategy under 42 CFR 438.340(c)(3)(ii). (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(b))

- 3.12.1.2** ☒ The State assures that the goals and objectives for continuous quality improvement in the quality strategy are measurable and take into consideration the health status of all populations in the State served by the MCO, PIHP, and PAHP. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(b)(2))
- 3.12.1.3** ☒ The State assures that for purposes of the quality strategy, the State provides the demographic information for each CHIP enrollee to the MCO, PIHP or PAHP at the time of enrollment. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(b)(6))
- 3.12.1.4** ☒ The State assures that it will review and update the quality strategy as needed, but no less than once every 3 years. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(2))
- 3.12.1.5** ☒ The State assures that its review and updates to the quality strategy will include an evaluation of the effectiveness of the quality strategy conducted within the previous 3 years and the recommendations provided pursuant to 42 CFR 438.364(a)(4). (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(2)(i) and (iii)).
- 3.12.1.6** ☒ The State assures that it will submit to CMS:
- A copy of the initial quality strategy for CMS comment and feedback prior to adopting it in final; and
 - A copy of the revised strategy whenever significant changes are made to the document, or whenever significant changes occur within the State's CHIP program, including after the review and update required every 3 years. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(3))
- 3.12.1.7** ☒ Before submitting the strategy to CMS for review, the State assures that when it drafts or revises the State’s quality strategy it will:
- Make the strategy available for public comment; and
 - If the State enrolls Indians in the MCO, PIHP, or PAHP, consult with Tribes in accordance with the State's Tribal consultation policy. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(1))
- 3.12.1.8** ☒ The State assures that it makes the results of the review of the quality strategy (including the effectiveness evaluation) and the final quality strategy available on the Web site required under 42 CFR 438.10(c)(3).

(42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(2)(ii) and (d))

3.12.2 Quality Assessment and Performance Improvement Program

3.12.2.1 Quality Assessment and Performance Improvement Program: Measures and Projects

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete the next two assurances (3.12.2.1.1 and 3.12.2.1.2).

- 3.12.2.1.1 The State assures that it requires that each MCO, PIHP, and PAHP establish and implement an ongoing comprehensive quality assessment and performance improvement program for the services it furnishes to its enrollees as provided in 42 CFR 438.330, except that the terms of 42 CFR 438.330(d)(4) (related to dual eligibles) do not apply. The elements of the assessment and program include at least:
- Standard performance measures specified by the State;
 - Any measures and programs required by CMS (42 CFR 438.330(a)(2));
 - Performance improvement projects that focus on clinical and non-clinical areas, as specified in 42 CFR 438.330(d);
 - Collection and submission of performance measurement data in accordance with 42 CFR 438.330(c);
 - Mechanisms to detect both underutilization and overutilization of services; and
 - Mechanisms to assess the quality and appropriateness of care furnished to enrollees with special health care needs, as defined by the State in the quality strategy under 42 CFR 457.1240(e) and Section 3.12.1 of this template). (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(b) and (c)(1))

Guidance: A State may request an exemption from including the performance measures or performance improvement programs established by CMS under 42 CFR 438.330(a)(2), by submitting a written request to CMS explaining the basis for such request.

- 3.12.2.1.2 The State assures that each MCO, PIHP, and PAHP's performance improvement projects are designed to achieve significant improvement, sustained over time, in health outcomes and enrollee satisfaction. The performance improvement projects include at least the following elements:

- Measurement of performance using objective quality indicators;
- Implementation of interventions to achieve improvement in the access to and quality of care;
- Evaluation of the effectiveness of the interventions based on the performance measures specified in 42 CFR 438.330(d)(2)(i); and
- Planning and initiation of activities for increasing or sustaining improvement. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(d)(2))

Guidance: Only states with a PCCM entity whose contract with the State provides for shared savings, incentive payments or other financial reward for improved quality outcomes need to, complete the next assurance (3.12.2.1.3).

- 3.12.2.1.3 The State assures that it requires that each PCCM entity establishes and implements an ongoing comprehensive quality assessment and performance improvement program for the services it furnishes to its enrollees as provided in 42 CFR 438.330, except that the terms of 42 CFR 438.330(d)(4) (related to dual eligibles) do not apply. The assessment and program must include:
- Standard performance measures specified by the State;
 - Mechanisms to detect both underutilization and overutilization of services; and
 - Collection and submission of performance measurement data in accordance with 42 CFR 438.330(c). (42 CFR 457.1240(a) and (b), cross referencing to 42 CFR 438.330(b)(3) and (c))

3.12.2.2 Quality Assessment and Performance Improvement Program: Reporting and Effectiveness

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete Section 3.12.2.2.

- 3.12.2.2.1 The State assures that each MCO, PIHP, and PAHP reports on the status and results of each performance improvement project conducted by the MCO, PIHP, and PAHP to the State as required by the State, but not less than once per year. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(d)(3))
- 3.12.2.2.2 The State assures that it annually requires each MCO, PIHP, and PAHP to:

- 1) Measure and report to the State on its performance using the standard measures required by the State;
- 2) Submit to the State data specified by the State to calculate the MCO's, PIHP's, or PAHP's performance using the standard measures identified by the State; or
- 3) Perform a combination of options (1) and (2) of this assurance. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(c)(2))

- 3.12.2.2.3** The State assures that the State reviews, at least annually, the impact and effectiveness of the quality assessment and performance improvement program of each MCO, PIHP, PAHP and PCCM entity. The State's review must include:
- The MCO's, PIHP's, PAHP's, and PCCM entity's performance on the measures on which it is required to report; and
 - The outcomes and trended results of each MCO's, PIHP's, and PAHP's performance improvement projects. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(e)(1))

3.12.3 Accreditation

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete Section 3.12.3.

- 3.12.3.1** The State assures that it requires each MCO, PIHP, and PAHP to inform the state whether it has been accredited by a private independent accrediting entity, and, if the MCO, PIHP, or PAHP has received accreditation by a private independent accrediting agency, that the MCO, PIHP, and PAHP authorizes the private independent accrediting entity to provide the State a copy of its recent accreditation review that includes the MCO, PIHP, and PAHP's accreditation status, survey type, and level (as applicable); accreditation results, including recommended actions or improvements, corrective action plans, and summaries of findings; and expiration date of the accreditation. (42 CFR 457.1240(c), cross referencing to 42 CFR 438.332(a) and (b)).

- 3.12.3.2** The State assures that it will make the accreditation status for each contracted MCO, PIHP, and PAHP available on the Web site required under 42 CFR 438.10(c)(3), including whether each MCO, PIHP, and PAHP has been accredited and, if applicable, the name of the accrediting entity, accreditation program, and accreditation level; and update this information at least annually. (42 CFR 457.1240(c), cross referencing to 42 CFR 438.332(c))

3.12.4 Quality Rating

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete Section 3.12.4.

- The State assures that it will implement and operate a quality rating system that issues an annual quality rating for each MCO, PIHP, and PAHP, which the State will prominently display on the Web site required under 42 CFR 438.10(c)(3), in accordance with the requirements set forth in 42 CFR 438.334. (42 CFR 457.1240(d))

Guidance: States will be required to comply with this assurance within 3 years after CMS, in consultation with States and other Stakeholders and after providing public notice and opportunity for comment, has identified performance measures and a methodology for a Medicaid and CHIP managed care quality rating system in the Federal Register.

3.12.5 Quality Review

Guidance: All states with MCOs, PIHPs, PAHPs, PCCMs or PCCM entities need to complete Sections 3.12.5 and 3.12.5.1.

- The State assures that each contract with a MCO, PIHP, PAHP, or PCCM entity requires that a qualified EQRO performs an annual external quality review (EQR) for each contracting MCO, PIHP, PAHP or PCCM entity, except as provided in 42 CFR 438.362. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.350(a))

3.12.5.1 External Quality Review Organization

- 3.12.5.1.1** The State assures that it contracts with at least one external quality review organization (EQRO) to conduct either EQR alone or EQR and other EQR-related activities. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.356(a))

- 3.12.5.1.2** The State assures that any EQRO used by the State to comply with 42 CFR 457.1250 must meet the competence and independence requirements of 42 CFR 438.354 and, if the EQRO uses subcontractors, that the EQRO is accountable for and oversees all subcontractor functions. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.354 and 42 CFR 438.356(b) through (d))

3.12.5.2 External Quality Review-Related Activities

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete the next three assurances (3.12.5.2.1 through 3.12.5.2.3). Under 42 CFR 457.1250(a), the State, or its agent or EQRO, must conduct the EQR-related activity under 42 CFR 438.358(b)(1)(iv) regarding validation of the MCO, PIHP, or PAHP's network adequacy during the preceding 12

months; however, the State may permit its contracted MCO, PIHP, and PAHPs to use information from a private accreditation review in lieu of any or all the EQR-related activities under 42 CFR 438.358(b)(1)(i) through (iii) (relating to the validation of performance improvement projects, validation of performance measures, and compliance review).

- 3.12.5.2.1** The State assures that the mandatory EQR-related activities described in 42 CFR 438.358(b)(1)(i) through (iv) (relating to the validation of performance improvement projects, validation of performance measures, compliance review, and validation of network adequacy) will be conducted on all MCOs, PIHPs, or PAHPs. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.358(b)(1))
- 3.12.5.2.2** The State assures that if it elects to use nonduplication for any or all of the three mandatory EQR-related activities described at 42 CFR 438.358(b)(1)(i) – (iii), the State will document the use of nonduplication in the State’s quality strategy. (42 CFR 457.1250(a), cross referencing 438.360, 438.358(b)(1)(i) through (b)(1)(iii), and 438.340)
- 3.12.5.2.3** The State assures that if the State elects to use nonduplication for any or all of the three mandatory EQR-related activities described at 42 CFR 438.358(b)(1)(i) – (iii), the State will ensure that all information from a Medicare or private accreditation review for an MCO, PIHP, or PAHP will be furnished to the EQRO for analysis and inclusion in the EQR technical report described in 42 CFR 438.364. ((42 CFR 457.1250(a), cross referencing to 42 CFR 438.360(b))

Guidance: Only states with PCCM entities need to complete the next assurance (3.12.5.2.4).

- 3.12.5.2.4** The State assures that the mandatory EQR-related activities described in 42 CFR 438.358(b)(2) (cross-referencing 42 CFR 438.358(b)(1)(ii) and (b)(1)(iii)) will be conducted on all PCCM entities, which include:
- Validation of PCCM entity performance measures required in accordance with 42 CFR 438.330(b)(2) or PCCM entity performance measures calculated by the State during the preceding 12 months; and
 - A review, conducted within the previous 3-year period, to determine the PCCM entity’s compliance with the standards set forth in subpart D of 42 CFR part 438 and the quality assessment and performance improvement requirements

described in 42 CFR 438.330. (42 CFR 457.1250(a), cross referencing to 438.358(b)(2))

3.12.5.3 External Quality Review Report

Guidance: All states with MCOs, PIHPs, PAHPs, PCCMs or PCCM entities need to complete Sections 3.12.5.3.

- 3.12.5.3.1 The State assures that data obtained from the mandatory and optional, if applicable, EQR-related activities in 42 CFR 438.358 is used for the annual EQR to comply with 42 CFR 438.350 and must include, at a minimum, the elements in §438.364(a)(2)(i) through (iv). (42 CFR 457.1250(a), cross referencing to 42 CFR 438.358(a)(2))
- 3.12.5.3.2 The State assures that only a qualified EQRO will produce the EQR technical report (42 CFR 438.364(c)(1)).
- 3.12.5.3.3 The State assures that in order for the qualified EQRO to perform an annual EQR for each contracting MCO, PIHP, PAHP or PCCM entity under 42 CFR 438.350(a) that the following conditions are met:
- The EQRO has sufficient information to use in performing the review;
 - The information used to carry out the review must be obtained from the EQR-related activities described in 42 CFR 438.358 and, if applicable, from a private accreditation review as described in 42 CFR 438.360;
 - For each EQR-related activity (mandatory or optional), the information gathered for use in the EQR must include the elements described in 42 CFR 438.364(a)(2)(i) through (iv); and
 - The information provided to the EQRO in accordance with 42 CFR 438.350(b) is obtained through methods consistent with the protocols established by the Secretary in accordance with 42 CFR 438.352. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.350(b) through (e))
- 3.12.5.3.4 The State assures that the results of the reviews performed by a qualified EQRO of each contracting MCO, PIHP, PAHP, and PCCM entity are made available as specified in 42 CFR 438.364 in an annual detailed technical report that summarizes findings on access and quality of care. The report includes at least the following items:
- A description of the manner in which the data from all

activities conducted in accordance with 42 CFR 438.358 were aggregated and analyzed, and conclusions were drawn as to the quality, timeliness, and access to the care furnished by the MCO, PIHP, PAHP, or PCCM entity (described in 42 CFR 438.310(c)(2));

- For each EQR-related activity (mandatory or optional) conducted in accordance with 42 CFR 438.358:
 - Objectives;
 - Technical methods of data collection and analysis;
 - Description of data obtained, including validated performance measurement data for each activity conducted in accordance with 42 CFR 438.358(b)(1)(i) and (ii); and
 - Conclusions drawn from the data;
- An assessment of each MCO's, PIHP's, PAHP's, or PCCM entity's strengths and weaknesses for the quality, timeliness, and access to health care services furnished to CHIP beneficiaries;
- Recommendations for improving the quality of health care services furnished by each MCO, PIHP, PAHP, or PCCM entity, including how the State can target goals and objectives in the quality strategy, under 42 CFR 438.340, to better support improvement in the quality, timeliness, and access to health care services furnished to CHIP beneficiaries;
- Methodologically appropriate, comparative information about all MCOs, PIHPs, PAHPs, and PCCM entities, consistent with guidance included in the EQR protocols issued in accordance with 42 CFR 438.352(e); and
- An assessment of the degree to which each MCO, PIHP, PAHP, or PCCM entity has addressed effectively the recommendations for quality improvement made by the EQRO during the previous year's EQR. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.350(f) and 438.364(a))

3.12.5.3.5 ☒ The State assures that it does not substantively revise the content of the final EQR technical report without evidence of error or omission. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(b))

3.12.5.3.6 ☒ The State assures that it finalizes the annual EQR technical report by April 30th of each year. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(1))

- 3.12.5.3.7 The State assures that it posts the most recent copy of the annual EQR technical report on the Web site required under 42 CFR 438.10(c)(3) by April 30th of each year. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(2)(i))
- 3.12.5.3.8 The State assures that it provides printed or electronic copies of the information specified in 42 CFR 438.364(a) for the annual EQR technical report, upon request, to interested parties such as participating health care providers, enrollees and potential enrollees of the MCO, PIHP, PAHP, or PCCM, beneficiary advocacy groups, and members of the general public. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(2)(ii))
- 3.12.5.3.9 The State assures that it makes the information specified in 42 CFR 438.364(a) for the annual EQR technical report available in alternative formats for persons with disabilities, when requested. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(3))
- 3.12.5.3.10 The State assures that information released under 42 CFR 438.364 for the annual EQR technical report does not disclose the identity or other protected health information of any patient. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(d))

Section 4. Eligibility Standards and Methodology

Guidance: States electing to use funds provided under Title XXI only to provide expanded eligibility under the State’s Medicaid plan or combination plan should check the appropriate box and provide the ages and income level for each eligibility group. If the State is electing to take up the option to expand Medicaid eligibility as allowed under section 214 of CHIPRA regarding lawfully residing, complete section 4.1-LR as well as update the budget to reflect the additional costs if the state will claim title XXI match for these children until and if the time comes that the children are eligible for Medicaid.

Superseding Pages of MAGI CHIP State Plan Eligibility Material
State: Kentucky

Transmittal Number	SPA Group	PDF #	Description	Superseded Plan Section(s)
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KY-13-0013 Effective/ Implementation Date: January 1, 2014	MAGI Eligibility & Methods	CS7 CS10 CS15	Eligibility - Targeted Low Income Children Children with access to Public Employee Coverage MAGI-Based Income Methodologies	Supersedes the current sections -Geographic Area 4.1.1; Age 4.1.2; and Income 4.1.3 Supersedes only the information on dependents of public employees in Section 4.4.1; supporting documentation should be incorporated as an appendix to the current state plan
KY-13-0014 Effective/ Implementation Date: January 1, 2014	XXI Medicaid Expansion	CS3	Eligibility for Medicaid Expansion Program	Supersedes the current Medicaid expansion section 4.0
KY-13-0015 Effective/ Implementation Date: January 1, 2014	Establish 2101(f) Group	CS14	Children Ineligible for Medicaid as a Result of the Elimination of	Incorporate within a separate subsection under section 4.1
KY-13-0016 Effective/ Implementation Date: October 1, 2013	Eligibility Process	CS24	Single, Streamlined Application Screen and Enroll Process Renewals	Supersedes the current section 4.3; 4.4
KY-13-0017 Effective/ Implementation Date: January 1, 2014	Non- Financial Eligibility	CS17 CS18 CS19	Non-Financial Eligibility - Residency Non-Financial - Citizenship Non-Financial - Social Security Number	Supersedes the current section 4.1.5 Supersedes the current sections 4.1.0; 4.1-LR; Supersedes the current section 4.1.9.1

KY-13-0017 Effective/ Implementation Date: January 1, 2014	Non- Financial Eligibility	CS20	Substitution of Coverage	Supersedes the current section 4.4.4
KY-17-0000 Effective/Implementa tion Date: July 1, 2017		CS24	Single, Streamlined Application	Supersedes the previously approved CS24
KY-21-0001 CHIP Effective/Implementa tion Date: July 1, 2021	Magi- Eligibility & Methods	CS8	Targeted Low- Income Pregnant Women	Benefits-adds pregnant adults 19 and older, up to 213% FPL as CHIP pregnant women;
	Magi- Eligibility & Methods	CS 13	Deemed Newborn	Eligibility: Adds deemed newborns to CHIP;
	Non-Financial	CS 18	Eligibility- Citizenship	Extends Lawfully residing option to CHIP pregnant women;
	Non-Financial Eligibility	CS20	Substitution of Coverage	Waiting period not applicable to CHIP pregnant women;
	General Eligibility	CS29	Presumptive Eligibility for pregnant women	Added Presumptive Eligibility for pregnant women;

KY-22-0001-CHIP Effective/Implementation Date: April 1, 2022		CS27	Targeted low-income pregnant individuals through the end of the 12-month postpartum period	Continuous coverage through 12 months postpartum
KY-22-0003 CHIP Effective Date: July 1, 2022, Implementation Date: August 1, 2022		CS3, CS18 (CS7, 10 and 14 are now obsolete)	Transition all separate CHIP children to a Medicaid expansion program.	

4.0. Medicaid Expansion

4.0.1. Ages of each eligibility group and the income standard for that group:

Please see the CS3 template for a description of income standard for Medicaid expansion children.

4.1. Separate Program Check all standards that will apply to the State plan. (42CFR 457.305(a) and 457.320(a))

4.1.0 Describe how the State meets the citizenship verification requirements. Include whether or not State has opted to use SSA verification option.

Please see the CS18 as applicable to pregnant individuals.

4.1.1 Geographic area served by the Plan if less than Statewide:

Not applicable. Statewide.

4.1.2 Ages of each eligibility group, including unborn children and pregnant women (if applicable) and the income standard for that group:

Please see the CS8 for the income standard for pregnant individuals. Unborn not applicable in KY.

4.1.2.1-PC Age: through birth (SHO #02-004, issued November 12, 2002)

4.1.3 Income of each separate eligibility group (if applicable):

Please see the approved CS8 for income standards for pregnant individuals.

4.1.3.1-PC 0% of the FPL (and not eligible for Medicaid) through %
of the FPL (SHO #02-004, issued November 12, 2002)

4.1.4 Resources of each separate eligibility group (including any standards relating to spend downs and disposition of resources):

Not applicable to pregnant individuals in CHIP.

4.1.5 Residency (so long as residency requirement is not based on length of time in state):

Please see the approved CS17.

4.1.6 Disability Status (so long as any standard relating to disability status does not restrict eligibility): Not applicable.

4.1.7 Access to or coverage under other health coverage:
Not applicable.

4.1.8 Duration of eligibility, not to exceed 12 months:
Please see the CS27.

4.1.9 Other Standards- Identify and describe other standards for or affecting eligibility, including those standards in 457.310 and 457.320 that are not addressed above. For instance:

Not applicable to pregnant individuals.

Guidance: States may only require the SSN of the child who is applying for coverage. If SSNs are required and the State covers unborn children, indicate that the unborn children are exempt from providing a SSN. Other standards include, but are not limited to presumptive eligibility and deemed newborns.

- 4.1.9.1 States should specify whether Social Security Numbers (SSN) are required.
Yes, required for pregnant individuals. Please see the approved CS19.

Guidance: States should describe their continuous eligibility process and populations that can be continuously eligible.

- 4.1.9.2 Continuous eligibility

Please see the approved CS27 for pregnant individuals.

- 4.1-PW **Pregnant Women Option** (section 2112)- The State includes eligibility for one or more populations of targeted low-income pregnant women under the plan. Describe the population of pregnant women that the State proposes to cover in this section. Include all eligibility criteria, such as those described in the above categories (for instance, income and resources) that will be applied to this population. Use the same reference number system for those criteria (for example, 4.1.1-P for a geographic restriction). Please remember to update sections 8.1.1-PW, 8.1.2-PW, and 9.10 when electing this option.
Please see the approved CS8.

Guidance: States have the option to cover groups of “lawfully residing” children and/or pregnant women. States may elect to cover (1) “lawfully residing” children described at section 2107(e)(1)(J) of the Act; (2) “lawfully residing” pregnant women described at section 2107(e)(1)(J) of the Act; or (3) both. A state electing to cover children and/or pregnant women who are considered lawfully residing in the U.S. must offer coverage to all such individuals who meet the definition of lawfully residing, and may not cover a subgroup or only certain groups. In addition, states may not cover these new groups only in CHIP, but must also extend the coverage option to Medicaid. States will need to update their budget to reflect the additional costs for coverage of these children. If a State has been covering these children with State only funds, it is helpful to indicate that so CMS understands the basis for the enrollment estimates and the projected cost of providing coverage. Please remember to update section 9.10 when electing this option.

- 4.1- LR **Lawfully Residing Option** (Sections 2107(e)(1)(J) and 1903(v)(4)(A); (CHIPRA # 17, SHO # 10-006 issued July 1, 2010) Check if the State is electing the option under section 214 of the Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) regarding lawfully residing to provide coverage to the following otherwise eligible pregnant women and children as specified below who are lawfully residing in the United States including the following:

A child or pregnant woman shall be considered lawfully present if he or she is:

- (1) A qualified alien as defined in section 431 of PRWORA (8 U.S.C. §1641);
- (2) An alien in nonimmigrant status who has not violated the terms of the status under which he or she was admitted or to which he or she has changed after admission;
- (3) An alien who has been paroled into the United States pursuant to section 212(d)(5) of the Immigration and Nationality Act (INA) (8 U.S.C. §1182(d)(5)) for less than 1 year, except for an alien paroled for prosecution, for deferred inspection or pending removal proceedings;
- (4) An alien who belongs to one of the following classes:
 - (i) Aliens currently in temporary resident status pursuant to section 210 or 245A of the INA (8 U.S.C. §§1160 or 1255a, respectively);
 - (ii) Aliens currently under Temporary Protected Status (TPS) pursuant to section 244 of the INA (8 U.S.C. §1254a), and pending applicants for TPS who have been granted employment authorization;
 - (iii) Aliens who have been granted employment authorization under 8 CFR 274a.12(c)(9), (10), (16), (18), (20), (22), or (24);
 - (iv) Family Unity beneficiaries pursuant to section 301 of Pub. L. 101-649, as amended;
 - (v) Aliens currently under Deferred Enforced Departure (DED) pursuant to a decision made by the President;
 - (vi) Aliens currently in deferred action status; or
 - (vii) Aliens whose visa petition has been approved and who have a pending application for adjustment of status;
- (5) A pending applicant for asylum under section 208(a) of the INA (8 U.S.C. § 1158) or for withholding of removal under section 241(b)(3) of the INA (8 U.S.C. § 1231) or under the Convention Against Torture who has been granted employment authorization, and such an applicant under the age of 14 who has had an application pending for at least 180 days;
- (6) An alien who has been granted withholding of removal under the Convention Against Torture;
- (7) A child who has a pending application for Special Immigrant Juvenile status as described in section 101(a)(27)(J) of the INA (8 U.S.C. §1101(a)(27)(J));
- (8) An alien who is lawfully present in the Commonwealth of the Northern Mariana Islands under 48 U.S.C. § 1806(e); or
- (9) An alien who is lawfully present in American Samoa under the immigration laws of American Samoa.

- Elected for pregnant women.
 Elected for children under age

4.1.1-LR The State provides assurance that for an individual whom it enrolls in Medicaid under the CHIPRA Lawfully Residing option, it has verified,

at the time of the individual's initial eligibility determination and at the time of the eligibility redetermination, that the individual continues to be lawfully residing in the United States. The State must first attempt to verify this status using information provided at the time of initial application. If the State cannot do so from the information readily available, it must require the individual to provide documentation or further evidence to verify satisfactory immigration status in the same manner as it would for anyone else claiming satisfactory immigration status under section 1137(d) of the Act.

4.1-DS **Supplemental Dental** (Section 2103(c)(5) - A child who is eligible to enroll in dental-only supplemental coverage, effective January 1, 2009. Eligibility is limited to only targeted low-income children who are otherwise eligible for CHIP but for the fact that they are enrolled in a group health plan or health insurance offered through an employer. The State's CHIP plan income eligibility level is at least the highest income eligibility standard under its approved State child health plan (or under a waiver) as of January 1, 2009. All who meet the eligibility standards and apply for dental-only supplemental coverage shall be provided benefits. States choosing this option must report these children separately in SEDS. Please update sections 1.1-DS, 4.2-DS, and 9.10 when electing this option.

4.2. Assurances The State assures by checking the box below that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102(b)(1)(B) and 42 CFR 457.320(b))

4.2.1. These standards do not discriminate on the basis of diagnosis.

4.2.2. Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income. This applies to pregnant women included

in the State plan as well as targeted low-income children.

4.2.3. These standards do not deny eligibility based on a child having a pre-existing medical condition. This applies to pregnant women as well as targeted low-income children.

4.2-DS Supplemental Dental - Please update sections 1.1-DS, 4.1-DS, and 9.10 when electing this option. For dental-only supplemental coverage, the State assures that it has made the following findings with standards in its plan: (Section 2102(b)(1)(B) and 42 CFR 457.320(b))

4.2.1-DS These standards do not discriminate on the basis of diagnosis.

4.2.2-DS Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering

children with a lower family income.

4.2.3-DS These standards do not deny eligibility based on a child having a pre-

existing medical condition.

- 4.3. Methodology.** Describe the methods of establishing and continuing eligibility and enrollment. The description should address the procedures for applying the eligibility standards, the organization and infrastructure responsible for making and reviewing eligibility determinations, and the process for enrollment of individuals receiving covered services, and whether the State uses the same application form for Medicaid and/or other public benefit programs. (Section 2102)(b)(2)) (42CFR, 457.350)

The Kentucky Department for Medicaid Services contracts with the Department for Community Based Services to make and review Medicaid eligibility determinations. We use a ‘one-case concept’ within our Worker Portal eligibility system which encompasses applications and eligibility for all Medicaid programs, SNAP, KTAP, and Childcare assistance, to streamline the process. Specifically for pregnant individuals, there are ‘gatepost’ questions within the application flow to designate the individual as pregnant which communicates the need to explore eligibility in one of the pregnancy types of assistance for Medicaid using the appropriate income guidelines. The information from Worker Portal regarding eligibility and enrollments is then transmitted to the KY Medicaid Management Information System (KYMMIS) for provider viewing and billing.

Guidance: The box below should be checked as related to children and pregnant women.
Please note: A State providing dental-only supplemental coverage may not have a waiting list or limit eligibility in any way.

- 4.3.1. Limitation on Enrollment** Describe the processes, if any, that a State will use for instituting enrollment caps, establishing waiting lists, and deciding which children will be given priority for enrollment. If this section does not apply to your state, check the box below. (Section 2102)(b)(2)) (42CFR, 457.305(b))

Check here if this section does not apply to your State.

Not applicable to pregnant individuals.

Guidance: Note that for purposes of presumptive eligibility, States do not need to verify the citizenship status of the child. States electing this option should indicate so in the
State plan. (42 CFR 457.355)

- 4.3.2.** Check if the State elects to provide presumptive eligibility for children that meets the requirements of section 1920A of the Act. (Section 2107(e)(1)(L)); (42 CFR 457.355)

Please see the state's approved CS29.

Guidance: Describe how the State intends to implement the Express Lane option. Include information on the identified Express Lane agency or agencies, and whether the State will be using the Express Lane eligibility option for the initial eligibility determinations, redeterminations, or both.

4.3.3-EL Express Lane Eligibility Check here if the state elects the option to rely on a finding from an Express Lane agency when determining whether a child satisfies one or more components of CHIP eligibility. The state agrees to comply with the requirements of sections 2107(e)(1)(E) and 1902(e)(13) of the Act for this option. Please update sections 4.4-EL, 5.2-EL, 9.10, and 12.1 when electing this option. This authority may not apply to eligibility determinations made before February 4, 2009, or after September 30, 2013. (Section 2107(e)(1)(E))

Not applicable.

4.3.3.1-EL Also indicate whether the Express Lane option is applied to (1) initial eligibility determination, (2) redetermination, or (3) both.

4.3.3.2-EL List the public agencies approved by the State as Express Lane agencies.

4.3.3.3-EL List the components/components of CHIP eligibility that are determined under the Express Lane. In this section, specify any differences in budget unit, deeming, income exclusions, income disregards, or other methodology between CHIP eligibility determinations for such children and the determination under the Express Lane option.

4.3.3.3-EL List the component/components of CHIP eligibility that are determined under the Express Lane.

4.3.3.4-EL Describe the option used to satisfy the screen and enrollment requirements before a child may be enrolled under title XXI.

Guidance: States should describe the process they use to screen and enroll children required under section 2102(b)(3)(A) and (B) of the Social Security Act and 42 CFR 457.350(a) and 457.80(c). Describe the screening threshold set as a percentage of the Federal poverty level (FPL) that exceeds the highest Medicaid income threshold applicable to a child by a minimum of 30 percentage points. (NOTE: The State may set this threshold higher than 30 percentage points to account for any differences between the income calculation methodologies used by an Express Lane agency and those used by the State for its Medicaid program. The State may set one screening threshold for all children, based on the highest Medicaid income threshold, or it may set more than one screening

threshold, based on its existing, age-related Medicaid eligibility thresholds.) Include the screening threshold(s) expressed as a percentage of the FPL, and provide an explanation of how this was calculated. Describe whether the State is temporarily enrolling children in CHIP, based on the income finding from an Express Lane agency, pending the completion of the screen and enroll process.

In this section, states should describe their eligibility screening process in a way that addresses the five assurances specified below. The State should consider including important definitions, the relationship with affected Federal, State and local agencies, and other applicable criteria that will describe the State's ability to make assurances. (Sections 2102(b)(3)(A) and 2110(b)(2)(B)), (42 CFR 457.310(b)(2), 42CFR 457.350(a)(1) and 457.80(c)(3))

4.4. Eligibility screening and coordination with other health coverage programs

States must describe how they will assure that:

4.4.1. only targeted low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance (including access to a State health benefits plan) are furnished child health assistance under the plan. (Sections 2102(b)(3)(A), 2110(b)(2)(B)) (42 CFR 457.310(b), 42 CFR 457.350(a)(1) and 42 CFR 457.80(c)(3)) Confirm that the State does not apply a waiting period for pregnant women.

The state does not apply a waiting period for pregnant women.

4.4.2. children found through the screening process to be potentially eligible for medical assistance under the State Medicaid plan are enrolled for assistance under such plan; (Section 2102(b)(3)(B)) (42CFR, 457.350(a)(2))

Not applicable.

4.4.3. children found through the screening process to be ineligible for Medicaid are enrolled in CHIP; (Sections 2102(a)(1) and (2) and 2102(c)(2)) (42CFR 431.636(b)(4))

Not applicable.

4.4.4. the insurance provided under the State child health plan does not substitute for coverage under group health plans. (Section 2102(b)(3)(C)) (42CFR, 457.805)

Not applicable.

4.4.4.1. (formerly 4.4.4.4) If the State provides coverage under a premium assistance program, describe: 1) the minimum period without coverage under a group health plan. This should include any allowable exceptions to the waiting period; 2) the expected minimum level of contribution employers will make; and 3) how cost-effectiveness is

determined. (42CFR 457.810(a)-(c))

Not applicable.

- 4.4.5. Child health assistance is provided to targeted low-income children in the State who are American Indian and Alaska Native. (Section 2102(b)(3)(D)) (42 CFR 457.125(a))

The Kentucky Department for Medicaid Services contracts with the Department for Community Based Services (DCBS) to review and complete our Medicaid eligibility determinations. We use a ‘one-case concept’ within our Worker Portal eligibility system, which encompasses applications and eligibility for all Medicaid programs (MAGI, CHIP, Long-Term Care, Medicare Savings Plan, etc.), SNAP, TANF, and Childcare assistance. This system encompasses a hierarchy review of eligibility by using the information provided at application, exploring eligibility for all Medicaid programs, and selecting the best coverage for which an individual is potentially eligible based on their technical and/or financial eligibility factors. We also include ‘gatepost’ questions during the application process to notify our eligibility system of additional factors that may apply and effect eligibility, including but not limited to, disability, pregnancy, American Indian or Alaskan Native status, and various qualified immigrant classifications. This occurs instantaneously at the completion of a Medicaid application; there is no delay in review for the various types of assistance once we have all the information required to complete the application.

Guidance: When the State is using an income finding from an Express Lane agency, the State must still comply with screen and enroll requirements before enrolling children in CHIP. The State may either continue its current screen and enroll process, or elect one of two new options to fulfill these requirements.

4.4-EL The State should designate the option it will be using to carry out screen and enroll requirements:

Not applicable.

- The State will continue to use the screen and enroll procedures required under section 2102(b)(3)(A) and (B) of the Social Security Act and 42 CFR 457.350(a) and 42 CFR 457.80(c). Describe this process.
- The State is establishing a screening threshold set as a percentage of the Federal poverty level (FPL) that exceeds the highest Medicaid income threshold applicable to a child by a minimum of 30 percentage points. (NOTE: The State may set this threshold higher than 30 percentage points to account for any differences between the income calculation methodologies used by the Express Lane agency and those used by the State for its Medicaid program. The State

may set one screening threshold for all children, based on the highest Medicaid income threshold, or it may set more than one screening threshold, based on its existing, age-related Medicaid eligibility thresholds.) Include the screening threshold(s) expressed as a percentage of the FPL, and provide an explanation of how this was calculated.

- The State is temporarily enrolling children in CHIP, based on the income finding from the Express Lane agency, pending the completion of the screen and enroll process.

Section 5. Outreach and Coordination

- 5.1.** (formerly 2.2) Describe the current State efforts to provide or obtain creditable health coverage for uninsured children by addressing sections 5.1.1 and 5.1.2. (Section 2102)(a)(2) (42CFR 457.80(b))

Guidance: The information below may include whether the state elects express lane eligibility a description of the State's outreach efforts through Medicaid and state-only programs.

- 5.1.1.** (formerly 2.2.1.) The steps the State is currently taking to identify and enroll all uninsured children who are eligible to participate in public health insurance programs (i.e., Medicaid and state-only child health insurance):

Guidance: The State may address the coordination between the public-private outreach and the public health programs that is occurring statewide. This section will provide a historic record of the steps the State is taking to identify and enroll all uninsured children from the time the State's plan was initially approved. States do not have to rewrite his section but may instead update this section as appropriate.

There are a variety of agencies and organizations that may assist in identifying Medicaid-eligible or KCHIP-eligible or pregnant individuals. The Kentucky Department for Medicaid Services has ongoing contractual relationships with the Kentucky Department for Public Health, which provides direct patient care through Local Health Departments (LHDs) in all 120 Kentucky counties. Direct patient care provided by LHDs to the KCHIP population include prenatal services; Women, Infants and Children supplemental nutrition (WIC) services; preventive health education; immunizations; and family planning program services. Local Health Departments also implement the (HANDS) program. Pregnant individuals are provided information on enrolling in Medicaid or KCHIP upon obtaining services.

The Kentucky Department for Medicaid Services is also promoting KCHIP through television and radio advertisements. Printed materials will be provided to various agencies and organizations, including hospitals, physician offices, local Department for Community Based

Services offices, and Family Resource Youth Service Centers. School districts will use the printed materials and radio ads for promotion at athletic and other extracurricular events. All ads and materials promoting KCHIP will include information on how to enroll.

Not Applicable; Kentucky does not have any public-private insurance programs.

Guidance: The State should describe below how it's Title XXI program will closely coordinate the enrollment with Medicaid because under Title XXI, children identified as Medicaid-eligible are required to be enrolled in Medicaid. Specific information related to Medicaid screen and enroll procedures is requested in Section 4.4. (42CFR 457.80(c))

5.2. (formerly 2.3) Describe how CHIP coordinates with other public and private health insurance programs, other sources of health benefits coverage for children, other relevant child health programs, (such as title V), that provide health care services for low-income children to increase the number of children with creditable health coverage. (Section 2102(a)(3), 2102(b)(3)(E) and 2102(c)(2)) (42CFR 457.80(c)). This item requires a brief overview of how Title XXI efforts – particularly new enrollment outreach efforts – will be coordinated with and improve upon existing State efforts.

Beginning October 1, 2013 the application process changed to include a web-based application process that was created in collaborative effort with Kentucky's HBE.

The web-based application contains all of the components of the mail in application. In addition to the web-based application, applicants will be able to access enrollment and eligibility assistance via telephone and at numerous sites across Kentucky including The Department for Community Based Service (offices, Health Departments, Family Resource and Youth Service Centers, as well as, other numerous local sites. Applicants can complete an application on-line, can mail-in an application form or go to the local DCBS office to apply for benefits. Once the application is processed, an approval notice and medical card or denial notice is generated by a management information system. If the application information is incomplete or required verification is missing, the applicant can upload the information via the web-based application or can fax or mail the required documentation. In the event required information is not received, a Request for Information is system-generated, and it remains pending for 30 days or longer, if requested.

A complaint system and tracking process are in place should a family have problems with accommodations. Medicaid outreach is already being conducted at the locations mentioned in Section 5.3. With notification of the additional KCHIP coverage, outreach will be conducted at these locations targeting pregnant individuals potentially eligible for Medicaid or KCHIP.

5.2-EL The State should include a description of its election of the Express Lane eligibility option to provide a simplified eligibility determination process and expedited enrollment of eligible children into Medicaid or CHIP.

Guidance: Outreach strategies may include, but are not limited to, community outreach workers, outstationed eligibility workers, translation and transportation services, assistance with enrollment forms, case management and other targeting activities to inform families of low-income children of the availability of the health insurance program under the plan or other private or public health coverage.

The description should include information on how the State will inform the target of the availability of the programs, including American Indians and Alaska Natives, and assist them in enrolling in the appropriate program.

Not applicable.

5.3. Strategies Describe the procedures used by the State to accomplish outreach to families of children likely to be eligible for child health assistance or other public or private health coverage to inform them of the availability of the programs, and to assist them in enrolling their children in such a program. (Section 2102(c)(1)) (42CFR 457.90)

Kentucky's major outreach strategies will be to inform families about the availability of health coverage, assist families with determining eligibility and enrolling in either Medicaid or KCHIP, when applicable. Outreach activities will be targeted to individuals of child-bearing age and their families. This will be accomplished through promotion at events such as the Kentucky State Fair and school activities, as well as television and radio advertisements. Printed materials will be available in physician offices and health clinics. Local Health Departments will display and provide KCHIP information. All promotion of KCHIP will include how to enroll via Kynect. KCHIP will also work with Kentucky Migrant Education Program, Kentucky Migrant Network Coalition, and the Kentucky Migrant Health Program to develop specific outreach activities for migrants statewide. Kentucky is also in the planning stage of developing specific outreach for pregnant Black individuals.

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Outreach and Coordination Strategies

KCHIP will be marketed statewide as a full benefit health plan, following seven primary strategies:

- 1) direct appeal to eligible families through press releases, broadcast and print media, videos, and brochures;
- 2) outreach through school districts;
- 3) outreach through employers;
- 4) outreach through collaboration with local county agencies and organizations;
- 5) outreach through regional health and social service agencies;
- 6) outreach through other state children's programs; and
- 7) outreach through foundation sponsored coalitions. KCHIP materials will be user friendly and designed for easy reading.

The process must appeal to both the chronically needy who have regular interaction with human service agencies and to the working poor who have traditionally avoided government programs. Outreach techniques will portray KCHIP as a low-cost health plan rather than as a government-sponsored program.

Activities to accomplish the outreach strategies include direct appeal to eligible families through Press Releases, radio and television Public Service Announcements, and brochures. The health benefit exchange, Kynect, will be featured in the public service announcements, printed materials, and press releases. Frequent news releases will be sent to the press and professional associations about the increased coverage available.

KCHIP will collaborate with the Kentucky Department of Education to conduct promotional and enrollment events in school districts statewide. Local social service offices, such as Department for Community Based Services field offices, will provide information and assist in determining eligibility and completing enrollment. Information and materials will be shared with Local Health Departments, Federally Qualified Health Centers, Rural Health Clinics, and other agencies that serve the targeted population.

Kentucky's Health Benefits Exchange called Kynect, is a web-based application that allows individuals to apply for health insurance benefits, including KCHIP and Medicaid.

A statewide marketing campaign began in 2013 and continues to this day that includes joint participation by the Health Benefit Exchange and KCHIP/Medicaid at local festivals, back-to-school events, and Kentucky's state fair.

Going forward, KCHIP/Medicaid plans to continue joint outreach efforts with Kynect and will participate in regularly-scheduled meetings in order to maintain an adequate level of outreach to the target population.

Section 6. Coverage Requirements for Children's Health Insurance

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan and proceed to Section 7 since children covered under a Medicaid expansion program will receive all Medicaid covered services including EPSDT.

6.1. The State elects to provide the following forms of coverage to children: (Check all that apply.) (Section 2103(c)); (42CFR 457.410(a))

Guidance: Benchmark coverage is substantially equal to the benefits coverage in a benchmark benefit package (FEHBP-equivalent coverage, State employee coverage, and/or the HMO coverage plan that has the largest insured commercial, non-Medicaid enrollment in the state). If box below is checked, either 6.1.1.1., 6.1.1.2., or 6.1.1.3. must also be checked. (Section 2103(a)(1))

6.1.1. Benchmark coverage; (Section 2103(a)(1) and 42 CFR 457.420)

Guidance: Check box below if the benchmark benefit package to be offered by the State is the standard Blue Cross/Blue Shield preferred provider option service benefit plan, as described in and offered under Section 8903(1) of Title 5, United States Code. (Section 2103(b)(1) (42 CFR 457.420(b))

6.1.1.1. FEHBP-equivalent coverage; (Section 2103(b)(1) (42 CFR 457.420(a)) (If checked, attach copy of the plan.)

Guidance: Check box below if the benchmark benefit package to be offered by the State is State employee coverage, meaning a coverage plan that is offered and generally available to State employees in the state. (Section 2103(b)(2))

6.1.1.2. State employee coverage; (Section 2103(b)(2)) (If checked, identify the plan and attach a copy of the benefits description.)

Guidance: Check box below if the benchmark benefit package to be offered by the State is offered by a health maintenance organization (as defined in Section 2791(b)(3) of the Public Health Services Act) and has the largest insured commercial, non-Medicaid enrollment of covered lives of such coverage plans offered by an HMO in the state. (Section 2103(b)(3) (42 CFR 457.420(c)))

6.1.1.3. HMO with largest insured commercial enrollment (Section 2103(b)(3)) (If checked, identify the plan and attach a copy of the benefits description.)

Guidance: States choosing Benchmark-equivalent coverage must check the box below and ensure that the coverage meets the following requirements:

- the coverage includes benefits for items and services within each of the categories of basic services described in 42 CFR 457.430:
 - dental services
 - inpatient and outpatient hospital services,
 - physicians' services,
 - surgical and medical services,
 - laboratory and x-ray services,
 - well-baby and well-child care, including age-appropriate immunizations, and
 - emergency services;
- the coverage has an aggregate actuarial value that is at least actuarially equivalent to one of the benchmark benefit packages (FEHBP-equivalent coverage, State employee coverage, or coverage offered through an HMO coverage plan that has the largest insured commercial enrollment in the state); and
- the coverage has an actuarial value that is equal to at least 75 percent of the actuarial value of the additional categories in such package, if offered, as described in 42 CFR 457.430:
 - coverage of prescription drugs,
 - mental health services,
 - vision services and
 - hearing services.

If 6.1.2. is checked, a signed actuarial memorandum must be attached. The actuary who prepares the opinion must select and specify the standardized set and population to be used under paragraphs (b)(3) and (b)(4) of 42 CFR 457.431. The State must provide sufficient detail to explain the basis of the methodologies used to estimate the actuarial value or, if requested by CMS, to replicate the State results.

The actuarial report must be prepared by an individual who is a member of the

American Academy of Actuaries. This report must be prepared in accordance with the principles and standards of the American Academy of Actuaries. In preparing the report, the actuary must use generally accepted actuarial principles and methodologies, use a standardized set of utilization and price factors, use a standardized population that is representative of privately insured children of the age of children who are expected to be covered under the State child health plan, apply the same principles and factors in comparing the value of different coverage (or categories of services), without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used, and take into account the ability of a State to reduce benefits by taking into account the increase in actuarial value of benefits coverage offered under the State child health plan that results from the limitations on cost sharing under such coverage. (Section 2103(a)(2))

- 6.1.2. Benchmark-equivalent coverage; (Section 2103(a)(2) and 42 CFR 457.430) Specify the coverage, including the amount, scope and duration of each service, as well as any exclusions or limitations. Attach a signed actuarial report that meets the requirements specified in 42 CFR 457.431.

Guidance: A State approved under the provision below, may modify its program from time to time so long as it continues to provide coverage at least equal to the lower of the actuarial value of the coverage under the program as of August 5, 1997, or one of the benchmark programs. If “existing comprehensive state-based coverage” is modified, an actuarial opinion documenting that the actuarial value of the modification is greater than the value as of August 5, 1997, or one of the benchmark plans must be attached. Also, the fiscal year 1996 State expenditures for “existing comprehensive state-based coverage” must be described in the space provided for all states. (Section 2103(a)(3))

- 6.1.3. Existing Comprehensive State-Based Coverage; (Section 2103(a)(3) and 42 CFR 457.440) This option is only applicable to New York, Florida, and Pennsylvania. Attach a description of the benefits package, administration, and date of enactment. If existing comprehensive State-based coverage is modified, provide an actuarial opinion documenting that the actuarial value of the modification is greater than the value as of August 5, 1997 or one of the benchmark plans. Describe the fiscal year 1996 State expenditures for existing comprehensive state-based coverage.

Guidance: Secretary-approved coverage refers to any other health benefits coverage deemed appropriate and acceptable by the Secretary upon application by a state. (Section 2103(a)(4)) (42 CFR 457.250)

- 6.1.4. Secretary-approved Coverage. (Section 2103(a)(4)) (42 CFR 457.450)

Guidance: Section 1905(r) of the Act defines EPSDT to require coverage of (1) any medically necessary screening, and diagnostic services, including vision, hearing, and dental screening and diagnostic services, consistent with a periodicity schedule based on current and reasonable medical practice standards or the health needs of an individual child to determine if a suspected condition or illness exists; and (2) all services listed in section 1905(a) of the Act that are necessary to correct or ameliorate any defects and mental and physical illnesses or conditions discovered by the screening services, whether or not those services are covered under the Medicaid state plan. Section 1902(a)(43) of the Act requires that the State (1) provide and arrange for all necessary services, including supportive services, such as transportation, needed to receive medical care included within the scope of the EPSDT benefit and (2) inform eligible beneficiaries about the services available under the EPSDT benefit.

If the coverage provided does not meet all of the statutory requirements for EPSDT contained in sections 1902(a)(43) and 1905(r) of the Act, do not check this box.

- 6.1.4.1. Coverage of all benefits that are provided to children under the same as Medicaid State plan, including Early Periodic Screening Diagnosis and Treatment (EPSDT)
- 6.1.4.2. Comprehensive coverage for children under a Medicaid Section 1115 demonstration waiver
- 6.1.4.3. Coverage that the State has extended to the entire Medicaid population

Guidance: Check below if the coverage offered includes benchmark coverage, as specified in 457.420, plus additional coverage. Under this option, the State must clearly demonstrate that the coverage it provides includes the same coverage as the benchmark package, and also describes the services that are being added to the benchmark package.

- 6.1.4.4. Coverage that includes benchmark coverage plus additional coverage
- 6.1.4.5. Coverage that is the same as defined by existing comprehensive state-based coverage applicable only New York, Pennsylvania, or Florida (under 457.440)

Guidance: Check below if the State is purchasing coverage through a group health plan, and intends to demonstrate that the group health plan is substantially equivalent to or greater than to coverage under one of the benchmark plans

specified in 457.420, through use of a benefit-by-benefit comparison of the coverage. Provide a sample of the comparison format that will be used. Under this option, if coverage for any benefit does not meet or exceed the coverage for that benefit under the benchmark, the State must provide an actuarial analysis as described in 457.431 to determine actuarial equivalence.

- 6.1.4.6. Coverage under a group health plan that is substantially equivalent to or greater than benchmark coverage through a benefit by benefit comparison (Provide a sample of how the comparison will be done)

Guidance: Check below if the State elects to provide a source of coverage that is not described above. Describe the coverage that will be offered, including any benefit limitations or exclusions.

- 6.1.4.7. Other (Describe)

Guidance: All forms of coverage that the State elects to provide to children in its plan must be checked. The State should also describe the scope, amount and duration of services covered under its plan, as well as any exclusions or limitations. States that choose to cover unborn children under the State plan should include a separate section 6.2 that specifies benefits for the unborn child population. (Section 2110(a)) (42CFR, 457.490)

If the state elects to cover the new option of targeted low income pregnant women, but chooses to provide a different benefit package for these pregnant women under the CHIP plan, the state must include a separate section 6.2 describing the benefit package for pregnant women. (Section 2112)

- 6.2. The State elects to provide the following forms of coverage to children and pregnant individuals: (Check all that apply. If an item is checked, describe the coverage with respect to the amount, duration and scope of services covered, as well as any exclusions or limitations) (Section 2110(a)) (42CFR 457.490)

- 6.2.1. Inpatient services (Section 2110(a)(1))

To be covered by the department:

(1) Prior to a nonemergency admission, including an elective admission or a weekend admission, the department shall have made a determination that the non-emergency admission was:

- a) Medically necessary; and
- b) Clinically appropriate pursuant to the criteria established in 907 KAR 3:130; and.

(2) Within seventy-two (72) hours after an emergency admission, the department shall have

made a determination that the emergency admission was:

- a) Medically necessary; and
- b) Clinically appropriate pursuant to the criteria established in 907 KAR 3:130.

Covered Admissions. The department shall reimburse for an admission primarily indicated in the management of acute or chronic illness, injury or impairment, or for maternity care that could not be rendered on an outpatient basis.

Non-covered Services. Inpatient hospital services not covered shall include:

(1) The department shall not reimburse an acute care hospital reimbursed via a diagnosis-related group (DRG) methodology, a critical access hospital, a long-term acute care hospital, a psychiatric hospital, a rehabilitation hospital, or a Medicare-designated psychiatric or rehabilitation distinct part unit for the following:

- a) A service which is not medically necessary including television, telephone, or guest meals;
- b) Private duty nursing;
- c) Supplies, drugs, appliances, or equipment which are furnished to the patient for use outside the hospital unless it would be considered unreasonable or impossible from a medical standpoint to limit the patient's use of the item to the periods during which he is an inpatient;
- d) A laboratory test not specifically ordered by a physician and not done on a preadmission basis unless an emergency exists;
- e) Private accommodations unless medically necessary and so ordered by the attending physician;
- f) The following listed surgical procedures, except if a life-threatening situation exists, there is another primary purpose for the admission, or the admitting physician certifies a medical necessity requiring admission to a hospital:
 - 1) Biopsy: breast, cervical node, cervix, lesions (skin, subcutaneous, submucous), lymph node (except high axillary excision), or muscle
 - 2) Cauterization or cryotherapy: lesions (skin, subcutaneous, submucous), moles, polyps, warts or condylomas, anterior nose bleeds, or cervix;
 - 3) Circumcision;
 - 4) Dilation: dilation and curettage (diagnostic or therapeutic non-obstetrical); dilation or probing of lacrimal duct;
 - 5) Drainage by incision or aspiration: cutaneous, subcutaneous, or joint;
 - 6) Pelvic exam under anesthesia;
 - 7) Excision: bartholin cyst, condylomas, foreign body, lesions lipoma, nevi (moles), sebaceous cyst, polyps, or subcutaneous fistulas;
 - 8) Extraction: foreign body or teeth;
 - 9) Graft, skin (pinch, splint or full thickness up to defect size three-fourths (3/4) inch diameter);
 - 10) Hymenotomy;

- 11) Manipulation and reduction with or without x-ray; cast change: dislocations depending upon the joint and indication for procedure or fractures;
- 12) Meatotomy or urethral dilation, removal calculus and drainage of bladder without incision;
- 13) Myringotomy with or without tubes, otoplasty;
- 14) Oscopy with or without biopsy (with or without salpingogram): arthroscopy, bronchoscopy, colonoscopy, culdoscopy, cystoscopy, esophagoscopy, endoscopy, gastroscopy, hysteroscopy, laryngoscopy, laparoscopy, peritoneoscopy, otoscopy, and sigmoidoscopy or proctosigmoidoscopy;
- 15) Removal; IUD, fingernail or toenails;
- 16) Tenotomy hand or foot;
- 17) Vasectomy; or
- 18) Z-plasty for relaxation of scar or contracture.

- (g) A service for which Medicare has denied payment;
- (h) An admission relating only to observation or diagnostic purposes; or
- (i) Cosmetic surgery, except as required for prompt repair of accidental injury or for the improvement of the functioning of a malformed or diseased body member.

(2) The department shall not reimburse an acute care hospital reimbursed via a DRG methodology pursuant to 907 KAR 10:825 for treatment for or related to a never event.

(3) A hospital shall not seek payment for treatment for or related to a never event through:

- (a) A recipient;
- (b) The Cabinet for Health and Family Services for a child in the custody of the cabinet; or
- (c) The Department for Juvenile Justice for a child in the custody of the Department for Juvenile Justice.

(4) A recipient, The Cabinet for Health and Family Services, or the Department for Juvenile Justice shall not be liable for treatment for or related to a never event.

6.2.2. ☒ Outpatient services (Section 2110(a)(2))

Coverage Criteria.

(1) To be covered by the department:

(a) The following shall be prior authorized and meet the requirements established in paragraph (b) of this subsection:

1. Magnetic resonance imaging;
2. Magnetic resonance angiogram;
3. Magnetic resonance spectroscopy;
4. Positron emission tomography;
5. Cineradiography/video-radiography;
6. Xeroradiography;

7. Ultrasound subsequent to second obstetric ultrasound;
8. Myocardial imaging;
9. Cardiac blood pool imaging;
10. Radiopharmaceutical procedures;
11. Gastric restrictive surgery or gastric bypass surgery;
12. A procedure that is commonly performed for cosmetic purposes;
13. A surgical procedure that requires completion of a federal consent form; or
14. An unlisted procedure or service; and

(b) An outpatient hospital service, including those identified in paragraph (a) of this sub-section, shall be:

1. Medically necessary; and
2. Clinically appropriate pursuant to the criteria established in 907 KAR 3:130; and
3. For a lock-in recipient:
 - a. Provided by the lock-in recipient's designated hospital pursuant to 907 KAR 1:677; or
 - b. A screening or emergency service that meets the requirements of subsection (6)(a) of this section.

(2) The prior authorization requirements established in subsection (1) of this section shall not apply to:

- a) An emergency service;
- b) A radiology procedure if the recipient has a cancer or transplant diagnosis code; or
- c) A service provided to a recipient in an observation bed.

(3) A referring physician, a physician who wishes to provide a given service, or an advanced practice registered nurse may request prior authorization from the department.

(4) The following covered hospital outpatient services shall be furnished by or under the supervision of a duly licensed physician, or if applicable, a duly-licensed dentist:

- a. A diagnostic service ordered by a physician;
- b. A therapeutic service, except for occupational therapy services as occupational therapy services shall not be covered under this administrative regulation, ordered by a physician;
- c. An emergency room service provided in an emergency situation as determined by a physician; or
- d. A drug, biological, or injection administered in the outpatient hospital setting.

(5) A covered hospital outpatient service for maternity care may be provided by:

- a. An advanced practice registered nurse [(APRN)] who has been designated by the Kentucky Board of Nursing as a nurse midwife; or

- b. A registered nurse who holds a valid and effective permit to practice nurse midwifery issued by the Cabinet for Health and Family Services.

(6) The department shall cover:

- a. A screening of a lock-in recipient to determine if the lock-in recipient has an emergency medical condition; or
- b. An emergency service to a lock-in recipient if the department determines that the lock-in recipient had an emergency medical condition when the service was provided

(7) Hospital Outpatient Services Not Covered by the Department.

The following services shall not be considered a covered hospital outpatient service:

- 1. An item or service that does not meet the requirements established in Section 2(1) of this administrative regulation;
- 2. A service for which:
 - a) An individual has no obligation to pay; and
 - b) No other person has a legal obligation to pay;
 - c) A medical supply or appliance, unless it is incidental to the performance of a procedure or service in the hospital outpatient department and included in the rate of payment established by the Medical Assistance Program for hospital outpatient services;
 - d) A drug, biological, or injection purchased by or dispensed to a recipient;
 - e) A routine physical examination; [or]
 - f) A nonemergency service, other than a screening in accordance with Section 2(6)(a) of this administrative regulation, provided to a lock-in recipient:
 - 1. In an emergency department of a hospital; or
 - 2. If provided by a hospital that is not the lock-in recipient's designated hospital pursuant to 907 KAR 1:677; or
 - g) No Duplication of Service.
 - h) The department shall not reimburse for a service provided to a recipient by more than one (1) provider of any program in which the service is covered during the same time period.
 - i) For example, if a recipient is receiving speech therapy from a speech-language pathologist enrolled with the Medicaid Program, the department shall not reimburse for speech therapy provided to the same recipient during the same time period via the out-patient hospital services program.

6.2.3. ☒ Physician services (Section 2110(a)(3))

(1) Covered Services.

- (A) To be covered by the department, a service shall be:**
 - 1. Medically necessary;

2. Clinically appropriate pursuant to the criteria established in 907 KAR 3:130;
3. Except as provided in subsection (2) of this section, furnished to a recipient through direct physician contact; and
4. Eligible for reimbursement as a physician service.

(B) Direct physician contact between the billing physician and recipient shall not be required for:

- 1) A service provided by a:
 - a) Medical resident if provided under the direction of a program participating teaching physician in accordance with 42 C.F.R. 415.174 and 415.184;
 - b) Locum tenens physician who provides direct physician contact; or
 - c) Physician assistant in accordance with Section 7 of this administrative regulation;
 - d) A radiology service, imaging service, pathology service,
 - a. ultrasound study, echographic study, electrocardiogram, electromyogram,
 - b. electroencephalogram, vascular study, or other service that is usually and
 - c. customarily performed without direct physician contact;
 - e) The telephone analysis of emergency medical systems or a cardiac pacemaker if provided under physician direction;
 - f) A sleep disorder service; or
 - g) A telehealth consultation provided in accordance with 907 KAR 3:170.

- (2) A service provided by another licensed medical professional shall be covered if the other licensed medical professional is:
 - a. Employed by the supervising physician; and
 - b. Licensed in the state of practice.

- (3) A sleep disorder service shall be covered if performed in:
 - A. A hospital; or
 - B. A sleep laboratory if the sleep laboratory has documentation demonstrating that it complies with criteria approved by the:
 - 1) American Sleep Disorders Association; or
 - 2) American Academy of Sleep Medicine; or
 - 3) An independent diagnostic testing facility that:
 - a) Is supervised by a physician trained in analyzing and interpreting sleep disorder recordings; and
 - b) Has documentation demonstrating that it complies with criteria approved by the:
 - 1) American Sleep Disorders Association; or
 - 2) American Academy of Sleep Medicine

(3) Service Limitations:

(1) A covered service provided to a lock-in recipient shall be limited to a service provided by the lock-in recipient's designated primary care provider or designated controlled substance prescriber unless:

- A. The service represents emergency care; or
- B. The lock-in recipient has been referred to the provider by the lock-in recipient's designated primary care provider.

(2) An EPSDT screening service shall be covered in accordance with 907 KAR 11:034.

(3) A laboratory procedure performed in a physician's office shall be limited to a procedure for which the physician has been certified in accordance with 42 C.F.R. Part 493.

(4) Except for the following, a drug administered in a physician's office shall not be covered as a separate reimbursable service through the physicians' program:

- a) Rho immune globulin injection;
- b) An injectable antineoplastic drug;
- c) Medroxyprogesterone acetate for contraceptive use, 150 mg;
- d) Penicillin G benzathine injection;
- e) Ceftriaxone sodium injection;
- f) Intravenous immune globulin injection;
- g) Sodium hyaluronate or hylan G-F for intra-articular injection;
- h) An intrauterine contraceptive device;
- i) An implantable contraceptive device;
- j) Long acting injectable risperidone; or
- k) An injectable, infused, or inhaled drug or biological that:
 - 1. Is not typically self-administered;
 - 2. Is not excluded as a noncovered immunization or vaccine; and
 - 3. Requires special handling, storage, shipping, dosing, or administration.
- l) A service allowed in accordance with 42 C.F.R. 441, Subpart E or Subpart F, shall be covered within the scope and limitations of 42 C.F.R.441, Subpart E and Subpart F.

(4) Coverage for:

- A. A service designated as a psychiatry service CPT code and provided by a physician other than a board certified or board eligible psychiatrist or an advanced practice registered nurse with a specialty in psychiatry shall be limited to four (4) services, per physician, per recipient, per twelve (12) months;

- B. An evaluation and management service shall be limited to one (1) per physician, per recipient, per date of service; or
- C. A fetal diagnostic ultrasound procedure shall be limited to two (2) per nine (9) month period per recipient unless the diagnosis code justifies the medical necessity of an additional procedure.
- D. An anesthesia service shall be covered if:
Administered by:
 - 1) An anesthesiologist who remains in attendance throughout the procedure;
or
 - 2) An individual who:
 - a) Is licensed in Kentucky to practice anesthesia;
 - b) Is licensed in Kentucky within his or her scope of practice; and
 - c) Remains in attendance throughout the procedure;
 - d) Medically necessary; and
 - e) Not provided as part of an all-inclusive CPT code.

(5) Shall not be covered:

- A. An acupuncture service;
- B. An autopsy;
- C. A cast or splint application in excess of the limits established in 907 KAR 3:010;
- D. Except for therapeutic bandage lenses, contact lenses;
- E. A hysterectomy performed for the purpose of sterilization;
- F. Lasik surgery;
- G. Paternity testing;
- H. A procedure performed for cosmetic purposes only;
- I. A procedure performed to promote or improve fertility;
- J. Radial keratotomy;
- K. A thermogram;
- L. An experimental service which is not in accordance with current standards of medical practice; [or]
- M. A service which does not meet the requirements established in Section 3(1) of this administrative regulation;
- N. Medical direction of an anesthesia service; or
- O. Medical assistance for another provider preventable condition in accordance with 907 KAR 14:005.

(6) Prior Authorization Requirements for Recipients Who are Not Enrolled with a Managed Care Organization.

- A)** The following procedures for a recipient who is not enrolled with a managed care organization shall require prior authorization by the department:
 - 1) Magnetic resonance imaging;
 - 2) Magnetic resonance angiogram;
 - 3) Magnetic resonance spectroscopy;
 - 4) Positron emission tomography;

- 5) Cineradiography or video-radiography;
- 6) Xeroradiography;
- 7) Ultrasound subsequent to second obstetric ultrasound;
- 8) Myocardial imaging;
- 9) Cardiac blood pool imaging;
- 10) Radiopharmaceutical procedures;
- 11) Gastric restrictive surgery or gastric bypass surgery;
- 12) A procedure that is commonly performed for cosmetic purposes;
- 13) A surgical procedure that requires completion of a federal consent form; or
- 14) An unlisted covered procedure or service.

B) Prior authorization by the department shall not be a guarantee of recipient eligibility.

C) Eligibility verification shall be the responsibility of the provider

D) The prior authorization requirements established in subsection (1) of this section shall not apply to:

- a) An emergency service; or
- b) A radiology procedure if the recipient has a cancer or transplant diagnosis code.

(7) A referring physician, a physician who wishes to provide a given service, a podiatrist, a chiropractor, or an advanced practice registered nurse:

May request prior authorization from the department; and If requesting prior authorization shall request prior authorization by:

1) Mailing or faxing:

- a) A written request to the department with information sufficient to demonstrate that the service meets the requirements established in Section 3(1) of this administrative regulation; and
- b) If applicable, any required federal consent forms; or

Submitting a request via the department’s web-based portal with information sufficient to demonstrate that the service meets the requirements established in Section 3(1) of this administrative regulation.

6.2.4. ☒ Surgical services (Section 2110(a)(4))

All surgical services must meet medical necessity requirements and must be provided by licensed providers operating within their scope of practice.

Inpatient and outpatient surgical services will be covered when delivered by Medicaid enrolled providers.

Surgical services will not be covered for cosmetic purposes.

6.2.5. ☒ Clinic services (including health center services) and other ambulatory health care services. (Section 2110(a)(5))

Clinic services include services provided by Federally Qualified Health Care Centers (FQHC), Rural Health Clinics (RHC), Primary Care Centers (PCC), and Local Health Departments, Specialized Children's Services Clinics that provide treatment for children who have been sexually abused, and Special intermediate care clinics that provide services to individuals with mental illness, intellectual disabilities, or developmental disabilities. All services must be medically necessary and provided by a licensed individual operating within his or her scope of practice. Covered services do not include experimental or cosmetic services.

6.2.6. ☒ Prescription drugs (Section 2110(a)(6))

(A) Covered Benefits and Drug List.

(1) A covered outpatient drug, non-outpatient drug, or diabetic supply covered via this administrative regulation shall be:

- (a) Medically necessary;
- (b) Approved by the Food and Drug Administration; and
- (c) Prescribed for an indication that has been approved by the Food and Drug Administration or for which there is documentation in official compendia or peer-reviewed medical literature supporting its medical use.

(2) A covered outpatient drug covered via this administrative regulation shall be prescribed on a tamper-resistant pad unless exempt pursuant to subsection (3) of this section.

(3) The tamper-resistant pad requirement established in subsection (2) of this section shall not apply to:

- a) An electronic prescription;
- b) A faxed prescription; or
- c) A prescription telephoned by a prescriber.

(4) To qualify as a tamper-resistant pad prescription, a prescription shall contain:

- a) One (1) or more industry-recognized features designed to prevent unauthorized copying of a completed or blank prescription form;
- b) One (1) or more industry-recognized features designed to prevent the erasure or modification of information written on the prescription by the prescriber; and
- c) One (1) or more industry-recognized features designed to prevent the use of counterfeit prescription forms.

(5)(a) Except as provided in paragraph (b) of this subsection, the department shall cover the diabetic supplies listed in this paragraph via the department's pharmacy program and not via the department's durable medical equipment program established in 907 KAR 1:479:

- 1) A syringe with needle (sterile, 1cc or less);
- 2) Urine test or reagent strips or tablets;
- 3) Blood ketone test or reagent strip;
- 4) Blood glucose test or reagent strips for a home blood glucose monitor;

- 5) Normal, low, or high calibrator solution, chips;
- 6) Spring-powered device for lancet;
- 7) Lancets per box of 100; or
- 8) Home blood glucose monitor.

(b) The department shall cover the diabetic supplies listed in this paragraph via the department's durable medical equipment program established in 907 KAR 1:479 if:

- 1) The supply has an HCPCS code of A4210, A4250, A4252, A4253, A4256, A4258, A4259, E0607 or E2100;
- 2) The supply has an a HCPCS code of A4206 and a diagnosis of diabetes is present on the corresponding claim; or
- 3) Medicare is the primary payor for the supply.

(6) The department shall have a drug list which:

- a) Lists:
 - 1) Drugs, drug categories and related items not covered by the department and if applicable, excluded medical uses for covered drugs; and
 - 2) Maintenance drugs covered by the department.
- b) Specifies those covered drugs for which the maximum quantity limit on dispensing may be exceeded;
- c) Lists covered over-the-counter drugs;
- d) Specifies those legend drugs which are permissible restrictions under 42
- e) U.S.C. 1396r-8(d), but for which the department makes reimbursement;
- f) May include a preferred drug list of selected drugs which have a more favorable cost to the department and which prescribers are encouraged to prescribe, if medically appropriate;
- g) May be updated monthly or more frequently by the department; and
- h) Shall be posted on the department's Internet pharmacy Web site.

(7) The department may implement drug treatment protocols requiring the use of medically-appropriate drugs which are available without prior authorization before the use of drugs which require prior authorization.

(a) The department may approve a request from the prescriber or a pharmacist for exemption of a specific recipient from the requirement established in paragraph (a) of this subsection, based on documentation that drugs available without prior authorization:

- 1) Were used and were not an effective medical treatment or lost their effectiveness;
- 2) Are reasonably expected to not be an effective medical treatment;
- 3) Resulted in, or are reasonably expected to result in, a clinically- significant adverse reaction or drug interaction; or
- 4) Are medically contraindicated.

(B) Exclusions and Limitations.

(1) The following drugs shall be excluded from coverage:

(a) A drug which the Food and Drug Administration considers to be:

- 1) A less-than-effective drug; or
- 2) Identical, related, or similar to a less-than-effective drug;

(b) A drug or its medical use in one (1) of the following categories unless the drug or its medical use is designated as covered in the drug list:

- 1) A drug if used for anorexia, weight loss, or weight gain;
- 2) A drug if used to promote fertility;
- 3) A drug if used for cosmetic purposes or hair growth;
- 4) A drug if used for the symptomatic relief of cough and colds;
- 5) Vitamin or mineral products other than prenatal vitamins and fluoride preparations;
- 6) An over-the-counter drug provided to a Medicaid nursing facility service recipient if included in the nursing facility's standard price;
- 7) A barbiturate;
- 8) A benzodiazepine;
- 9) A drug which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee; or
- 10) A drug utilized for erectile dysfunction therapy unless the drug is used to treat a condition, other than sexual or erectile dysfunction, for which the drug has been approved by the United States Food and Drug Administration;
- 11) A drug for which the manufacturer has not entered into or complied with a rebate agreement in accordance with 42 U.S.C. 1396r-8(a), unless there has been a review and determination by the department that it is in the best interest of a recipient for the department to make payment for the drug and federal financial participation is available for the drug;
- 12) A drug dispensed as part of, or incident to and in the same setting as, an inpatient hospital service, an outpatient hospital service, or an ambulatory surgical center service;
- 13) A drug for which the department requires prior authorization if prior authorization has not been approved; and
- 14) A drug that has reached the manufacturer's termination date, indicating that the drug may no longer be dispensed by a pharmacy.

(2) If authorized by the prescriber, a prescription for a:

- 1) Controlled substance in Schedule III-V may be refilled up to five (5) times within a six (6) month period from the date the prescription was written or ordered, at which time a new prescription shall be required; or
- 2) Non-controlled substance, except as prohibited in subsection (4) of this section, may be refilled up to eleven (11) times within a twelve (12) month period from the date the prescription was written or ordered, at which time a new prescription shall be required.

(4) For each initial filling or refill of a prescription, a pharmacist shall dispense the drug in the quantity prescribed not to exceed a thirty-two (32) day supply unless:

- a) The drug is designated in the department's drug list as a drug exempt from the thirty-two (32) day dispensing limit in which case the pharmacist may dispense the quantity prescribed not to exceed a three (3) month supply or 100 units, whichever is greater;
- b) A prior authorization request has been submitted on the Drug Prior Authorization Request Form (MAP-82001) and approved by the department because the recipient needs additional medication while traveling or for a valid medical reason, in which case the pharmacist may dispense the quantity prescribed not to exceed a three (3) month supply or 100 units, whichever is greater;
- c) The drug is prepackaged by the manufacturer and is intended to be dispensed as an intact unit and it is impractical for the pharmacist to dispense only a month's supply because one (1) or more units of the prepackaged drug will provide more than a thirty-two (32) day supply; or
- d) The prescription fill is for an outpatient service recipient, excluding an individual who is receiving supports for community living services in accordance with 907 KAR 1:145.
- e) A prescription fill for a maintenance drug for an outpatient service recipient who has demonstrated stability on the given maintenance drug, excluding an individual receiving supports for community living services in accordance with 907 KAR 1:145 or 907 KAR 12:010, shall be dispensed in a ninety-two (92) day supply unless:
- f) The department determines that it is in the best interest of the recipient to dispense a smaller supply; or
- g) The recipient is covered under the Medicare Part D benefit in which case the department shall not cover the prescription fill.

- 5) **The department may require prior authorization for a compounded drug that requires preparation by mixing two (2) or more individual drugs; however, the department may exempt a compounded drug or compounded drug category from prior authorization if there has been a review and determination by the department that it is in the best interest of a recipient for the department to make payment for the compounded drug or compounded drug category.**
- 6) **A prescriber shall make his or her national provider identifier (NPI) available to a pharmacist, and the prescriber's NPI shall be recorded on each pharmacy claim.**
- 7) **A refill of a prescription shall not be covered unless at least ninety (90) percent of the prescription, except for a refill for a recipient who is a resident of a personal care home or a resident of a facility reimbursed pursuant to 907 KAR 1:025 or 1:065, time period has elapsed.**
- 8) **A refill of a prescription for a recipient who is a resident of a facility or entity referenced in paragraph (a) of this subsection shall not be covered unless at least eighty (80) percent of the prescription time has lapsed.**

6.2.7. Over-the-counter medications (Section 2110(a)(7))

6.2.8. Laboratory and radiological services (Section 2110(a)(8))

(1) The department shall reimburse for a procedure provided by an independent laboratory if the procedure:

- a) Is one that the laboratory is certified to provide by Medicare and in accordance with 907 KAR 1:575;
- b) Is a covered service within the CPT code range of 80047-89356 except as excluded in Section 3 of this administrative regulation; Is prescribed in writing or by electronic request by a physician, podiatrist, dentist, oral surgeon, advanced registered nurse practitioner, or optometrist; and
- c) Is supervised by a laboratory director.

(2) The department shall reimburse for a radiological service if the service:

- (a) Is provided by a facility that:
 - 1) Is licensed to provide radiological services;
 - 2) Meets the requirements established in 42 C.F.R. 440.30;
 - 3) Is certified by Medicare to provide the given service;
 - 4) Is a Medicare-participating facility;
 - 5) Meets the requirements established in 42 C.F.R. Part 493 regarding laboratory certification, registration, or other accreditation as appropriate; and
 - 6) Is a Medicaid-enrolled provider;
- (b) Is prescribed in writing or by electronic request by a physician, oral surgeon, dentist, podiatrist, optometrist, advanced registered nurse practitioner, or a physician's assistant;
- (c) Is provided under the direction or supervision of a licensed physician; and Is a covered service within the CPT code range of 70010-78999.

Exclusions. The department shall not reimburse for an independent laboratory or radiological service under this administrative regulation for the following services or procedures:

- 1) A procedure or service with a CPT code of 88300-88399;
- 2) A procedure or service with a CPT code of 89250-89356;
- 3) A service provided to a resident of a nursing facility or an intermediate care facility for a. individuals with an intellectual disability; or
- 4) A court-ordered laboratory or toxicology test.

6.2.9. Prenatal care and pre-pregnancy family services and supplies (Section 2110(a)(9))

All services must be medically necessary and delivered by a licensed provider operating within his or her scope of practice. Services may be delivered by individual providers or in

clinic settings. Services include prenatal care, pre-pregnancy family services and supplies. Services exclude abortions except in the case of rape, incest and life endangerment.

6.2.10. Durable medical equipment and other medically-related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices) (Section 2110(a)(12))

(1) Except as provided in subsection (2)(b) of this section, coverage for an item of durable medical equipment, a medical supply, a prosthetic, or an orthotic shall:

- a) Be based on medical necessity and reasonableness;
- b) Be clinically appropriate pursuant to the criteria established in 907 KAR 3:130;
- c) Require prior authorization in accordance with Section 7 of this administrative regulation;
- d) Be provided in compliance with 42 C.F.R. 440.230(c); and
- e) Be restricted to an item used primarily in the home.
- f) Coverage of prosthetic devices shall not exceed \$1,500 per twelve month period per member of the family choices benefit plan.

(2) Unless otherwise established in this administrative regulation;

- a) Except as provided in paragraph (b) of this subsection, the criteria referenced in subsection (1)(a) of this section that was in effect on the date the durable medical equipment, prosthetic, orthotic, or medical supply is provided shall be used as the basis for the determination of coverage, subject to medical necessity override by the department to ensure compliance with 42 C.F.R. 40.230(c).
- b) If criteria referenced in subsection (1)(a) of this section does not exist or is unavailable for a given item or service, the Medicare criteria in effect on the date the durable medical equipment, prosthetic, orthotic, or medical supply is provided shall be used as the basis for the determination of coverage, subject to medical necessity override by the department to ensure compliance with 42 C.F.R. 440.230(c).

(3) Unless specifically exempted by the department, a DME item, medical supply, prosthetic, or orthotic shall require a CMN that shall be kept on file by the supplier for the period of time mandated by 45 C.F.R. 164.316.

(4) An item for which a CMN is not required shall require a prescriber's written order.

(5) If Medicare is the primary payor for a recipient who is dually eligible for both Medicare and Medicaid, the supplier shall comply with Medicare's CMN requirement and a separate Medicaid CMN shall not be required.

(6) A required CMN shall be:

- a) The appropriate Medicare CMN in use at the time the item or service is prescribed;
- b) A MAP-1000, Certificate of Medical Necessity; or
- c) A MAP-1000B, Certificate of Medical Necessity, Metabolic Formulas and Foods.

(7) A CMN shall contain:

- a) The recipient's name and address;
- b) A complete description of the item or service ordered;
- c) The recipient's diagnosis;
- d) The expected start date of the order;
- e) The length of the recipient's need for the item;
- f) The medical necessity for the item;
- g) The prescriber's name, address, telephone number, and
- h) National Provider Identifier (NPI), if applicable; and
- i) The prescriber's signature and date of signature.

(8) Except as specified in subsections (9) and (10) of this section, a prescriber shall examine a recipient within sixty (60) days prior to the initial order of a DME item, medical supply, prosthetic, or orthotic.

(9) Except as specified in subsection (11) of this section, a prescriber shall not be required to examine a recipient prior to subsequent orders for the same DME item, medical supply, prosthetic, or orthotic unless there is a change in the order.

(10) A prescriber shall not be required to examine a recipient prior to the repair of a DME item, prosthetic, or orthotic.

(11) A change in supplier shall require a new CMN signed and dated by a prescriber who shall have seen the recipient within sixty (60) days prior to the order.

(12) A CMN shall be updated with each request for prior authorization.

(13) The department shall only purchase a new DME item.

(14) A new DME item that is placed with a recipient initially as a rental item shall be considered a new item by the department at the time of purchase.

(15) A used DME item that is placed with a recipient initially as a rental item shall be replaced by the supplier with a new item prior to purchase by the department.

(16) A supplier shall not bill Medicaid for a DME item, medical supply, prosthetic, or orthotic

before the item is provided to the recipient.

(17) A supplier shall not ship supplies to a recipient unless the supplier has:

a) First had direct contact with the recipient or the recipient's caregiver; and

b) Verified:

- 1) That the recipient wishes to receive the shipment of supplies;
- 2) The quantity of supplies in the shipment; and
- 3) Whether or not there has been a change in the use of the supply.

(18) A verification referenced in subsection (17) of this section for each recipient shall be documented in a file regarding the recipient.

(19) If a supplier ships more than one (1) month supply of an item, the supplier shall assume the financial risk of nonpayment if the recipient's Medicaid eligibility lapses or a HCPCS code is discontinued.

(20) A supplier shall have an order from a prescriber before dispensing any DMEPOS item to a recipient.

(21) A supplier shall have a written order on file prior to submitting a claim for reimbursement.

(22) Purchase or Rental of Durable Medical Equipment.

(1) The following items shall be covered for purchase only:

- a) A cane;
- b) Crutches;
- c) A standard walker;
- d) A prone or supine stander;
- e) A noninvasive electric osteogenesis stimulator; or
- f) Other items designated as purchase only in the Medicaid DME Program Fee Schedule.

(2) The following items shall be covered for rental only:

- a) An apnea monitor;
- b) A respiratory assist device having bivalve pressure capability with backup rate feature;
- c) A ventilator;
- d) A negative pressure wound therapy electric pump;
- e) An electric breast pump;
- f) The following oxygen systems:
- g) Oxygen concentrator;
- h) Stationary compressed gas oxygen;
- i) Portable gaseous oxygen;
- j) Portable liquid oxygen; or

- k) Stationary liquid oxygen; or
- l) Other items designated as rental only in the Medicaid DME Program Fee Schedule.

(3) With the exception of items specified in subsections (1) or (2) of this section, durable medical equipment shall be covered through purchase or rental based upon anticipated duration of medical necessity.

(4)(a) A MAP-1001 form shall be completed if a recipient requests an item or service not covered by the department.

(b) A recipient shall be financially responsible for an item or service requested by the recipient via a MAP 1001 that is not covered by the department.

(23) A MAP 1001 shall be completed as follows:

- a) The DME supplier shall ensure that the recipient or authorized representative reads and understands the MAP 1001;
- b) The recipient or authorized representative shall indicate on the MAP 1001 if the recipient chooses to receive a non-covered service;
- c) The DME supplier shall complete the supplier information on the MAP 1001;

- d) The DME supplier shall provide a copy of the completed MAP 1001 to the recipient; and
- e) The DME supplier shall maintain the completed MAP 1001 on file for at least the period of time mandated by 45 C.F.R. 164.316.
- f) If an item or service was denied due to the supplier not meeting the timeframes to obtain a prior authorization or the item or service does not meet medical necessity for a prior authorization, the MAP 1001 shall not be used to obligate the recipient for payment.

Special Coverage.

(1) An augmentative communication device or other electronic speech aid shall be covered for a recipient who is permanently unable to communicate through oral speech if:

- a) Medical necessity is established based on a review by the department of an
- b) evaluation and recommendation submitted by a speech-language pathologist; and
- c) The item is prior authorized by the department.

(2) A customized DME item shall be covered only if a non-customized medically appropriate equivalent is not commercially available.

(3) A physical therapy or occupational therapy evaluation shall be required for:

- a) A power wheelchair; or
- b) A wheelchair for a recipient who, due to a medical condition, is unable to be reasonably accommodated by a standard wheelchair.

(4) Orthopedic shoes and attachments shall be covered if medically necessary for:

- a) A congenital defect or deformity;
- b) A deformity due to injury; or
- c) Use as a brace attachment.

(5) A therapeutic shoe or boot shall be covered if medically necessary to treat a non-healing wound, ulcer, or lesion of the foot.

(6) An enteral or oral nutritional supplement shall be covered if:

- a) The item is prescribed by a licensed prescriber;
- b) Except for an amino acid modified preparation or a low-protein modified food product specified in subsection (7) of this section, it is the total source of a recipient's daily intake of nutrients;
- c) The item is prior authorized; and
- d) Nutritional intake is documented on the CMN.

(7) An amino acid modified preparation or a low-protein modified food product shall be covered:

- c. If prescribed by a physician for the treatment of an inherited
- d. metabolic condition specified in KRS 205.560;
- e. If not covered through the Medicaid outpatient pharmacy program;
- f. Regardless of whether it is the sole source of nutrition; and
- g. If the item is prior authorized.

(8) A DME item intended to be used for post-discharge rehabilitation in the home may be delivered to a hospitalized recipient within two (2) days prior to discharge home for the purpose of rehabilitative training.

(9) An electric breast pump shall be covered for the following:

- a) Medical separation of mother and infant;
- b) Inability of an infant to nurse normally due to a significant feeding problem; or
- c) An illness or injury that interferes with effective breast feeding.

(10) Rental of an airway clearance vest system for a three (3) month trial period shall be required before purchase of the equipment.

Coverage of Repairs and Replacement of Equipment.

(1) The department shall not be responsible for repair or replacement of a DME item, prosthetic, or orthotic if the repair or replacement is covered by a warranty.

(2) Reasonable repair to a purchased DME item, prosthetic, or orthotic shall be covered as follows:

- a) During a period of medical need;
- b) If necessary to make the item serviceable;

- c) If no warranty is in effect on the requested repair; and
- d) In accordance with Section 6(2) of this administrative regulation.

(3) Extensive maintenance to purchased equipment, as recommended by the manufacturer and performed by authorized technicians, shall be considered to be a repair.

(4) The replacement of a medically necessary DME item, medical supply, prosthetic, or orthotic shall be covered for the following:

- a) Loss of the item;
- b) Irreparable damage or wear; or
- c) A change in a recipient's condition that requires a change in equipment.

(5) Suspected malicious damage, culpable neglect, or wrongful disposition of a DME item, medical supply, prosthetic, or orthotic shall be reported by the supplier to the department if the supplier is requesting prior authorization for replacement of the item

Limitations on Coverage.

(1) The following items shall be excluded from Medicaid coverage through the DME Program:

- (a) An item covered for Medicaid payment through another Medicaid program;
 - (b) Equipment that is not primarily and customarily used for a medical purpose;
 - (c) Physical fitness equipment;
 - (d) Equipment used primarily for the convenience of the recipient or caregiver;
 - (e) A home modification;
 - (f) Routine maintenance of DME that includes:
 - 1) Testing;
 - 2) Cleaning;
 - 3) Regulating; and
 - 4) Assessing the recipient's equipment;
 - (g) Except as specified in Section 7(1)(j) of this administrative regulation, backup equipment;
 - (h) An item determined not medically necessary, clinically appropriate, or reasonable by the department; or
 - (i) Diabetic supplies, except for:
 - 1) Those for which Medicare is the primary payor;
 - 2) Those with an HCPCS code of A4210, A4250, A4252, A4253, A4256, A4258, A4259, E0607 or E2100; or
 - 3) Those with a HCPCS code of A4206 if a diagnosis of diabetes is present on the corresponding claim.
- (6) An estimated repair shall not be covered if the repair cost equals or exceeds:**
- a) The purchase price of a replacement item; or
 - b) The total reimbursement amount for renting a replacement
 - c) item of equipment for the estimated remaining period of medical need.

- d) Durable medical equipment, prosthetics, orthotics and medical supplies shall be included in the facility reimbursement for a recipient residing in a hospital, nursing facility, intermediate care facility for individuals with an intellectual disability, or an institution for individuals with a mental disease and shall not be covered through the durable medical equipment program.

6.2.11. ☒ Disposable medical supplies (Section 2110(a)(13))

All disposable medical supplies must meet medical necessity and be provided by a Medicaid enrolled provider operating within his or her scope of practice.

Guidance: Home and community based services may include supportive services such as home health nursing services, home health aide services, personal care, assistance with activities of daily living, chore services, day care services, respite care services, training for family members, and minor modifications to the home.

6.2.12. ☒ Home and community-based health care services (Section 2110(a)(14))

Guidance: Nursing services may include nurse practitioner services, nurse midwife services, advanced practice nurse services, private duty nursing care, pediatric nurse services, and respiratory care services in a home, school or other setting.

6.2.13. ☒ Nursing care services (Section 2110(a)(15))

(1) The department shall reimburse for a private duty nursing service if the service is:

(a) Provided:

1. By a:

a. Registered nurse employed by a:

(1) Private duty nursing agency that meets the requirements established in Section 3 of this administrative

regulation; or

(2) Home health agency that meets the requirements established in Section 3 of this administrative regulation; or

b. Licensed practical nurse employed by a:

(1) Private duty nursing agency that meets the requirements established in Section 3 of this administrative

regulation; or

(2) Home health agency that meets the requirements established in Section 3 of this administrative regulation;

2. To a recipient in the recipient's home, except as provided in subsection (2) of this section; and

a) Under the direction of the recipient's physician in accordance with 42 C.F.R. 440.80;

- b) Prescribed for the recipient by a physician; and
 - c) Stated in the recipient's plan of treatment developed by the prescribing physician;
 - d) Established as being needed for the recipient in the recipient's home;
 - e) Prior authorized; and
 - f) Medically necessary.
- (2) A private duty nursing service may be covered in a setting other than in the recipient's home, if the service is provided during a normal life activity of the recipient that requires the recipient to be out of his or her home.
- (3)(a) There shall be an annual limit of private duty nursing services per recipient of 2,000 hours.
- (b) The limit established in paragraph (a) of this subsection may be exceeded if services in excess of the limit are determined to be medically necessary.
- (4) No Duplication of Service. The department shall not reimburse for any of the following services providing during the same time that a private duty nursing service is provided to a recipient:
- a) A personal care service;
 - b) A skilled nursing service or visit; or
 - c) A home health aide service.
- (5) Conflict of Interest. The department shall not reimburse for a private duty nursing service provided to a recipient if the individual providing the service is:
- a) An immediate family member of the recipient; or
 - b) A legally responsible individual who maintains his or her primary residence with the recipient.

6.2.14. Abortion only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest (Section 2110(a)(16))

6.2.15. Dental services (Section 2110(a)(17)) States updating their dental benefits must complete 6.2-DC (CHIPRA # 7, SHO # #09-012 issued October 7, 2009)

(1) A covered service shall be:

- a) Medically necessary;
- b) Except as provided in subsection (2) of this section, furnished to a recipient through direct practitioner contact; and
- c) Unless a recipient's provider demonstrates that dental services in excess of the following service limitations are medically necessary, limited to:
 - 1) Two (2) prophylaxis per twelve (12) month period for a recipient under age twenty-one (21);

(2) A covered service provided by an individual who meets the definition of other licensed medical

professional shall be covered if the:

- a) Individual is employed by the supervising oral surgeon, dentist, or dental group;

- b) Individual is licensed in the state of practice; and
- c) Supervising provider has direct practitioner contact with the recipient, except for a service provided by a dental hygienist if the dental hygienist provides the service under general supervision of a practitioner in accordance with KRS 313.310.

(3)(a) A medical resident may provide services if provided under the direction of a program participating teaching physician in accordance with 42 C.F.R. 415.170, 415.172, and 415.174.

(b) A dental resident, student, or dental hygiene student may provide services under the direction of a program participating provider in or affiliated with an American Dental Association accredited institution.

(4) Coverage shall be limited to services identified in 907 KAR 1:626, Section 3, in the following CDT categories:

- a) Diagnostic;
- b) Preventive;
- c) Restorative;
- d) Endodontics;
- e) Periodontics;
- f) Removable prosthodontics;
- g) Maxillofacial prosthetics;
- h) Oral and maxillofacial surgery;
- i) Orthodontics; or
- j) Adjunctive general services.

(5) Diagnostic Service Coverage Limitations.

(1)(a) Except as provided in paragraph (b) of this subsection, coverage for a comprehensive oral evaluation shall be limited to one (1) per twelve (12) month period, per recipient, per provider.

(b)The department shall cover a second comprehensive oral evaluation if the evaluation is provided in conjunction with a prophylaxis.

(c)A comprehensive oral evaluation shall not be covered in conjunction with the following:

- 1) A limited oral evaluation for trauma related injuries;
- 2) Space maintainers;
- 3) Root canal therapy;
- 4) Denture relining;
- 5) Transitional appliances;
- 6) A prosthodontic service;
- 7) Temporomandibular joint therapy;
- 8) An orthodontic service;
- 9) Palliative treatment; or
- 10) A hospital call.

(2)(a) Coverage for a limited oral evaluation shall:

- 1) Be limited to a trauma related injury or acute infection;
- 2) Be limited to one (1) per date of service, per recipient, per provider; and
- 3) Require a prepayment review.

(b) A limited oral evaluation shall not be covered in conjunction with another service except for:

- 1) A periapical x-ray;
- 2) Bitewing x-rays;
- 3) A panoramic x-ray;
- 4) Resin, anterior;
- 5) A simple or surgical extraction;
- 6) Surgical removal of a residual tooth root;
- 7) Removal of a foreign body;
- 8) Suture of a recent small wound;
- 9) Intravenous sedation; or
- 10) Incision and drainage of infection.

(3)(a) Except as provided in paragraph (b) of this subsection, the following limitations shall apply to coverage of a radiograph service:

- 1) Bitewing x-rays shall be limited to four (4) per twelve (12) month period, per recipient, per provider;
- 2) Periapical x-rays shall be limited to fourteen (14) per twelve (12) month period, per recipient, per provider;
- 3) An intraoral complete x-ray series shall be limited to one (1) per twelve (12) month period, per recipient, per provider;
- 4) Periapical and bitewing x-rays shall not be covered in the same twelve (12) month period as an intraoral complete x-ray series per recipient, per provider;
- 5) Panoramic film shall:
 - a) Be limited to one (1) per twenty-four (24) month period, per recipient, per provider; and
 - b) Require prior authorization in accordance with Section 15(2) and (3) of this administrative regulation for a recipient under age six (6);
- 6) A cephalometric film shall be limited to one (1) per twenty-four (24) month period, per recipient, per provider; or
- 7) Cephalometric and panoramic x-rays shall not be covered in conjunction with a comprehensive orthodontic consultation.

(b) The limits established in paragraph (a) of this subsection shall not apply to:

- a) An x-ray necessary for a root canal or oral surgical procedure; or
- b) An x-ray that exceeds the established service limitations and is determined by the department to be medically necessary.

(6) Preventive Service Coverage Limitations.

(1)(a) Coverage of a prophylaxis shall be limited to:

- 1) For an individual twenty-one (21) years of age and over, one (1) per twelve (12) month period, per recipient; and
- 2) For an individual under twenty-one (21) years of age, two (2) per twelve (12) month
- 3) period, per recipient.

(b) A prophylaxis shall not be covered in conjunction with periodontal scaling or root planing.

(2)(a) Coverage of a sealant shall be limited to:

- 1) A recipient age five (5) through twenty (20) years;
- 2) Each six (6) and twelve (12) year molar once every four (4) years with a lifetime limit of three (3) sealants per tooth, per recipient; and
- 3) An occlusal surface that is noncarious.

(b) A sealant shall not be covered in conjunction with a restorative procedure for the same tooth on the same date of service.

(3)(a) Coverage of a space maintainer shall:

- 1) Be limited to a recipient under age twenty-one (21); and Require the following:
 - a) Fabrication;
 - b) Insertion;
 - c) Follow-up visits; Adjustments; and
- c) Documentation in the recipient's medical record to:
 - 1) Substantiate the use for maintenance of existing inter-tooth space; and
 - 2) Support the diagnosis and a plan of treatment that includes follow-up visits.
 - 3) The date of service for a space maintainer shall be considered to be the date the appliance is placed on the recipient.
 - 4) Coverage of a space maintainer, an appliance therapy specified in the CDT orthodontic category, or a combination thereof shall not exceed two (2) per twelve (12) month period, per recipient.

6.2.16. Vision screenings and services (Section 2110(a)(24))

6.2.17. Hearing screenings and services (Section 2110(a)(24))

6.2.18. Case management services (Section 2110(a)(20))

1) Case Management Services.

The following services shall be covered as case management services when provided by a qualified case manager to Medicaid eligible recipients in the target group:

- a) A written comprehensive assessment of the child's needs;
- b) Arranging for the delivery of the needed services as identified in the assessment;
- c) Assisting the child and his family in accessing needed services;

- d) Monitoring the child's progress by making referrals, tracking the child's appointments, performing follow-up on services rendered, and performing periodic reassessments of the child's changing needs;
- e) Performing advocacy activities on behalf of the child and his family;
- f) Preparing and maintaining case records documenting contacts, services needed, reports, the child's progress, etc.;
- g) Providing case consultation (i.e., consulting with the service providers/collateral's in determining child's status and progress); and
- h) performing crisis assistance (i.e., intervention on behalf of the child, making arrangements for emergency referrals, and coordinating other needed emergency services).

2) Excluded Activities.

The following activities shall not be considered case management activities:

- a) The actual provision of mental health or other Medicaid covered services or treatments;
- b) Outreach to potential recipients;
- c) Administrative activities related to Medicaid eligibility determinations; and
- d) Institutional discharge planning.

6.2.19. Care coordination services (Section 2110(a)(21))

6.2.20. Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders (Section 2110(a)(22))

(1) The department shall reimburse for a speech pathology service if:

(a) The service is provided:

- 1) By a speech-language pathologist who meets the requirements in Section of this administrative regulation; and
- 2) To a recipient;
- 3) Is ordered for the recipient by a physician, physician assistant, or advanced practice registered nurse for:
 - a) Maximum reduction of a physical or intellectual disability; or
 - b) Restoration of a recipient to the recipient's best possible functioning level;
 - c) Is prior authorized; and
 - d) Is medically necessary; and
 - e) A specific amount of visits is requested for the recipient by a speech-language pathologist, physician, physician assistant, or an advanced practice registered nurse.

(2)(a) There shall be an annual limit of twenty (20) speech pathology service visits per recipient per

calendar year except as established in paragraph (b) of this subsection.

(b) The limit established in paragraph (a) of this subsection may be exceeded if services in excess

of the limits are determined to be medically necessary by the:

- 1) Department if the recipient is not enrolled with a managed care organization; or
- 2) Managed care organization in which the enrollee is enrolled if the recipient is an enrollee.

(3) Prior authorization by the department shall be required for each speech pathology service that exceeds the limit established in paragraph (a) of this subsection for a recipient who is not enrolled with a managed care organization.

(4) No Duplication of Service.

- 1) The department shall not reimburse for a speech pathology service provided to a recipient by more than one (1) provider of any program in which speech pathology service is covered during the same time period.
- 2) For example, if a recipient is receiving a speech pathology service from a speech-language pathologist enrolled with the Medicaid Program, the department shall not reimburse for the speech pathology service provided to the same recipient during the same time period via the home health program

(5) The department shall reimburse for physical therapy if:

(a) The therapy is provided by a:

- 1) Physical therapist who meets the requirements in Section 1(1) of this administrative regulation; or
- 2) Physical therapist assistant who works under the direct supervision of a physical therapist who meets the requirements in Section 1(1) of this administrative regulation; and
- 3) To a recipient;

(b) Is ordered for the recipient by a physician, physician assistant, or advanced practice registered nurse for:

- 1) Maximum reduction of a physical or intellectual disability; or
- 2) Restoration of a recipient to the recipient's best possible functioning level;
- 3) Is prior authorized; and
- 4) Is medically necessary; and
- 5) A specific amount of visits is requested for the recipient by a physical therapist, physician, physician assistant, or an advanced practice registered nurse.

(6) (a) There shall be an annual limit of twenty (20) physical therapy visits per recipient per calendar year except as established in paragraph (b) of this subsection.

b) The limit established in paragraph (a) of this subsection may be exceeded if services in excess of the limits are determined to be medically necessary by the:

- 1) Department, if the recipient is not enrolled with a managed care organization; or
- 2) Managed care organization in which the enrollee is enrolled, if the recipient is an enrollee.

c) Prior authorization by the department shall be required for each

therapy visit that exceeds the limit established in paragraph (a) of this subsection for a recipient who is not enrolled with a managed care organization.

(7) No Duplication of Service

The department shall not reimburse for physical therapy provided to a recipient by more than one (1) provider of any program in which physical therapy is covered during the same time period.

(a) For example, if a recipient is receiving physical therapy from a physical therapist enrolled with the Medicaid Program, the department shall not reimburse for physical therapy provided to the same recipient during the same time period via the home health program.

(8) The department shall reimburse for an occupational therapy service if:

The service:

(1) (a) Is provided by an:

- 1) Occupational therapist who meets the requirements in Section 1(1) of this administrative regulation; or
- 2) Occupational therapy assistant who works under the direct supervision of an occupational therapist who meets the requirements in Section 1(1) of this administrative regulation; and

b) To a recipient;

(2) Is ordered for the recipient by a physician, physician assistant, or advanced practice registered nurse for:

- a) Maximum reduction of a physical or intellectual disability; or
- b) Restoration of a recipient to the recipient's best possible functioning level;

(3) Is prior authorized; and

(4) Is medically necessary; and

- a) A specific amount of visits is requested for the recipient by an occupational therapist, physician, physician assistant, or an advanced practice registered nurse.

(9) (a) There shall be an annual limit of twenty (20) occupational therapy service visits per recipient per calendar year except as established in paragraph (b) of this subsection.

(b) The limit established in paragraph (a) of this subsection may be exceeded if services in excess of the limits are determined to be medically necessary by the:

- 1) Department, if the recipient is not enrolled with a managed care organization; or
- 2) Managed care organization in which the enrollee is enrolled, if the recipient is an enrollee.

(c) Prior authorization by the department shall be required for each service visit that exceeds the limit established in paragraph (a) of this subsection for a recipient who is not enrolled with a managed care organization.

(10) No Duplication of Service.

- 1) The department shall not reimburse for an occupational therapy service provided to a recipient by more than one (1) provider of any program in which occupational therapy services are covered during the same time period.
- 2) For example, if a recipient is receiving an occupational therapy service from an occupational therapist enrolled with the Medicaid Program, the department shall not reimburse for the same occupational therapy service provided to the same recipient during the same time period via the home health program.

6.2.21. Hospice care (Section 2110(a)(23))

KCHIP covers hospice services for terminally ill recipients. Hospice care provides palliative care, relief of pain and other symptoms, for persons in the last phase of an incurable disease so that they can live as fully and comfortably as possible. Hospice also provides supportive services to terminally ill persons and assistance to their families in adjusting to the patient's illness and death.

Hospice services are available to recipients with a terminal diagnosis that have been certified by a physician to have a life expectancy of six months or less.

Covered Hospice services are available to recipients in their Home, Nursing Facility or ICF/MR setting. Hospice services are reasonable and necessary for the palliation or management of the terminal illness as well as related conditions as detailed in the Hospice regulations and Hospice Services Manual.

In order to receive Hospice services, the recipient must elect Hospice coverage using the MAP-374 - Election of Medicaid Hospice Benefit Form. Recipients that elect Hospice will receive treatment for conditions related to their terminal illness by their Hospice provider.

Recipients under the age of twenty-one (21) eligible for Hospice benefits are eligible to receive curative treatment in relation to their terminal illness concurrently with Hospice services.

Hospice benefits shall consist of two (2) ninety (90) day periods. Additional 60 day extension of Hospice benefits periods are covered until revocation or termination for other reasons such as ineligibility or death.

Guidance: See guidance for section 6.1.4.1 for a guidance on the statutory requirements for EPSDT under sections 1905(r) and 1902(a)(43) of the Act. If the benefit being provided does not meet the EPSDT statutory requirements, do not check this box.

6.2.22. EPSDT consistent with requirements of sections 1905(r) and 1902(a)(43) of the

Act

6.2.22.1 The state assures that any limitations applied to the amount, duration, and scope of benefits described in Sections 6.2 and 6.3- BH of the CHIP state plan can be exceeded as medically necessary.

Guidance: Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic or rehabilitative service may be provided, whether in a facility, home, school, or other setting, if recognized by State law and only if the service is: 1) prescribed by or furnished by a physician or other licensed or registered practitioner within the scope of practice as prescribed by State law; 2) performed under the general supervision or at the direction of a physician; or 3) furnished by a health care facility that is operated by a State or local government or is licensed under State law and operating within the scope of the license.

6.2.23. Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services. (Section 2110(a)(24))

6.2.24. Premiums for private health care insurance coverage (Section 2110(a)(25))

6.2.25. Medical transportation (Section 2110(a)(26))

(1) Emergency Ambulance Services.

- a) An emergency ambulance service shall be covered to and from a hospital emergency room in the medical service area if the:
 - 1) Service is medically necessary; and
 - 2) Documentation is maintained for post-payment review to indicate immediate emergency medical attention was provided in the emergency room.
- b) An emergency ambulance service to an appropriate medical facility or provider other than a hospital emergency room shall require documentation from the attending physician of:
 - 1) Medical necessity;
 - 2) Absence of a hospital emergency room in the medical service area; and
 - 3) Delivery of emergency care to the patient.

(2) Nonemergency Ambulance Services.

- a) A nonemergency ambulance service to a provider within the medical service area shall be covered if:
 - 1) The recipient's medical condition warrants transport by stretcher;
 - 2) The recipient is traveling to or from a Medicaid-covered service, exclusive of a pharmacy service; and
 - 3) The service is the least expensive available transportation for the recipient's needs.
- b) A nonemergency ambulance service provided outside the medical service area shall be covered

if:

- 1) The criteria specified in subsection (1) of this section are satisfied;
- 2) The medical service required by the recipient is not available in the medical service area; and
- 3) The recipient is referred by a physician.
- 4) Non-emergency medical transportation is not covered.

Guidance: Enabling services, such as transportation, translation, and outreach services, may be offered only if designed to increase the accessibility of primary and preventive health care services for eligible low-income individuals.

- 6.2.26. Enabling services (such as transportation, translation, and outreach services) (Section 2110(a)(27))
- 6.2.27. Any other health care services or items specified by the Secretary and not included under this Section (Section 2110(a)(28))

Effective March 11, 2021 and through the last day of the first calendar quarter that begins one year after the last day of the COVID-19 emergency period described in section 1135(g)(1)(B) of the Act, and for all populations covered in the CHIP state child health plan: COVID-19 Vaccine: • The state provides coverage of COVID-19 vaccines and their administration, in accordance with the requirements of section 2103(c)(11)(A) of the Act.

COVID-19 Testing:

- The state provides coverage of COVID-19 testing, in accordance with the requirements of section 2103(c)(11)(B) of the Act.
- The state assures that coverage of COVID-19 testing is consistent with the Centers for Disease Control and Prevention (CDC) definitions of diagnostic and screening testing for COVID-19 and its recommendations for who should receive diagnostic and screening tests for COVID-19.
- The state assures that coverage includes all types of FDA authorized COVID-19 tests.

COVID-19 Treatment:

- The state assures that the following coverage of treatments for COVID-19 are provided without amount, duration, or scope limitations, in accordance with requirements of section 2103(c)(11)(B) of the Act:
 - o The state provides coverage of treatments for COVID-19 including specialized equipment and therapies (including preventive therapies);
 - o The state provides coverage of any non-pharmacological item or service described in section 2110(a) of the Act, that is medically necessary for treatment of COVID-19; and

o The state provides coverage of any drug or biological that is approved (or licensed) by the U.S. Food & Drug Administration (FDA) or authorized by the FDA under an Emergency Use Authorization (EUA) to treat or prevent COVID-19, consistent with the applicable authorizations.

Coverage for a Condition That May Seriously Complicate the Treatment of COVID-19:

- The state provides coverage for treatment of a condition that may seriously complicate COVID-19 treatment without amount, duration, or scope limitations, during the period when a beneficiary is diagnosed with or is presumed to have COVID-19, in accordance with the requirements of section 2103(c)(11)(B) of the Act.

6.2-BH Behavioral Health Coverage Section 2103(c)(5) requires that states provide coverage to prevent, diagnose, and treat a broad range of mental health and substance use disorders in a culturally and linguistically appropriate manner for all CHIP enrollees, including pregnant women and unborn children.

Guidance: Please attach a copy of the state’s periodicity schedule. For pregnancy-related coverage, please describe the recommendations being followed for those services.

Kentucky received approval of SUPPORT Act SPA, KY-20-0002-CHIP, on 4/08/2021 for children that were in the CHIP state plan prior to transitioning to a Medicaid expansion program. The benefits for pregnant individuals are the same as those that were previously provided to children in the CHIP state plan. The following approved SUPPORT Act pages are also applicable to pregnant individuals.

6.2.1- BH Periodicity Schedule The state has adopted the following periodicity schedule for behavioral health screenings and assessments. Please specify any differences between any covered CHIP populations:

- State-developed schedule
- American Academy of Pediatrics/ Bright Futures
- Other Nationally recognized periodicity schedule (please specify: _____)
- Other (please describe: _____)

6.3- BH Covered Benefits Please check off the behavioral health services that are provided to the state’s CHIP populations, and provide a description of the amount, duration, and scope of each benefit. For each benefit, please also indicate whether the benefit is available for mental health and/or substance use disorders. If there are differences in benefits based on the population or type of condition being treated, please specify those differences.

If EPSDT is provided, as described at Section 6.2.22 and 6.2.22.1, the state should only check off the

applicable benefits. It does not have to provide additional information regarding the amount, duration, and scope of each covered behavioral health benefit.

Guidance: Please include a description of the services provided in addition to the behavioral health screenings and assessments described in the assurance below at 6.3.1.1-BH.

6.3.1- BH Behavioral health screenings and assessments. (Section 2103(c)(6)(A))

6.3.1.1- BH The state assures that all developmental and behavioral health recommendations outlined in the AAP Bright Futures periodicity schedule and United States Public Preventive Services Task Force (USPSTF) recommendations graded as A and B are covered as a part of the CHIP benefit package, as appropriate for the covered populations.

Guidance: Examples of facilitation efforts include requiring managed care organizations and their networks to use such tools in primary care practice, providing education, training, and technical resources, and covering the costs of administering or purchasing the tools.

6.3.1.2- BH The state assures that it will implement a strategy to facilitate the use of age-appropriate validated behavioral health screening tools in primary care settings. Please describe how the state will facilitate the use of validated screening tools.

- Psychological testing for individuals with mental health, substance use, or co-occurring mental health and substance use disorders may include:
Psycho-diagnostic assessment of personality, psychopathology, emotionality, and/or intellectual disabilities. The services also includes interpretation and written report of testing results.
- The state will facilitate Training and Screening Tool Updates for providers, by the use of provider letters, state webpage, Bimonthly meetings of the Children’s Technical Advisory Committee (which includes advocates and community liaisons) and via monthly meetings with Managed Care Organizations.
- The state requires managed care organizations (MCO’s) and their networks to use screening and assessment tools in primary care practice, providing education, training, and technical resources, and covering the costs of administering or purchasing the tools.

6.3.2- BH Outpatient services (Sections 2110(a)(11) and 2110(a)(19))

(A) An assessment shall:

- a) Be completed by a qualified substance abuse treatment professional; and
- b) Be provided for an individual prior to receiving a substance abuse treatment service or an indicated

- a. prevention service.
- c) For an individual receiving an assessment, the assessment shall include an interview on the:
 - 1) Current level of substance intoxication or withdrawal;
 - 2) Current pattern of substance use including quantity, frequency, and personal use history;
 - 3) Identification of household members and significant others in the individual's life who use alcohol and other drugs;
 - 4) Family history of alcohol and drug abuse;
 - 5) History of emotional, sexual and physical abuse including current needs for safety;
 - 6) History of mental health problems and diagnoses; and
 - 7) Utilization of prenatal care and pediatric care for newborns.

(B) For an individual assessed as showing current substance use or giving evidence of risk for substance abuse based on any of the items in paragraph (b) of this subsection, the assessment shall include the following additional information:

- a) Psychosocial history including:
 - 1) Presenting need;
 - 2) Current living arrangements;
 - 3) Marital and family history;
 - 4) History of involvement with child and adult protective services;
 - 5) Current custody status of an individual's children;
 - 6) Legal, employment, military, educational, and vocational history;
 - 7) Peer group relationships;
 - 8) Religious background and practices;
 - 9) Ethnic and cultural background;
 - 10) Leisure and recreational activities; and
 - 11) Individual strengths and limitations;
 - 12) Current physical health status; and
 - 13) Completion of a mental status screening.

(C) For an individual assessed in accordance with paragraphs (b) and (c) of this subsection, an integrated written summary shall be developed that documents an individual's need for services and includes:

- a) Pregnancy or postpartum status; and
- b) A primary diagnosis of a substance-related disorder requiring treatment services; or
- c) The need for substance abuse prevention services; and
- d) The individual's need for:
 - 1) Prenatal care;
 - 2) A screening for health care problems for a postpartum woman;
 - 3) Pediatric care;
 - 4) Mental health, intellectual disability or developmental disability services; or
 - 5) Community services to meet immediate needs for safety, food, clothing, shelter or medical care.

(D) Development of an initial plan of care shall include the following:

- a) The presenting need or problem; and
- b) Substance abuse services needed by the individual as established by the assessment findings and the service placement criteria in Section 6 of this administrative regulation to include:
 - 2. An explanation of how this individual meets the admission criteria for this service;
 - 3. The name of the provider to whom the individual as established by the assessment fin individual is being referred for this service; and
 - 4. The determination of the immediacy of the individual’s need to receive the services based on the following criteria and in accordance with the access requirements established in Section 5 of this administrative regulation:
 - a) Emergency need. Emergency need shall indicate a substance-relate condition that may result in serious jeopardy to the life or health of an individual or a fetus, harm to another person by an individual, or inability of an individual to seek food or shelter;
 - b) Urgent need. Urgent need shall indicate a clinical condition that does not pose an immediate risk of harm to self or another person but requires a rapid clinical response in order to prevent onset of an emergency condition;
 - c) Routine need. A routine need shall pose no immediate risk of harm to self or another person but requires a clinical response;
 - d) Universal, selective, and indicated prevention services. A provider agency shall provide access to a substance abuse universal, selective or
 - e) Indicated prevention service within a thirty (30) day period of a request for a service for an individual.
 - f) The completed assessment and initial plan of care shall be forwarded to the substance abuse treatment or prevention provider within five (5) working days.

(2) Prevention services.

(A) General requirements for universal, selective, and indicated prevention services.

(1) A prevention service shall:

- a) Be delivered as an individual or group service;
- b) Utilize a protocol approved by the division for a period of two (2) years and reevaluated at the end of that time by the Protocol Review Panel to determine its continued use; and
- c) Be delivered as a face-to-face contact between an individual and a qualified preventionist who meets the requirements in Section 7(1) of this administrative regulation.

(2) Universal prevention services shall consist of a protocol for reducing harm to the fetus that:

- a) Is designed to reduce the risk that an individual will use alcohol, tobacco or another

drug during pregnancy or the postpartum period, thus protecting the child from

- b) subsequent risk for harm;
- c) Identifies specific risks associated with alcohol, tobacco or another drug use during
- d) pregnancy and lactation, including risks to a fetus, such as low birth weight and fetal alcohol spectrum disorder;
- e) Identifies signs of postpartum depression and addresses the risk for substance abuse following pregnancy; and
- f) Reduces the shame and stigma attached to addressing alcohol and drug issues to encourage an individual to pursue additional needed substance abuse prevention and treatment services;
- g) May include a process for the identification of an individual needing a referral for a selective prevention service or a substance abuse assessment completed in accordance with subsection (1)(b) and (c) of this section; and Shall have reimbursement limited to no more than two (2) hours during a single pregnancy and postpartum period.

(3) Selective prevention services:

- (A) 1. Shall consist of a therapeutic risk reduction protocol that is designed to reduce the risk that an individual will use alcohol, tobacco, or another drug during pregnancy, thus protecting the child from subsequent risk for harm.
- 2. The therapeutic risk reduction protocol shall:
 - a) Increase the perception of personal risk for harm due to high-risk alcohol and drug use throughout life;
 - b) Identify the levels of alcohol and drug use that increase risk for problems during pregnancy and throughout life;
 - c) Address health and social consequences of high-risk drinking or drug choices;
 - d) Address biological, psychological, and social factors that may increase risk for alcohol and other drug use during pregnancy and lactation and alcohol and other drug abuse throughout life; and
- 3. While not mandatory, it is desirable that the therapeutic risk reduction protocol also include information to help the individual:
 - a. Change perceptions of normative alcohol and other drug behaviors;
 - b. Develop skills for making and maintaining behavioral changes in alcohol and drug use and in developing social and psychological supports for these changes throughout life; or
 - c. Address parental influences on alcohol and drug choices of children, family management issues, and the establishment of successful expectations and consequences;

(B) May include a process for the identification of an individual needing a referral for a

substance abuse assessment completed in accordance with subsection (1) of this section;

(1) Reimbursement shall be limited to:

- a) During a single pregnancy and postpartum period; and
- b) A maximum of seventeen (17) hours for a therapeutic risk reduction protocol targeted at preventing alcohol and drug problems throughout the life of the individual.

(2) Indicated prevention service:

- (a) Shall consist of a therapeutic risk reduction protocol which is designed to reduce the risk that certain individuals may experience alcohol and other drug related health problems, including substance dependency or experience alcohol and other drug related impairments throughout life.

(3) A therapeutic risk reduction protocol shall:

- a) Address the health and social consequences of high-risk drinking or drug choices, including consequences to a fetus in the case of any alcohol or drug use during pregnancy;
- b) Increase the perception of personal risk for harm due to high-risk alcohol and drug use;
- c) Identify the existence of biological, psychological, and social risk factors; and
- d) Identify levels of alcohol and other drug use that increase risk for problems; and

(4) A therapeutic risk reduction protocol for an indicated prevention service may include:

- a) Changing perceptions of normative alcohol and drug use behaviors;
- b) Developing skills for making and maintaining behavioral changes, including changes in alcohol and drug use, and developing social and psychological supports to maintain the changes throughout life; and
- c) Addressing parental influences on the alcohol and drug choices of children, family management issues, and the establishment of successful expectations and consequences; and

(5) Reimbursement shall be limited to:

- a) During a single pregnancy and postpartum period; and
- b) A maximum of twenty-five (25) hours for a protocol targeted at prevention of alcohol and drug problems throughout the life of the individual.

(C) Outpatient services.

(1) An outpatient service shall be an ambulatory care service that:

- a) Is a face-to-face therapeutic interaction between an individual and a qualified substance abuse treatment professional; and
- b) Is for the purpose of reducing or eliminating a substance abuse problem and shall include the following services:
 - 1) Treatment planning;
 - 2) Referrals for other needed health and social services;
 - 3) Information on substance abuse and its effects on health and fetal development;

- 4) Orientation to substance abuse related self-help groups; and
- 5) Participation in one (1) or more of the following modalities of outpatient treatment:
 - a) Individual therapy;
 - b) Group therapy;
 - c) Family therapy.
 - d) This modality shall be provided to an individual and one (1) or more persons with whom an individual has a family relationship;
 - e) Psychiatric evaluation provided by a psychiatrist or advanced registered nurse practitioner (ARNP);
 - f) Psychological testing provided by a licensed psychologist who holds the designation of health service provider, certified psychologist with autonomous functioning, certified psychologist, licensed psychological practitioner, or licensed psychological associate;
 - g) Medication management provided by a physician or an advanced registered nurse practitioner; or
 - h) Collateral care.
 - i) This modality shall provide face-to-face consultation or counseling to a person who is in a position of custodial control or supervision of an individual under age twenty-one (21), in accordance with an individual's treatment plan.

c) Service limitations.

1. Group therapy.

- a) There shall be no more than twelve (12) persons in a group therapy session.
- b) Group therapy shall not include physical exercise, recreational activities or attendance at substance abuse and other self-help groups.
- c) Collateral care shall be limited to individuals under age twenty-one (21).
- d) Psychiatric evaluations or psychological testing that do not result in an individual receiving substance abuse treatment shall not be reimbursable through this benefit.
- e) No more than eight (8) hours of outpatient services shall be reimbursed during a one (1) week period.

(D) Intensive outpatient services.

(1) An intensive outpatient service shall be an ambulatory care service for the purpose of reducing or eliminating an individual's substance abuse problem.

- a) The following components shall be provided in an intensive outpatient service as a face-to-face therapeutic interaction between an individual and
- b) a qualified substance abuse treatment professional:
 - 1) Treatment planning;
 - 2) A structured program of information on substance abuse and its effects on health, fetal development and family relationships which shall be provided either to an individual or an individual and

- 3) one (1) or more persons with whom an individual has a close association; and
- 4) Individual, group and family therapy.
- 5) The following components may be provided in an intensive outpatient service as a face-to-face activity between an individual and a qualified substance abuse treatment professional or a member of the therapeutic team, supervised by a qualified substance abuse treatment professional:
 - a) Independent living skills training;
 - b) Parenting skill development;
 - c) Orientation to substance abuse and other self-help programs; or
 - d) Staff support to activities led by the individual.

(c) Service limitations

1. Group therapy.

- a) There shall be no more than twelve (12) persons in a group therapy session.
- b) Group therapy shall not include physical exercise, recreational activities or attendance at substance abuse or other self-help groups.
- c) Reimbursement for an intensive outpatient service shall be limited to no more than seven (7) hours per day not to exceed forty (40) hours per week.

Guidance: Psychosocial treatment includes services such as psychotherapy, group therapy, family therapy and other types of counseling services.

6.3.2.1- BH Psychosocial treatment
 Provided for: Mental Health Substance Use Disorder

Psychosocial treatment for Mental Health and SUD includes individual outpatient therapy, outpatient group therapy and outpatient family therapy as medically necessary.

6.3.2.2- BH Tobacco cessation
 Provided for: Substance Use Disorder

Tobacco cessation treatment includes but is not limited to:

- All FDA approved medications for tobacco cessation are available.
- Prevention education in kindergarten through 12th grade with intensive instruction in middle school and reinforced in high school.
- Targeted community wide programs that address the role of families, community organizations, tobacco-related policies, anti-tobacco advertising, and other elements of an adolescents' social environment.
- Program-specific training for teachers
- Trained Peer Support to help counteract social pressures on youth to use tobacco

- Substance Use Disorder (SUD) Individuals with co-occurring mental health and SUDs may be treated for both disorders in inpatient and outpatient settings. Kentucky’s Division of Behavioral Health handles all mental and SUD services and coordinates with Child (CPS) and Adult Protective Services using initiatives such as a pilot program called Sobriety Treatment and Recovery Team (START), which works with children that may be put into state custody due to SUD issues and tries to get parents into SUD treatment. The START program fills gaps in CHIP by focusing on prevention (i.e., keeping children from going into custody). Medicaid is billed for START program services provided to families covered by Medicaid.
- The START Program is not based on tobacco cessation alone.
- The target population for START is as follows:
 - Families with at least one child younger than 6 in the child welfare system with a parent whose substance use is determined to be a primary child safety risk factor.
- It is not likely that tobacco use alone would be determined to be a primary child safety risk factor by DCBS. The parents can have intensive SUD services, with or without medication included in the treatment based on recommendations by the clinician and/or physician.
- Counseling is available as part of the tobacco cessation benefit.

Guidance: In order to provide a benefit package consistent with section 2103(c)(5) of the Act, MAT benefits are required for the treatment of opioid use disorders. However, if the state provides MAT for other SUD conditions, please include a description of those benefits below at section 6.3.2.3- BH.

6.3.2.3- BH Medication Assisted Treatment

Provided for: Substance Use Disorder

Medication Assisted Treatment (MAT) is an evidence based practice with the use of all FDA approved medications, in combination with counseling, behavioral therapies, and other supports to provide a “whole patient” approach to the treatment of substance use disorder. The duration of treatment should be based on the individual needs of the person served. Prescribing is limited to Kentucky Medicaid enrolled DEA waived practitioners who have experience with addiction medicine. Kentucky’s estimated 1300 waived physicians are not able to prescribe medications for Opioid Use Disorder until receipt of their waiver license. Licensed Credentialed Addiction Treatment professionals and other support services including but not limited to Targeted Case Management, Drug and Alcohol Peer Support Specialists, and Substance Use specific Care Coordination must be co-located or virtually located at the same practice site as the DEA waived practitioner or have agreements in place for linkage to appropriate behavioral health treatment providers. Staff shall be knowledgeable in the assessment, interpretation, and treatment of the

biopsychosocial dimensions of alcohol or other substance use disorders. MAT can be provided in primary care settings with the appropriate treatment linkage agreement, outpatient behavioral health settings, licensed organizations, or within SUD residential treatment programs that have care coordination in place.

6.3.2.3.1- BH Opioid Use Disorder

6.3.2.3.2- BH Alcohol Use Disorder

6.3.2.3.3- BH Other

6.3.2.4- BH Peer Support
Provided for: Mental Health Substance Use Disorder

Peer Support is an evidence-based practice providing social and emotional support by a Peer Support Specialist in a structured and scheduled non-clinical therapeutic activity with an individual or group of recipients. A peer is defined as a person in recovery from a mental health, substance use, or co-occurring mental health and substance use disorder, or family member of a person living with a behavioral health or substance use disorder. The Substance Abuse and Mental Health Service Administration (SAMHSA) defines a Peer Support Specialist as an individual offering and receiving help, based on shared understanding, respect and mutual empowerment between individuals in a similar situation. Peer Support Specialist are employed by a Medicaid enrolled provider group or licensed organization, and has successfully completed peer support specialist training and eligibility requirements approved by the Department of Behavioral Health, Developmental and Intellectual Disabilities (**DBHDID**).

6.3.2.5- BH Caregiver Support
Provided for: Mental Health Substance Use Disorder

6.3.2.6- BH Respite Care
Provided for: Mental Health Substance Use Disorder

Respite Care/Caregiver support is not covered under CHIP. Children in need of respite care and caregiver support services will be evaluated to determine whether the child is eligible for the state's Medicaid 1915(c) waiver.

6.3.2.7- BH Intensive in-home services
Provided for: Mental Health Substance Use Disorder

Although intensive in-home services is not a defined covered service in Kentucky, the home is an approved place of service.

6.3.2.8- BH Intensive outpatient
Provided for: Mental Health Substance Use Disorder

Intensive Outpatient Program (IOP) is an alternative to or transition from inpatient hospitalization or partial hospitalization for mental health or substance use disorders. An IOP must offer a multi-modal, multi-disciplinary structured outpatient treatment program that is significantly more intensive than individual outpatient, group outpatient therapy, and family outpatient therapies. For the treatment of substance use disorders, intensive outpatient programs should meet the service criteria for this level of care using the current edition of *The American Society of Addiction Medicine's (ASAM) Criteria, Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions*. IOP services must be provided at least three (3) hours per day and at least three (3) days per week for adults and a minimum of 6 hours per week for adolescents. Programming must include individual outpatient therapy, group outpatient therapy, and family outpatient therapy unless contraindicated, crisis intervention as it would occur in the setting where IOP is being provided, and psycho-education. Psycho-education is one component of outpatient therapy for mental health conditions. During psycho-education, the recipient or their family is provided with knowledge about his diagnosis, the causes of that condition, and the reasons why a particular treatment might be effective for reducing his symptoms. Recipients and their families gain empowerment to understand and accept the diagnosis and learn to cope with it in a successful manner). All treatment plans must be individualized, focusing on stabilization and transition to a lesser level of care.

6.3.2.9- BH Psychosocial rehabilitation
Provided for: Mental Health Substance Use Disorder

Services may require prior authorization determined by each MCO.

Psychosocial rehabilitation helps people develop the social, emotional and intellectual skills they need in order to live happily with the smallest amount of professional assistance they can manage. Psychosocial rehabilitation uses two strategies for intervention: Learning coping skills so that they are more successful in handling a stressful environment and developing resources that reduce future stressors.

PSR is a treatment approach designed to help improve the lives of people with disabilities. The goal of **psychosocial rehabilitation** is to teach emotional, cognitive, and social skills that help those diagnosed with **mental** illness live and work in their communities as independently as possible. Treatments and resources vary from case to case but can include medication management, psychological support, family counseling, vocational and independent living training, housing, job coaching, educational aide and social support

Guidance: If the state considers day treatment and partial hospitalization to be the same benefit, please indicate that in the benefit description. If there are differences between these benefits, such as the staffing or intensity of the setting, please specify those in the description of the benefit's amount, duration, and scope.

6.3.3- BH Day Treatment

Provided for: Mental Health Substance Use Disorder

Services are available for at least three hours and less than 24 hours each day the program is open. There is no limit on the scope, duration, or amount for this benefit. Day Treatment services are covered in Fee for Service and all Managed Care Organization plans as part of the Behavioral Health benefit.

6.3.3.1- BH Partial Hospitalization

Provided for: Mental Health Substance Use Disorder

Partial Hospitalization is a short-term (average of four (4) to six (6) weeks), less than 24-hour, intensive treatment program for individuals experiencing significant impairment to daily functioning due to substance use disorders, mental health disorders, or co-occurring mental health and substance use disorders. Partial Hospitalization may be provided to adults or children. This service is designed for individuals who cannot effectively be served in community-based therapies or IOP.

The program consists of individual, group, family therapies and medication management. Educational, vocational, or job training services that may be provided as part of Partial Hospitalization are not reimbursed by Medicaid. The program has an agreement with the local educational authority to come into the program to provide all educational components and instruction which are not Medicaid billable or reimbursable. Services in

a Medicaid-eligible child's Individual Education Plan (IEP) are coverable under Medicaid. Partial Hospitalization is typically provided for at least four (4) hours per day 5 days a week. Partial Hospitalization is typically focused on one primary presenting problem (i.e., Substance use, sexual reactivity, etc.).

6.3.4- BH Inpatient services, including services furnished in a state-operated mental hospital and including residential or other 24-hour therapeutically planned structural services (Sections 2110(a)(10) and 2110(a)(18))

Provided for: Mental Health Substance Use Disorder

Inpatient services/PRTF's

Inpatient and residential SUD treatments are a covered behavioral benefit for beneficiaries through Chemical Dependency Treatment Centers, Residential Behavioral Health Services Organizations as well as Acute and Psychiatric Hospitals. PRTF's are treatment facilities for primary mental health diagnosis' but can treat SUD if identified while in treatment. Outpatient SUD treatment services are covered by PRTF's, BH multi-specialty groups, Behavioral Health Services Organizations, Chemical Dependency Treatment Centers, Community Mental Health Centers as well as Individual licensed enrolled providers with SUD treatment specialties.

PTRF I service providers must meet the coverage provisions and requirements of 907 KAR 9:005 and 907 KAR 9:015 to provide covered services. Any services performed must fall within the scope of practice for any provider. Listing of a service in the administrative regulation is not a guarantee of payment. Providers must follow Kentucky Medicaid regulations. All services must be medically necessary.

The following are not covered as PRTF services:

- Chemical dependency treatment services if the need for the services is the beneficiary's primary diagnosis. However, chemical dependency treatment services are covered as incidental treatment if minimal chemical dependency treatment is necessary for successful treatment of the primary diagnosis.
- Outpatient services
- Pharmacy services covered as pharmacy services in accordance with 907 KAR 23:010
- Durable medical equipment covered as a durable medical equipment benefit in accordance with 907 KAR 1:479

A PRTF may not charge a beneficiary or responsible party representing a beneficiary any difference between private and semiprivate room charges.

Services are not be covered if appropriate alternative services are available in the community. The following are not covered:

- Admissions that are not medically necessary
- Individuals with a major medical problem or minor symptoms

- Individuals who might only require a psychiatric consultation rather than an admission to a psychiatric facility
- Individuals who might need only adequate living accommodations, economic aid or social support services

Inpatient psychiatric hospital services, including treatment for substance use disorders, must involve active treatment which is reasonably expected to improve the patient's condition or prevent further regression, so that eventually such services will no longer be necessary. Periodic medical and social evaluations should determine at what point a patient's progress has reached the stage where his/her needs can be met appropriately outside the institution. Federal regulations emphasize "active treatment" as one of the necessary elements of inpatient services. Active treatment is defined as the implementation of a professionally developed individual plan of care which sets forth treatment objectives and therapies enabling the individual's functioning to improve to the point that institutional care is no longer necessary.

Guidance: If applicable, please clarify any differences within the residential treatment benefit (e.g. intensity of services, provider types, or settings in which the residential treatment services are provided).

6.3.4.1- BH Residential Treatment
 Provided for: Mental Health Substance Use Disorder

As the 2014 ACA expansion allowed the addition of behavioral health practitioners and services, Residential Treatment for mental health and substance use disorder, as well as other medically necessary behavioral health services may be provided in other approved settings including Community Mental Health Centers.

Mental Health:

Kentucky assures that the Community Mental Health Centers (CMHS) provide outpatient mental health services in the least restrictive community-based settings to promote appropriate and timely access to care for beneficiaries, which include Adult Residential Treatment services and Crisis Residential services.

SUDs:

Residential treatment is a non-institutional, 24-hour, short-term residential program that provides rehabilitation services to beneficiaries with a substance use disorder diagnosis (ASAM Level 3.1, 3.3, 3.5). Residential treatment services are provided in a continuum of care as per the five (5) levels of ASAM residential treatment levels.

- Adolescents – up to two 30-day periods, with a one-time 30-day extension in a 365-day period;
- Perinatal beneficiaries are provided residential treatment for the duration of their pregnancy and 60 days postpartum.

Residential services for substance use disorders is residential treatment (24 hour/day) that may be short-term or long-term for the purposes of providing intensive treatment and skills building, in a structured and supportive environment, to assist individuals (children and adults) to obtain abstinence and enter into alcohol/drug addiction recovery. This service is provided in a 24-hour live-in facility that offers a planned and structured regimen of care that aims to treat persons with addictions or substance use disorders and assists them in making the necessary changes in their lives that will enable them to live drug or alcohol-free lives.

Individuals must have been assessed and meet criteria for approval of residential services, utilizing a nationally recognized assessment tool (e.g., American Society of Addiction Medicine (ASAM)) as approved by the Kentucky Department of Behavioral Health, Development and Intellectual Disabilities (DBHDID).

Services should have less than or equal to 16 patient beds, if provided to individuals between the ages of 22 and 64; be under the medical direction of a physician; and provide continuous nursing services.

Limitations of Services include:

- Admissions for diagnostic purposes are covered only if the diagnostic procedures cannot be performed on an outpatient basis.
- Patients may be permitted home visits; however, this must be clearly documented on billing statements as payment cannot be made for these days.
- Private accommodations will be reimbursed only if medically necessary and so ordered by the attending physician.
- The physician's orders for and description of reasons for private accommodations must be maintained in the recipient's medical records. If a private room is the only room available, payment will be made until another room becomes available. If all rooms on a particular floor or unit are private rooms, payment will be made.

Residential treatment services shall be based on individual need and may include:

- Screening
- Assessment
- Service Planning
- Individual Therapy
- Group Therapy
- Family Therapy
- Peer Support

There are two levels of residential treatment:

- Short term –length of stay less than 30 days
- Long term- length of stay 30- 90 days

Short Term

Short term services should have a duration of less than thirty (30) days, but can be exceeded based on medical necessity. 24 hour staff as required by licensing regulations.

Short term services should have planned clinical program activities constituting at least 15 hours per week of structured professionally directed treatment services to stabilize and maintain a person's substance use disorder and to help him to develop and apply recovery skills.

Long Term

Long term services should have 24 hour staff as required by licensing regulations, as well as planned clinical

program activities constituting 40 hours per week of structured professionally directed treatment services to stabilize and maintain a person's substance use and or substance use and mental health disorder and to help him or her to develop and apply recovery skills.

Residential SUD treatment programs do not include, and Federal Financial Participation (FFP) is not available for, room and board services; educational, vocational and job training services; habilitation services; services to inmates in public institutions as defined in 42 CFR §435.1010; services to individuals residing in institutions for mental diseases as described in 42 CFR§435.1010; recreational and social activities; and services that must be covered elsewhere in the state Medicaid plan. Services for individuals between 22 and 64 must be provided in a residential unit with 16 or fewer beds or, if provided within multiple units operating as one unified facility, 16 or fewer aggregated beds.

6.3.4.2- BH Detoxification
Provided for: Substance Use Disorder

All recipients who are appropriately placed in any level of withdrawal management must meet the most current edition of diagnostic criteria for substance withdrawal disorder found in the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association, as well as the most current edition of the ASAM criteria dimensions of care for admission. Services may require prior authorization determined by each MCO.

Detoxification, also known as withdrawal management, is a covered service within the Substance Use Disorder (SUD) continuum of services. At the highest level of care, it is covered within an acute care hospital, chemical dependency treatment center, residential SUD treatment and outpatient services.

Guidance: Crisis intervention and stabilization could include services such as mobile crisis, or short term residential or other facility based services in order to avoid inpatient hospitalization.

6.3.5- BH Emergency services
Provided for: Mental Health Substance Use Disorder

6.3.5.1- BH Crisis Intervention and Stabilization
Provided for: Mental Health Substance Use Disorder

As the 2014 ACA expansion allowed the addition of behavioral health practitioners and services for the treatment of mental health and substance use disorder, Emergency services for Crisis Intervention, Stabilization treatment as well as other medically necessary behavioral health services may be provided in other approved settings including Community Mental Health Centers.

Mental Health:

The county Community Mental Health Centers (CMHS) provide outpatient mental health services in the least restrictive community-based settings to promote appropriate and timely access to care for beneficiaries, which include Crisis Intervention/Stabilization services. Crisis Stabilization in an Emergency Room must be provided onsite at a licensed 24-hour health care facility, as part of a hospital-based outpatient program, certified by the state to perform crisis stabilization. Guidelines for urgent care follow the same as emergency room care.

SUDs:

Crisis Intervention outpatient services are made available through county SUD programs including MAT services when needed. Service duration limits depend on ASAM Level.

All recipients who are appropriately placed in any level of withdrawal management must meet the most current edition of diagnostic criteria for substance withdrawal disorder found in the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association, as well as the most current edition of the ASAM criteria dimensions of care for admission. Services may require prior authorization determined by each MCO.

The state assures that amount, duration, and/or scope limitation associated with its benefits can be exceeded if medically necessary.

6.3.6- BH Continuing care services
Provided for: Mental Health Substance Use Disorder

Kentucky considers continuing care services to include outpatient community based services as described above in 6.3.2.1-BH; 6.3.2.2-BH; 6.3.2.3.3-BH; 6.3.2.7-BH; 6.3.4.1-BH; 6.3.5.1-BH; 6.3.9-BH.

6.3.7- BH Care Coordination
Provided for: Mental Health Substance Use Disorder

MCOs care management teams (including utilization management reviewers) will work collaboratively with providers, enrollees and community organizations to ensure the enrollee is treated in the least restrictive setting as is clinically appropriate with the goal to maintain enrollees safely in the community whenever possible. MCOs differ in the care programs they provide. They provide other care coordination programs, such as developing and monitoring care programs and shares among providers. The recipient's PCP plays a vital role in the recipient's care program.

6.3.7.1- BH Intensive wraparound
Provided for: Mental Health Substance Use Disorder

6.3.7.2- BH Care transition services
Provided for: Mental Health Substance Use Disorder

6.3.8- BH Case Management
Provided for: Mental Health Substance Use Disorder

Targeted Case Management for Children with Severe Emotional Disability or Severe Mental Illness

Targeted case management services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services.

Targeted Case Management includes the following assistance:

1. Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social or other services. These assessment activities include:
 - a. Taking client history;
 - b. Identifying the individual's needs and completing related documentation; and
 - c. Gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the eligible individual.

- d. An assessment or reassessment must be completed at least annually, or more often if needed based on changes in the individual's condition.
2. Development (and periodic revision) of a specific care plan that is based on the information collected through the assessment that:
 - e. Specifies the goals and actions to address the medical, social, educational, and other services needed by the individual;
 - e. Includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals; and
 - f. Identifies a course of action to respond to the assessed needs of the eligible individual.
 3. Referral and related activities (such as scheduling appointments for the individual) to help the eligible individual obtain needed services including:
 - a. Activities that help link the individual with medical, social, educational providers, or other programs and services that are capable of providing needed services to address identified needs and achieve goals specified in the care plan.
 4. Monitoring and follow-up activities:
 - a. Activities and contacts that are necessary to ensure the care plan is implemented and adequately addresses the eligible individual's needs, and which may be with the individual, family members, service providers, or other entities or individuals and conducted as frequently as necessary, and including at least one annual monitoring, to determine whether the following conditions are met:
 - 1) Services are being furnished in accordance with the individual's care plan;
 - 2) Services in the care plan are adequate; and
 - 3) Changes in the needs or status of the individual are reflected in the care plan. Monitoring and follow-up activities include making necessary adjustments in the care plan and service arrangements with providers.
 - 4) Monitoring shall occur no less than once every three (3) months and shall be face-to-face.

Limitations:

1. Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).
2. Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other services to which an eligible individual has been referred, including for foster care programs, services such

as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportation; administering foster care subsidies; making placement arrangements. (42 CFR 441.18(c))

3.

4. FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))

5. The individuals in the target groups may not be receiving case management services under an approved waiver program.

6.3.9- BH Other

Provided for: Mental Health Substance Use Disorder

Services may require prior authorization determined by each MCO.

- 1. Collateral services** shall be limited to recipients under the age of twenty-one, who are recipients of the rendering provider. A collateral service shall be an encounter with a parent/caregiver, household member of a recipient, legal representative/guardian, school personnel or other person in a position of custodial control or supervision of the recipient, for the purpose of providing counseling or consultation on behalf of a recipient in accordance with an established plan of treatment. The parent or legal representative in a role of supervision of the recipient shall give written approval for this service. This written approval shall be kept in the recipient's medical record. This service is only reimbursable for a recipient under age 21.
- 2. Psychological testing** for individuals with mental health, substance use, or co-occurring mental health and substance use disorders may include psycho-diagnostic assessment of personality, psychopathology, emotionality, and/or intellectual disabilities. The service also includes interpretation and written report of testing results
- 3. Assertive community treatment (ACT)**, mental health only service, is an evidence-based psychiatric rehabilitation practice which provides a comprehensive approach to service delivery for consumers with serious mental illnesses. ACT uses a multidisciplinary team of professionals including psychiatrists, nurses, case managers, therapists and peer support specialists.
- 4. Component services** include assessment, person centered treatment planning, case management, individual outpatient therapy, family outpatient therapy, and group outpatient therapy, peer support, mobile crisis intervention, mental health consultation, , family support and basic living skills training. Mental health consultation involves brief, collateral interactions

with other treating professionals who may have information for the purposes of treatment planning and service delivery. Family support involves the ACT team working with the recipient's natural support systems to improve family relations in order to reduce conflict and increase recipient autonomy and independent functioning. Basic living skills training shall be rehabilitative services focused on restoring activities of daily living to reduce disability and improve function (i.e., taking medications, housekeeping, meal preparation, hygiene, interacting with neighbors) necessary to maintain independent functioning and community living. Services are provided by a multidisciplinary team of providers whose backgrounds and training include social work, rehabilitation, counseling, nursing. Providers of ACT services consist of multidisciplinary staff organized as a team in which members function interchangeably to provide treatment, rehabilitation and support.

5. **Comprehensive Community Support Services** covers activities necessary to allow individuals with mental illnesses to live with maximum independence in the community. Activities are intended to assure successful community living through utilization of skills training as identified in the individual treatment plan. Skills training is designed to reduce symptoms associated with a mental health disorder and restore the recipient to his best possible functional level. Comprehensive community support services consists of using a variety of psychiatric rehabilitation techniques to improve daily living skills, self-monitoring of symptoms and side effects, improve emotional regulation skills, crisis coping skills and developing and enhancing interpersonal skills.

1. **Applied Behavior Analysis (ABA)**

In accordance with KRS 319C.010, applied behavior analysis is described as the design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior, including the use of direct observation, measurement, and functional analysis of the relationship between environment and behavior. Applied behavior analysis interventions are based on scientific research and the direct observation and measurement of behavior and environment which utilize contextual factors, establishing operations, antecedent stimuli, positive reinforcement, and other consequences to help people develop new behaviors, increase or decrease existing behaviors, and elicit behaviors under specific environmental conditions.

Applied behavioral analysis services should apply principles, methods, and procedures of the experimental analysis of behavior and applied behavior analysis, including but not limited to applications of those principles, methods, and procedures to: Design, implement, evaluate, and modify treatment programs to change the behavior of individuals; Design, implement, evaluate, and modify treatment programs to change the behavior of individuals that interact with a recipient; Design, implement, evaluate, and modify treatment programs to change the behavior of a group or groups that interact with a recipient; and Consult with individuals and organizations.

1. All recipients who are appropriately placed in any level of withdrawal management must meet the most current edition of diagnostic criteria for substance withdrawal disorder found in the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association,

as well as the most current edition of the ASAM criteria dimensions of care for admission. Services may require prior authorization determined by each MCO.

6.4- BH Assessment Tools

6.4.1- BH Please specify or describe all of the tool(s) required by the state and/or each managed care entity:

- ASAM Criteria (American Society Addiction Medicine)
 - Mental Health
 - Substance Use Disorders

- InterQual
 - Mental Health
 - Substance Use Disorders

- MCG Care Guidelines
 - Mental Health
 - Substance Use Disorders

- CALOCUS/LOCUS (Child and Adolescent Level of Care Utilization System)
 - Mental Health
 - Substance Use Disorders

- CASII (Child and Adolescent Service Intensity Instrument)
 - Mental Health
 - Substance Use Disorders

- CANS (Child and Adolescent Needs and Strengths)
 - Mental Health
 - Substance Use Disorders

- State-specific criteria (e.g. state law or policies) (please describe)
 - Mental Health
 - Substance Use Disorders

- Plan-specific criteria (please describe)
 - Mental Health
 - Substance Use Disorders

- Other (please describe)
 - Mental Health
 - Substance Use Disorders

- No specific criteria or tools are required
 Mental Health Substance Use Disorders

The contractor shall adopt Interqual for Medical Necessity and shall utilize the American Society of Addiction Medicine (ASAM) for substance use. If Interqual does not cover a behavioral health service, the Contractor shall adopt the following standardized tools for medical necessity determinations:

For adults: Level of Care Utilization System (LOCUS); For children: Child and Adolescent Service Intensity Instrument (CASII) or the Child and Adolescent Needs and Strengths Scale (CANS); for young children; Early Childhood Service Intensity Instrument (ECSII).

Guidance: Examples of facilitation efforts include requiring managed care organizations and their networks to use such tools to determine possible treatments or plans of care, providing education, training, and technical resources, and covering the costs of administering or purchasing the assessment tools. The state will provide all behavioral health benefits consistent with 42 CFR 457.495 to ensure there are procedures in place to access covered services as well as appropriate and timely treatment and monitoring of children with chronic, complex or serious conditions.

Guidance: Examples of facilitation efforts include requiring managed care organizations and their networks to use such tools to determine possible treatments or plans of care, providing education, training, and technical resources, and covering the costs of administering or purchasing the assessment tools.

6.4.2- BH Please describe the state’s strategy to facilitate the use of validated assessment tools for the treatment of behavioral health conditions.

Under Kentucky’s Managed Care Organization contracts, plans and provider networks are required to use ASAM for SUD and InterQual for mental health conditions.

The MCOs have provider manuals for Behavioral Health services and the Department for Behavioral Health, Developmental and Intellectual Disabilities as our Mental Health State Authority offer trainings and resources to providers in our State on evidence based practices and tools. Providers receive updates annually and as often as changes are made.

6.2.5- BH Covered Benefits The State assures the following related to the provision of behavioral health benefits in CHIP:

All behavioral health benefits are provided in a culturally and linguistically appropriate manner consistent with the requirements of section 2103(c)(6), regardless of delivery system.

The state will provide all behavioral health benefits consistent with 42 CFR 457.495 to ensure there are procedures in place to access covered services as well as appropriate and timely treatment and monitoring of children with chronic, complex or serious conditions.

6.2-DC Dental Coverage (CHIPRA # 7, SHO # #09-012 issued October 7, 2009) The State will provide dental coverage to children through one of the following. Please update Sections 9.10 and 10.3-DC when electing this option. Dental services provided to children eligible for dental-only supplemental services must receive the same dental services as provided to otherwise eligible CHIP children (Section 2103(a)(5)):

6.2.1-DC **State Specific Dental Benefit Package.** The State assures dental services represented by the following categories of common dental terminology (CDT¹) codes are included in the dental benefits:

1. Diagnostic (i.e., clinical exams, x-rays) (CDT codes: D0100-D0999) (must follow periodicity schedule)
2. Preventive (i.e., dental prophylaxis, topical fluoride treatments, sealants) (CDT codes: D1000-D1999) (must follow periodicity schedule)
3. Restorative (i.e., fillings, crowns) (CDT codes: D2000-D2999)
4. Endodontic (i.e., root canals) (CDT codes: D3000-D3999)
5. Periodontic (treatment of gum disease) (CDT codes: D4000-D4999)
6. Prosthodontic (dentures) (CDT codes: D5000-D5899, D5900-D5999, and D6200-D6999)
7. Oral and Maxillofacial Surgery (i.e., extractions of teeth and other oral surgical procedures) (CDT codes: D7000-D7999)
8. Orthodontics (i.e., braces) (CDT codes: D8000-D8999)
9. Emergency Dental Services

6.2.1.1-DC **Periodicity Schedule.** The State has adopted the following periodicity schedule:

- State-developed Medicaid-specific
- American Academy of Pediatric Dentistry
- Other Nationally recognized periodicity schedule
- Other (description attached)

6.2.2-DC **Benchmark coverage;** (Section 2103(c)(5), 42 CFR 457.410, and 42 CFR 457.420)

6.2.2.1-DC **FEHBP-equivalent coverage;** (Section 2103(c)(5)(C)(i)) (If checked, attach copy of the dental supplemental plan benefits description and the applicable CDT² codes. If the State chooses to provide supplemental

services, also attach a description of the services and applicable CDT codes)

6.2.2.2-DC State employee coverage; (Section 2103(c)(5)(C)(ii)) (If checked, identify the plan and attach a copy of the benefits description and the applicable CDT codes. If the State chooses to provide supplemental services, also attach a description of the services and applicable CDT codes)

6.2.2.3-DC HMO with largest insured commercial enrollment (Section 2103(c)(5)(C)(iii)) (If checked, identify the plan and attach a copy of the benefits description and the applicable CDT codes. If the State chooses to provide supplemental services, also attach a description of the services and applicable CDT codes)

6.2-DS **Supplemental Dental Coverage-** The State will provide dental coverage to children eligible for dental-only supplemental services. Children eligible for this option must receive the same dental services as provided to otherwise eligible CHIP children (Section 2110(b)(5)(C)(ii)). Please update Sections 1.1-DS, 4.1-DS, 4.2-DS, and 9.10 when electing this option.

Guidance: Under Title XXI, pre-existing condition exclusions are not allowed, with the only exception being in relation to another law in existence (HIPAA/ERISA). Indicate that the plan adheres to this requirement by checking the applicable description.

In the event that the State provides benefits through a group health plan or group health coverage, or provides family coverage through a group health plan under a waiver (see Section 6.4.2.), pre-existing condition limits are allowed to the extent permitted by HIPAA/ERISA. If the State is contracting with a group health plan or provides benefits through group health coverage, describe briefly any limitations on pre-existing conditions. (Formerly 8.6.)

6.2- MHPAEA Section 2103(c)(6)(A) of the Social Security Act requires that, to the extent that it provides both medical/surgical benefits and mental health or substance use disorder benefits, a State child health plan ensures that financial requirements and treatment limitations applicable to mental health and substance use disorder benefits comply with the mental health parity requirements of section 2705(a) of the Public Health Service Act in the same manner that such requirements apply to a group health plan. If the state child health plan provides for delivery of services through a managed care arrangement, this requirement applies to both the state and managed care plans. These requirements are also applicable to any additional benefits provided voluntarily to the child health plan population by managed care entities and will be considered as part of CMS's contract review process at 457.1201(l).

Kentucky received approval of its parity SPA, KY-18-0001-CHIP, on 4/19/2019 for children that were

in the CHIP state plan prior to transitioning to a Medicaid expansion program. The state uses the same health plans and delivery system for pregnant individuals. The following approved parity pages are also applicable to pregnant individuals.

6.2.1- MHPAEA Before completing a parity analysis, the State must determine whether each covered benefit is a medical/surgical, mental health, or substance use disorder benefit based on a standard that is consistent with state and federal law and generally recognized independent standards of medical practice (§457.496(f)(1)(i)).

6.2.1.1- MHPAEA Please choose the standard(s) the state uses to determine whether a covered benefit is a medical/surgical benefit, mental health benefit, or substance use disorder benefit. The most current version of the standard elected must be used. If different standards are used for the different benefit types, please specify the benefit type(s) to which each standard is applied. If “Other” is selected, please provide a description of that standard.

- International Classification of Disease (ICD)
- Diagnostic and Statistical Manual of Mental Disorders (DSM)
- State guidelines
- Other (Describe: _____)

6.2.1.2- MHPAEA Does the State provide mental health and/or substance use disorder benefits?

- Yes
- No

Guidance: If the State does not provide any mental health or substance use disorder benefits, the mental health parity requirements do not apply ((§457.496(f)(1)). Continue on to Section 6.3.

6.2.2- MHPAEA Section 2103(c)(6)(B) of the Act provides that to the extent a State child health plan includes coverage of early and periodic screening, diagnostic, and treatment services (EPSDT) defined in section 1905(r) of the Act and provided in accordance with section 1902(a)(43) of the Act, the plan shall be deemed to satisfy the parity requirements of section 2103(c)(6)(A) of the Act.

6.2.2.1- MHPAEA Does the State child health plan provide coverage of EPSDT? The State must provide for coverage of EPSDT benefits, consistent with Medicaid statutory requirements, as indicated in section 6.2.26 of the State child health plan in order to answer “yes.”

- Yes

No

Guidance: If the State child health plan *does not* provide EPSDT consistent with Medicaid statutory requirements at sections 1902(a)(43) and 1905(r) of the Act, please go to Section 6.2.3- MHPAEA to complete the required parity analysis of the State child health plan.

If the state *does* provide EPSDT benefits consistent with Medicaid requirements, please continue this section to demonstrate compliance with the statutory requirements of section 2103(c)(6)(B) of the Act and the mental health parity regulations of §457.496(b) related to deemed compliance.

6.2.2.2- MHPAEA EPSDT benefits are provided to the following:

All children covered under the State child health plan

A subset of children covered under the State child health plan.

Please describe the different populations (if applicable) covered under the State child health plan that are provided EPSDT benefits consistent with Medicaid statutory requirements.

Guidance: If only a subset of children are provided EPSDT benefits under the State child health plan, §457.496(b)(3) limits deemed compliance to those children only and you must complete Section 6.2.3- MHPAEA to complete the required parity analysis for the other children.

6.2.2.3- MHPAEA To be deemed compliant with the MHPAEA parity requirements, States must provide EPSDT in accordance with sections 1902(a)(43) and 1905(r) of the Act (§457.496(b)(2)). The State assures each of the following for children eligible for EPSDT under the separate State child health plan:

All screening services, including screenings for mental health and substance use disorder conditions, are provided at intervals that align with a periodicity schedule that meets reasonable standards of medical or dental practice as well as when medically necessary to determine the existence of suspected illness or conditions (Section 1905(r)).

All diagnostic services described in 1905(a) of the Act are provided as needed to diagnose suspected conditions or illnesses discovered through screening services,

whether or not those services are covered under the Medicaid state plan (Section 1905(r)).

All items and services described in section 1905(a) of the Act are provided when needed to correct or ameliorate a defect or any physical or mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the Medicaid State plan (Section 1905(r)(5)).

Treatment limitations applied to services provided under the EPSDT benefit are not limited based on a monetary cap or budgetary constraints and may be exceeded as medically necessary to correct or ameliorate a medical or physical condition or illness (Section 1905(r)(5)).

Non-quantitative treatment limitations, such as definitions of medical necessity or criteria for medical necessity, are applied in an individualized manner that does not preclude coverage of any items or services necessary to correct or ameliorate any medical or physical condition or illness (Section 1905(r)(5)).

EPSDT benefits are not excluded on the basis of any condition, disorder, or diagnosis (Section 1905(r)(5)).

The provision of all requested EPSDT screening services, as well as any corrective treatments needed based on those screening services, are provided or arranged for as necessary (Section 1902(a)(43)).

All families with children eligible for the EPSDT benefit under the separate State child health plan are provided information and informed about the full range of services available to them (Section 1902(a)(43)(A)).

All areas above apply to all State Plans except for KCHIP III recipients. They do not receive EPSDT special services, but receive all screenings. EPSDT Special Services may be preventive, diagnostic or treatment, or rehabilitative. The Special Service benefits are not MH/SUD related.

Guidance: For states seeking deemed compliance for their entire State child health plan population, please continue to Section 6.3. If not all of the covered populations are offered EPSDT, the State must conduct a parity analysis of the benefit packages provided to those populations. Please continue to 6.2.3-MHPAEA.

Mental Health Parity Analysis Requirements for States Not Providing EPSDT to All Covered Populations

Guidance: The State must complete a parity analysis for each population under the State child health plan that is not provided the EPSDT benefit consistent with the requirements §457.496(b). If the State provides benefits or limitations that vary within the child or pregnant woman populations, states should perform a parity analysis for each of the benefit packages. For example, if different financial requirements are applied according to a beneficiary's income, a separate parity analysis is needed for the benefit package provided at each income level.

6.2.3- MHPAEA In order to conduct the parity analysis, the State must place all medical/surgical and mental health and substance use disorder benefits covered under the State child health plan into one of four classifications: Inpatient, outpatient, emergency care, and prescription drugs (§§457.496(d)(2)(ii); 457.496(d)(3)(ii)(B)).

6.2.3.1 MHPAEA Please describe below the standard(s) used to place covered benefits into one of the four classifications.

6.2.3.1.1 MHPAEA The state assures that:

- The State has classified all benefits covered under the State plan into one of the four classifications.
- The same reasonable standards are used for determining the classification for a mental health or substance use disorder benefit as are used for determining the classification of medical/surgical benefits.

6.2.3.1.2- MHPAEA Does the state use sub-classifications to distinguish between office visits and other outpatient services?

- Yes
- No

6.2.3.1.2.1- MHPAEA If the State uses sub-classifications to distinguish between

outpatient office visits and other outpatient services, the State assures the following:

- The sub-classifications are only used to distinguish office visits from other outpatient items and services, and are not used to distinguish between similar services on other bases (ex: generalist vs. specialist visits).

Guidance: For purposes of this section, any reference to “classification(s)” includes sub-classification(s) in states using sub-classifications to distinguish between outpatient office visits from other outpatient services.

6.2.3.2 MHPAEA The State assures that:

- Mental health/ substance use disorder benefits are provided in all classifications in which medical/surgical benefits are provided under the State child health plan.

Guidance: States are not required to cover mental health or substance use disorder benefits. However if a state does provide any mental health or substance use disorders, those mental health or substance use disorder benefits must be provided in all the same classifications in which medical/surgical benefits are covered under the State child health plan.

Annual and Aggregate Lifetime Limits

6.2.4- MHPAEA A State that provides both medical/surgical benefits and mental health and/or substance use disorder benefits must comply with parity requirements related to annual and aggregate lifetime dollar limits for benefits covered under the State child health plan (§457.496(c)).

6.2.4.1- MHPAEA Please indicate whether the State applies an aggregate lifetime dollar limit and/or an annual dollar limit on any mental health or substance abuse disorder benefits covered under the State child health plan.

- Aggregate lifetime dollar limit is applied
- Aggregate annual dollar limit is applied
- No dollar limit is applied

Guidance: If there are no aggregate lifetime or annual dollar limit on any mental health or substance use disorder benefits, please go to section 6.2.5- MHPAEA.

6.2.4.2- MHPAEA Are there any medical/surgical benefits covered under the State child health plan that have either an aggregate lifetime dollar limit or an annual dollar limit? If yes, please specify what type of limits apply.

Yes (Type(s) of limit: _____)

No

Guidance: If no aggregate lifetime dollar limit is applied to medical/ surgical benefits, the State may not impose an aggregate lifetime dollar limit on *any* mental health or substance use disorder benefits. If no aggregate annual dollar limit is applied to medical/surgical benefits, the State may not impose an aggregate annual dollar limit on *any* mental health or substance use disorder benefits (§457.496(c)(1)).

6.2.4.3 – MHPAEA. States applying an aggregate lifetime or annual dollar limit on medical/surgical benefits and mental health or substance use disorder benefits must determine whether the portion of the medical/surgical benefits to which the limit applies is less than one-third, at least one-third but less than two-thirds, or at least two-thirds of all medical/surgical benefits covered under the State plan (457.496(c)).

The portion of medical/surgical benefits subject to the limit is based on the dollar amount expected to be paid for all medical/surgical benefits under the State plan for the State plan year or portion of the plan year after a change in benefits that affects the applicability of the aggregate lifetime or annual dollar limits (457.496(c)(3)).

The State assures that it has developed a reasonable methodology to calculate the portion of covered medical/surgical benefits which are subject to the aggregate lifetime and/or annual dollar limit, as applicable.

Guidance: Please include the state’s methodology to calculate the portion of covered medical/surgical benefits which are subject to the aggregate lifetime and/or annual dollar limit, as applicable, as an attachment to the State child health plan.

6.2.4.3.1- MHPAEA Please indicate the portion of the total costs for medical and surgical benefits covered under the State plan which are subject to a lifetime dollar limit:

Less than 1/3

At least 1/3 and less than 2/3

At least 2/3

6.2.4.3.2- MHPAEA Please indicate the portion of the total costs for medical and

surgical benefits covered under the State plan which are subject to an annual dollar limit:

- Less than 1/3
- At least 1/3 and less than 2/3
- At least 2/3

Guidance: If an aggregate lifetime limit is applied to less than one-third of all medical/surgical benefits, the State may not impose an aggregate lifetime limit on *any* mental health or substance use disorder benefits. If an annual dollar limit is applied to less than one-third of all medical surgical benefits, the State may not impose an annual dollar limit on *any* mental health or substance use disorder benefits (§457.496(c)(1)). Skip to section 6.2.5-MHPAEA.

If the State applies an aggregate lifetime or annual dollar limit to at least one-third of all medical/surgical benefits, please continue below to provide the assurances related to the determination of the portion of total costs for medical/surgical benefits that are subject to either an annual or lifetime limit.

6.2.4.3.2.1- MHPAEA If the State applies an aggregate lifetime or annual dollar limit to at least 1/3 and less than 2/3 of all medical/surgical benefits, the State assures the following (§§457.496(c)(4)(i)(B); 457.496(c)(4)(ii)):

- The State applies an aggregate lifetime or annual dollar limit on mental health or substance use disorder benefits that is no more restrictive than an average limit calculated for medical/surgical benefits.

Guidance: The state's methodology for calculating the average limit for medical/surgical benefits must be consistent with §§457.496(c)(4)(i)(B) and 457.496(c)(4)(ii). Please include the state's methodology as an attachment to the State child health plan.

6.2.4.3.2.2- MHPAEA If at least 2/3 of all medical/surgical benefits are subject to an annual or lifetime limit, the State assures either of the following (§457.496(c)(2)(i); (§457.496(c)(2)(ii)):

- The aggregate lifetime or annual dollar limit is applied to both medical/surgical benefits and mental health and substance use disorder benefits in a manner that does not distinguish between

medical/surgical benefits and mental health and substance use disorder benefits; or

The aggregate lifetime or annual dollar limit placed on mental health and substance use disorder benefits is no more restrictive than the aggregate lifetime or annual dollar limit on medical/surgical benefits.

Quantitative Treatment Limitations

6.2.5- MHPAEA Does the St

ate apply quantitative treatment limitations (QTLs) on any mental health or substance use disorder benefits in any classification of benefits? If yes, specify the classification(s) of benefits in which the State applies one or more QTLs on any mental health or substance use disorder benefits.

Yes (Specify:)

No

Guidance: If the state does not apply any type of QTLs on any mental health or substance use disorder benefits in any classification, the state meets parity requirements for QTLs and should continue to Section 6.2.6 - MHPAEA. If the state does apply financial requirements to any mental health or substance use disorder benefits, the state must conduct a parity analysis. Please continue.

6.2.5.1- MHPAEA Does the State apply any type of QTL on any medical/surgical benefits?

Yes

No

Guidance: If the State does not apply QTLs on any medical/surgical benefits, the State may not impose quantitative treatment limitations on mental health or substance use disorder benefits, please go to Section 6.2.6- MHPAEA related to non-quantitative treatment limitations.

6.2.5.2- MHPAEA Within each classification of benefits in which the State applies a type of QTL on any mental health or substance use disorder benefits, the State must determine the proportion of medical and surgical benefits in the class which are subject to the limitation. More specifically, the State must determine the ratio of (a) the dollar amount of all payments expected to be paid under the State plan for medical and surgical benefits within a classification which are subject to the type quantitative treatment limitation for the plan year (or portion of the plan year

after a mid-year change affecting the applicability of a type of quantitative treatment limitation to any medical/surgical benefits in the class) to (b) the dollar amount expected to be paid for all medical and surgical benefits within the classification for the plan year. For purposes of this paragraph all payments expected to be paid under the State plan includes payments expected to be made directly by the State and payments which are expected to be made by MCEs contracting with the State. (§457.496(d)(3)(i)(C))

The State assures it has applied a reasonable methodology to determine the dollar amounts used in the ratio described above for each classification within which the State applies QTLs to mental health or substance use disorder benefits. (§457.496(d)(3)(i)(E))

Guidance: Please include the state’s methodology as an attachment to the State child health plan.

6.2.5.3- MHPAEA For each type of QTL applied to any mental health or substance use disorder benefits within a given classification, does the State apply the same type of QTL to “substantially all” (defined as at least two-thirds) of the medical/surgical benefits within the same classification? (§457.496(d)(3)(i)(A))

Yes

No

Guidance: If the State does not apply a type of QTL to substantially all medical/surgical benefits in a given classification of benefits, the State may not impose that type of QTL on mental health or substance use disorder benefits in that classification. (§457.496(d)(3)(i)(A))

6.2.5.3.1- MHPAEA For each type of QTL applied to mental health or substance use disorder benefits, the State must determine the predominant level of that type which is applied to medical/surgical benefits in the classification. The “predominant level” of a type of QTL in a classification is the level (or least restrictive of a combination of levels) that applies to more than one-half of the medical/surgical benefits in that classification, as described in §§457.496(d)(3)(i)(B). The portion of medical/surgical benefits in a classification to which a given level of a QTL type is applied is based on the dollar amount of payments expected to be paid for medical/surgical benefits subject to that level as compared to all medical/surgical benefits in the classification, as described in §457.496(d)(3)(i)(C). For each type of quantitative treatment limitation applied to mental health or substance use disorder benefits, the State assures:

The same reasonable methodology applied in determining the dollar amounts used to determine whether substantially all medical/surgical benefits within a classification are subject to a type of quantitative treatment limitation also is

applied in determining the dollar amounts used to determine the predominant level of a type of quantitative treatment limitation applied to medical/surgical benefits within a classification. (§457.496(d)(3)(i)(E))

The level of each type of quantitative treatment limitation applied by the State to mental health or substance use disorder benefits in any classification is no more restrictive than the predominate level of that type which is applied by the State to medical/surgical benefits within the same classification. (§457.496(d)(2)(i))

Guidance: If there is no single level of a type of QTL that exceeds the one-half threshold, the State may combine levels within a type of QTL such that the combined levels are applied to at least half of all medical/surgical benefits within a classification; the predominate level is the least restrictive level of the levels combined to meet the one-half threshold (§457.496(d)(3)(i)(B)(2)).

Non-Quantitative Treatment Limitations

6.2.6- MHPAEA The State may utilize non-quantitative treatment limitations (NQTLs) for mental health or substance use disorder benefits, but the State must ensure that those NQTLs comply with all the mental health parity requirements (§§457.496(d)(4); 457.496(d)(5)).

6.2.6.1 – MHPAEA If the State imposes any NQTLs, complete this subsection. If the State does not impose NQTLs, please go to Section 6.2.7-MHPAEA.

The State assures that the processes, strategies, evidentiary standards or other factors used in the application of any NQTL to mental health or substance use disorder benefits are no more stringent than the processes, strategies, evidentiary standards or other factors used in the application of NQTLs to medical/surgical benefits within the same classification.

Guidance: Examples of NQTLs include medical management standards to limit or exclude benefits based on medical necessity, restrictions based on geographic location, provider specialty, or other criteria to limit the scope or duration of benefits, provider reimbursement rates and provider network design (ex: preferred providers vs. participating providers). Additional examples of possible NQTLs are provided in §457.496(d)(4)(ii).

6.2.6.2 – MHPAEA The State or MCE contracting with the State must comply with parity if they provide coverage of medical or surgical benefits furnished by out-of-network providers.

6.2.6.2.1- MHPAEA Does the state or MCE contracting with the State provide coverage of services provided by out of network providers?

Yes

No

6.2.6.2.2- MHPAEA If yes, please assure the following:

The State attests that when determining access to out-of-network providers within a benefit classification, the processes, strategies, evidentiary standards, or other factors used to determine access to those providers for mental health/ substance use disorder benefits are comparable to and applied no more stringently than the processes, strategies, evidentiary standards or other factors used to determine access for out- of-network providers for medical/surgical benefits.

Availability of Plan Information

6.2.7- MHPAEA The State must provide beneficiaries, potential enrollees, and providers with information related to medical necessity criteria and denials of payment or reimbursement for mental health or substance use disorder services.

6.2.7.1- MHPAEA Medical necessity criteria determinations must be made available to any current or potential enrollee or contracting provider, upon request. The state attests that the following entities provide this information:

State

Managed Care entities

Both

6.2.7.2- MHPAEA Reason for any denial for reimbursement or payment for mental health or substance use disorder benefits must be made available to the enrollee by the health plan or the State. The state attests that the following entities provide denial information:

State

Managed Care entities

Both

6.3. The State assures that, with respect to pre-existing medical conditions, one of the following two statements applies to its plan: (42CFR 457.480)

- 6.3.1. The State shall not permit the imposition of any pre-existing medical condition exclusion for covered services (Section 2102(b)(1)(B)(ii)); OR
- 6.3.2. The State contracts with a group health plan or group health insurance coverage, or contracts with a group health plan to provide family coverage under a waiver (see Section 6.6.2. (formerly 6.4.2) of the template). Pre-existing medical conditions are permitted to the extent allowed by HIPAA/ERISA. (Formerly 8.6.) (Section 2103(f)) Describe:

Guidance: States may request two additional purchase options in Title XXI: cost effective coverage through a community-based health delivery system and for the purchase of family coverage. (Section 2105(c)(2) and (3)) (457.1005 and 457.1010)

6.4. Additional Purchase Options- If the State wishes to provide services under the plan through cost effective alternatives or the purchase of family coverage, it must request the appropriate option. To be approved, the State must address the following: (Section 2105(c)(2) and (3)) (42 CFR 457.1005 and 457.1010)

- 6.4.1. **Cost Effective Coverage-** Payment may be made to a State in excess of the 10 percent limitation on use of funds for payments for: 1) other child health assistance for targeted low-income children; 2) expenditures for health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children); 3) expenditures for outreach activities as provided in Section 2102(c)(1) under the plan; and 4) other reasonable costs incurred by the State to administer the plan, if it demonstrates the following (42CFR 457.1005(a)):

6.4.1.1. Coverage provided to targeted low-income children through such expenditures must meet the coverage requirements above; Describe the coverage provided by the alternative delivery system. The State may cross reference Section 6.2.1 - 6.2.28. (Section 2105(c)(2)(B)(i)) (42CFR 457.1005(b))

6.4.1.2. The cost of such coverage must not be greater, on an average per child basis, than the cost of coverage that would otherwise be provided for the coverage described above; Describe the cost of such coverage on an average per child basis. (Section 2105(c)(2)(B)(ii)) (42CFR 457.1005(b))

Guidance: Check below if the State is requesting to provide cost-effective coverage through a community-based health delivery system. This allows the State to waive the 10 percent limitation on expenditures not used for Medicaid or health insurance assistance if coverage provided to targeted low-income children through such expenditures meets the requirements of Section 2103; the cost of such coverage is not greater, on an average per child

basis, than the cost of coverage that would otherwise be provided under Section 2103; and such coverage is provided through the use of a community-based health delivery system, such as through contracts with health centers receiving funds under Section 330 of the Public Health Services Act or with hospitals such as those that receive disproportionate share payment adjustments under Section 1886(c)(5)(F) or 1923.

If the cost-effective alternative waiver is requested, the State must demonstrate that payments in excess of the 10 percent limitation will be used for other child health assistance for targeted low-income children; expenditures for health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children); expenditures for outreach activities as provided in Section 2102(c)(1) under the plan; and other reasonable costs incurred by the State to administer the plan. (42CFR, 457.1005(a))

- 6.4.1.3.** The coverage must be provided through the use of a community based health delivery system, such as through contracts with health centers receiving funds under Section 330 of the Public Health Service Act or with hospitals such as those that receive disproportionate share payment adjustments under Section 1886(c)(5)(F) or 1923 of the Social Security Act. Describe the community-based delivery system. (Section 2105(c)(2)(B)(iii)) (42CFR 457.1005(a))

Guidance: Check 6.4.2.if the State is requesting to purchase family coverage. Any State requesting to purchase such coverage will need to include information that establishes to the Secretary’s satisfaction that: 1) when compared to the amount of money that would have been paid to cover only the children involved with a comparable package, the purchase of family coverage is cost effective; and 2) the purchase of family coverage is not a substitution for coverage already being provided to the child. (Section 2105(c)(3)) (42CFR 457.1010)

- 6.4.2.** **Purchase of Family Coverage-** Describe the plan to purchase family coverage. Payment may be made to a State for the purpose of family coverage under a group health plan or health insurance coverage that includes coverage of targeted low-income children, if it demonstrates the following: (Section 2105(c)(3)) (42CFR 457.1010)

- 6.4.2.1.** Purchase of family coverage is cost-effective. The State’s cost of purchasing family coverage, including administrative expenditures, that includes coverage for the targeted low-income children involved or the family involved (as applicable) under premium assistance programs must not be greater than the cost of obtaining coverage under the State plan for

all eligible targeted low-income children or families involved; and (2) The State may base its demonstration of cost effectiveness on an assessment of the cost of coverage, including administrative costs, for children or families under premium assistance programs to the cost of other CHIP coverage for these children or families, done on a case-by-case basis, or on the cost of premium assisted coverage in the aggregate.

6.4.2.2. The State assures that the family coverage would not otherwise substitute for health insurance coverage that would be provided to such children but for the purchase of family coverage. (Section 2105(c)(3)(B)) (42CFR 457.1010(b))

6.4.2.3. The State assures that the coverage for the family otherwise meets title XXI requirements. (42CFR 457.1010(c))

6.4.3-PA: Additional State Options for Providing Premium Assistance (CHIPRA # 13, SHO # 10-002 issued February, 2, 2010) A State may elect to offer a premium assistance subsidy for qualified employer-sponsored coverage, as defined in Section 2105(c)(10)(B), to all targeted low-income children who are eligible for child health assistance under the plan and have access to such coverage. No subsidy shall be provided to a targeted low-income child (or the child's parent) unless the child voluntarily elects to receive such a subsidy. (Section 2105(c)(10)(A)). Please remember to update section 9.10 when electing this option. Does the State provide this option to targeted low-income children?

Yes
 No

6.4.3.1-PA Qualified Employer-Sponsored Coverage and Premium Assistance Subsidy

6.4.3.1.1-PA Provide an assurance that the qualified employer-sponsored insurance meets the definition of qualified employer-sponsored coverage as defined in Section 2105(c)(10)(B), and that the premium assistance subsidy meets the definition of premium assistance subsidy as defined in 2105(c)(10)(C).

6.4.3.1.2-PA Describe whether the State is providing the premium assistance subsidy as reimbursement to an employee or for out-of-pocket expenditures or directly to the employee's employer.

6.4.3.2-PA: Supplemental Coverage for Benefits and Cost Sharing Protections Provided under the Child Health Plan.

6.4.3.2.1-PA If the State is providing premium assistance for qualified employer-sponsored coverage, as defined in Section 2105(c)(10)(E)(i), provide an assurance

that the State is providing for each targeted low-income child enrolled in such coverage, supplemental coverage consisting of all items or services that are not covered or are only partially covered, under the qualified employer-sponsored coverage consistent with 2103(a) and cost sharing protections consistent with Section 2103(e).

6.4.3.2.2-PA Describe whether these benefits are being provided through the employer or by the State providing wraparound benefits.

6.4.3.2.3-PA If the State is providing premium assistance for benchmark or benchmark-equivalent coverage, the State ensures that such group health plans or health insurance coverage offered through an employer will be certified by an actuary as coverage that is equivalent to a benchmark benefit package described in Section 2103(b) or benchmark equivalent coverage that meets the requirements of Section 2103(a)(2).

6.4.3.3-PA: Application of Waiting Period Imposed Under State Plan: States are required to apply the same waiting period to premium assistance as is applied to direct coverage for children under their CHIP State plan, as specified in Section 2105(c)(10)(F).

6.4.3.3.1-PA Provide an assurance that the waiting period for children in premium assistance is the same as for those children in direct coverage (if State has a waiting period in place for children in direct CHIP coverage).

6.4.3.4-PA: Opt-Out and Outreach, Education, and Enrollment Assistance

6.4.3.4.1-PA Describe the State's process for ensuring parents are permitted to disenroll their child from qualified employer-sponsored coverage and to enroll in CHIP effective on the first day of any month for which the child is eligible for such assistance and in a manner that ensures continuity of coverage for the child (Section 2105(c)(10)(G)).

6.4.3.4.2-PA Describe the State's outreach, education, and enrollment efforts related to premium assistance programs, as required under Section 2102(c)(3). How does the State inform families of the availability of premium assistance, and assist them in obtaining such subsidies? What are the specific significant resources the State intends to apply to educate employers about the availability of premium assistance subsidies under the State child health plan? (Section 2102(c))

6.4.3.5-PA Purchasing Pool- A State may establish an employer-family premium assistance purchasing pool and may provide a premium assistance subsidy

for enrollment in coverage made available through this pool (Section 2105(c)(10)(I)). Does the State provide this option?

- Yes
 No

6.6.3.5.1-PA Describe the plan to establish an employer-family premium assistance purchasing pool.

6.6.3.5.2-PA Provide an assurance that employers who are eligible to participate: 1) have less than 250 employees; 2) have at least one employee who is a pregnant woman eligible for CHIP or a member of a family that has at least one child eligible under the State's CHIP plan.

6.6.3.5.3-PA Provide an assurance that the State will not claim for any administrative expenditures attributable to the establishment or operation of such a pool except to the extent such payment would otherwise be permitted under this title.

6.4.3.6-PA Notice of Availability of Premium Assistance- Describe the procedures that assure that if a State provides premium assistance subsidies under this Section, it must: 1) provide as part of the application and enrollment process, information describing the availability of premium assistance and how to elect to obtain a subsidy; and 2) establish other procedures to ensure that parents are fully informed of the choices for child health assistance or through the receipt of premium assistance subsidies (Section 2105(c)(10)(K)).

6.4.3.6.1-PA Provide an assurance that the State includes information about premium assistance on the CHIP application or enrollment form.

Section 7. Quality and Appropriateness of Care

Guidance: Methods for Evaluating and Monitoring Quality- Methods to assure quality include the application of performance measures, quality standards consumer information strategies, and other quality improvement strategies.

Performance measurement strategies could include using measurements for external reporting either to the State or to consumers and for internal quality improvement purposes. They could be based on existing measurement sets that have undergone rigorous evaluation for their appropriateness (e.g., HEDIS). They may include the use of standardized member satisfaction surveys (e.g., CAHPS) to assess members' experience of care along key dimensions such as access, satisfaction, and system performance.

Quality standards are often used to assure the presence of structural and process measures that promote quality and could include such approaches as: the use of external and periodic review of health plans by groups such as the National Committee for Quality Assurance; the establishment of standards related to consumer protection and quality such as those developed by the National Association of Insurance Commissioners; and the formation of an advisory group to the State or plan to facilitate consumer and community participation in the plan.

Information strategies could include: the disclosure of information to beneficiaries about their benefits under the plan and their rights and responsibilities; the provision of comparative information to consumers on the performance of available health plans and providers; and consumer education strategies on how to access and effectively use health insurance coverage to maximize quality of care.

Quality improvement strategies should include the establishment of quantified quality improvement goals for the plan or the State and provider education. Other strategies include specific purchasing specifications, ongoing contract monitoring mechanisms, focus groups, etc.

Where States use managed care organizations to deliver CHIP care, recent legal changes require the State to use managed care quality standards and quality strategies similar to those used in Medicaid managed care.

Tools for Evaluating and Monitoring Quality- Tools and types of information available include, HEDIS (Health Employer Data Information Set) measures, CAHPS (Consumer Assessments of Health Plans Study) measures, vital statistics data, and State health registries (e.g., immunization registries).

Quality monitoring may be done by external quality review organizations, or, if the State wishes, internally by a State board or agency independent of the State CHIP Agency. Establishing grievance measures is also an important aspect of monitoring.

- Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan, and continue on to Section 8.

Guidance: The State must specify the qualifications of entities that will provide coverage and the conditions of participation. States should also define the quality standard they are using, for example, NCQA Standards or other professional standards. Any description of the information strategies used should be linked to Section 9. (Section 2102(a)(7)(A)) (42CFR, 457.495)

- 7.1. Describe the methods (including external and internal monitoring) used to assure the

quality and appropriateness of care, particularly with respect to well-baby care, well-child care, and immunizations provided under the plan. (Section 2102(a)(7)(A)) (42CFR 457.495(a)) Will the State utilize any of the following tools to assure quality? (Check all that apply and describe the activities for any categories utilized.)

- 7.1.1. Quality standards
NCQA accreditation standards and Health Plan Employer Data and Information Set (HEDIS)
- 7.1.2. Performance measurement
UM-06 Reports from MCOs to measure maternal health and birth outcomes and Kentucky Immunization Registry
 - 7.1.2 (a) CHIPRA Quality Core Set
 - 7.1.2 (b) Other
- 7.1.3. Information strategies
Consumer Assessment of Health Plan Survey (CAHPS) data, UM-06 Reports from MCOs to ascertain information strategies
- 7.1.4. Quality improvement strategies
Consumer Assessment of Health Plan Survey (CAHPS) data

Guidance: Provide a brief description of methods to be used to assure access to covered services, including a description of how the State will assure the quality and appropriateness of the care provided. The State should consider whether there are sufficient providers of care for the newly enrolled populations and whether there is reasonable access to care. (Section 2102(a)(7)(B))

KCHIP will use quality standards, performance measures, information, and quality improvement strategies to assure high-quality care by using quality assurance methods and tools such as NCQA accreditation standards, Health Plan Employer Data and Information Set (HEDIS), Consumer Assessment of Health Plan Survey (CAHPS) data and/or other quality improvement data. Quality measures are required of all managed care entities providing coverage and services to the KCHIP enrollees. CAHPS is used for the KCHIP population under a Managed care system. Access and utilization data are also maintained and analyzed for the managed care system. Each Managed Care Organization submits quarterly reports titled ‘UM – 06 Activities Related to EPSDT, Pregnant Women, Maternal and Infant Death’. These reports are analyzed to monitor maternal health and birth outcomes. Kentucky uses a statewide Immunization Registry (KYIR), which may be used to evaluate recommended vaccine uptake among pregnant individuals.

7.2. Describe the methods used, including monitoring, to assure: (Section 2102(a)(7)(B)) (42CFR 457.495)

- 7.2.1.** Access to well-baby care, well-child care, well-adolescent care and childhood and adolescent immunizations. (Section 2102(a)(7)) (42CFR 457.495(a))
- 7.2.2.** Access to covered services, including emergency services as defined in 42 CFR 457.10. (Section 2102(a)(7)) 42CFR 457.495(b))
- 7.2.3.** Appropriate and timely procedures to monitor and treat enrollees with chronic, complex, or serious medical conditions, including access to an adequate number of visits to specialists experienced in treating the specific medical condition and access to out-of-network providers when the network is not adequate for the enrollee's medical condition. (Section 2102(a)(7)) (42CFR 457.495(c))
- 7.2.4.** Decisions related to the prior authorization of health services are completed in accordance with State law or, in accordance with the medical needs of the patient, within 14 days after the receipt of a request for services. (Section 2102(a)(7)) (42CFR 457.495(d)) Exigent medical circumstances may require more rapid response according to the medical needs of the patient.

Section 8. Cost-Sharing and Payment

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State’s Medicaid plan, and continue on to Section 9.

8.1. Is cost-sharing imposed on any of the children covered under the plan? (42CFR 457.505) Indicate if this also applies for pregnant women. (CHIPRA #2, SHO # 09-006, issued May 11, 2009)

- 8.1.1. Yes
- 8.1.2. No, skip to question 8.8.

- 8.1.1-PW Yes
- 8.1.2-PW No, skip to question 8.8.

Guidance: It is important to note that for families below 150 percent of poverty, the same limitations on cost sharing that are under the Medicaid program apply. (These cost-sharing limitations have been set forth in Section 1916 of the Social Security Act, as implemented by regulations at 42 CFR 447.50 - 447.59). For families with incomes of 150 percent of poverty and above, cost sharing for all children in the family cannot exceed 5 percent of a family's income per year. Include a statement that no cost sharing will be charged for pregnancy-related services. (CHIPRA #2, SHO # 09-006, issued May 11, 2009) (Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) and (c), 457.515(a) and (c))

8.2. Describe the amount of cost-sharing, any sliding scale based on income, the group or groups of enrollees that may be subject to the charge by age and income (if applicable) and the service for which the charge is imposed or time period for the charge, as appropriate. (Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) and (c), 457.515(a) and (c))

- 8.2.1. Premiums:
- 8.2.2. Deductibles:
- 8.2.3. Coinsurance or copayments:
- 8.2.4. Other:

8.2-DS **Supplemental Dental** (CHIPRA # 7, SHO # #09-012 issued October 7, 2009) For children enrolled in the dental-only supplemental coverage, describe the amount of cost-sharing, specifying any sliding scale based on income. Also describe how the State will track that the cost sharing does not exceed 5 percent of gross family income. The 5

percent of income calculation shall include all cost-sharing for health insurance and dental insurance. (Section 2103(e)(1)(A)) (42 CFR 457.505(a), 457.510(b), and (c), 457.515(a) and (c), and 457.560(a)) Please update Sections 1.1-DS, 4.1-DS, 4.2-DS, 6.2-DS, and 9.10 when electing this option.

8.2.1-DS Premiums:

8.2.2-DS Deductibles:

8.2.3-DS Coinsurance or copayments:

8.2.4-DS Other:

8.3. Describe how the public will be notified, including the public schedule, of this cost sharing (including the cumulative maximum) and changes to these amounts and any differences based on income. (Section 2103(e)(1)(A)) (42CFR 457.505(b))

Guidance: The State should be able to demonstrate upon request its rationale and justification regarding these assurances. This section also addresses limitations on payments for certain expenditures and requirements for maintenance of effort.

8.4. The State assures that it has made the following findings with respect to the cost sharing in its plan: (Section 2103(e))

8.4.1. Cost-sharing does not favor children from higher income families over lower income families. (Section 2103(e)(1)(B)) (42CFR 457.530)

8.4.2. No cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. (Section 2103(e)(2)) (42CFR 457.520)

8.4.3 No additional cost-sharing applies to the costs of emergency medical services delivered outside the network. (Section 2103(e)(1)(A)) (42CFR 457.515(f))

8.4.1- MHPAEA There is no separate accumulation of cumulative financial requirements, as defined in §457.496(a), for mental health and substance abuse disorder benefits compared to medical/surgical benefits (§457.496(d)(3)(iii)).

8.4.2- MHPAEA If applicable, any different levels of financial requirements that are applied to different tiers of prescription drugs are determined based on reasonable factors, regardless of whether a drug is generally prescribed for medical/surgical benefits or mental health/substance use disorder benefits (§457.496(d)(3)(ii)(A)).

8.4.3- MHPAEA Cost sharing applied to benefits provided under the State child health plan will remain capped at five percent of the beneficiary's income as required §457.560 (§457.496(d)(i)(D)).

8.4.4- MHPAEA Does the State apply financial requirements to any mental health or substance use disorder benefits? If yes, specify the classification(s) of benefits in which the State applies financial requirements on any mental health or substance use disorder benefits.

Yes (Specify: _____)

No

Guidance: If the state does not apply financial requirements on any mental health or substance use disorder benefits, the state meets parity requirements for financial requirements. If the state does apply financial requirements to mental health or substance use disorder benefits, the state must conduct a parity analysis. Please continue below.

8.4.5- MHPAEA Does the State apply any type of financial requirements on any medical/surgical benefits?

Yes

No

Guidance: If the State does not apply financial requirements on any medical/surgical benefits, the State may not impose financial requirements on mental health or substance use disorder benefits.

8.4.6- MHPAEA Within each classification of benefits in which the State applies a type of financial requirement on any mental health or substance use disorder benefits, the State must determine the proportion of medical and surgical benefits in the class which are subject to the limitation.

The State assures it has applied a reasonable methodology to determine the dollar amounts used in the ratio described above (Section 6.2.5.2) for each classification or within which the State applies financial requirements to mental health or substance use disorder benefits (§457.496(d)(3)(i)(E)).

Guidance: Please include the state's methodology as an attachment to the State child health plan.

8.4.7- MHPAEA For each type of financial requirement applied to any mental health or substance use disorder benefits within a given classification, does the State apply the same type of financial requirement to at least two-thirds (“substantially all”) of all the medical/surgical benefits within the same classification? (§457.496(d)(3)(i)(A))

Yes

No

Guidance: If the State does not apply a type of financial requirement to substantially all medical/surgical benefits in a given classification of benefits, the State may *not* impose financial requirements on mental health or substance use disorder benefits in that classification. (§457.496(d)(3)(i)(A))

8.4.8- MHPAEA For each type of financial requirement applied to substantially all medical/surgical benefits in a classification, the State must determine the predominant level (as defined in §457.496(d)(3)(i)(B)(1)) of that type which is applied to medical/surgical benefits in the classification. For each type of financial requirement applied to substantially all medical/surgical benefits in a classification, the State assures:

The same reasonable methodology applied in determining the dollar amounts used in determining whether substantially all medical/surgical benefits within a classification are subject to a type of financial requirement also is applied in determining the dollar amounts used to determine the predominant level of a type of financial requirement applied to medical/surgical benefits within a classification. (§457.496(d)(3)(i)(E))

The level of each type of financial requirement applied by the State to mental health or substance use disorder benefits in any classification is no more restrictive than the predominate level of that type which is applied by the State to medical/surgical benefits within the same classification. (§457.496(d)(2)(i))

Guidance: If there is no single level of a type of financial requirement that exceeds the one-half threshold, the State may combine levels within a type of financial requirement such that the combined levels are applied to at least half of all medical/surgical benefits within a classification; the predominate level is the least restrictive level of the levels combined to meet the one-half threshold (§457.496(d)(3)(i)(B)(2)).

- 8.5.** Describe how the State will ensure that the annual aggregate cost-sharing for a family does not exceed 5 percent of such family's income for the length of the child's eligibility period in the State. Include a description of the procedures that do not primarily rely on a refund given by the State for overpayment by an enrollee: (Section 2103(e)(3)(B)) (42CFR 457.560(b) and 457.505(e))
- 8.6.** Describe the procedures the State will use to ensure American Indian (as defined by the Indian Health Care Improvement Act of 1976) and Alaska Native children will be

excluded from cost-sharing. (Section 2103(b)(3)(D)) (42CFR 457.535)

- 8.7.** Provide a description of the consequences for an enrollee or applicant who does not pay a charge. (42CFR 457.570 and 457.505(c))

Guidance: Section 8.7.1 is based on Section 2101(a) of the Act provides that the purpose of title XXI is to provide funds to States to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children in an effective and efficient manner that is coordinated with other sources of health benefits coverage for children.

- 8.7.1.** Provide an assurance that the following disenrollment protections are being applied:

Guidance: Provide a description below of the State's premium grace period process and how the State notifies families of their rights and responsibilities with respect to payment of premiums. (Section 2103(e)(3)(C))

- 8.7.1.1.** State has established a process that gives enrollees reasonable notice of and an opportunity to pay past due premiums, copayments, coinsurance, deductibles or similar fees prior to disenrollment. (42CFR 457.570(a))
- 8.7.1.2.** The disenrollment process affords the enrollee an opportunity to show that the enrollee's family income has declined prior to disenrollment for non-payment of cost-sharing charges. (42CFR 457.570(b))
- 8.7.1.3.** In the instance mentioned above, that the State will facilitate enrolling the child in Medicaid or adjust the child's cost-sharing category as appropriate. (42CFR 457.570(b))
- 8.7.1.4** The State provides the enrollee with an opportunity for an impartial review to address disenrollment from the program. (42CFR 457.570(c))

- 8.8.** The State assures that it has made the following findings with respect to the payment aspects of its plan: (Section 2103(e))

- 8.8.1.** No Federal funds will be used toward State matching requirements. (Section 2105(c)(4)) (42CFR 457.220)
- 8.8.2.** No cost-sharing (including premiums, deductibles, copayments, coinsurance and all other types) will be used toward State matching requirements. (Section 2105(c)(5) (42CFR 457.224) (Previously 8.4.5)
- 8.8.3.** No funds under this title will be used for coverage if a private insurer would have been obligated to provide such assistance except for a provision limiting this obligation because the child is eligible under the this title. (Section 2105(c)(6)(A)) (42CFR 457.626(a)(1))

- 8.8.4. ☒ Income and resource standards and methodologies for determining Medicaid eligibility are not more restrictive than those applied as of June 1, 1997. (Section 2105(d)(1)) (42CFR 457.622(b)(5))
- 8.8.5. ☒ No funds provided under this title or coverage funded by this title will include coverage of abortion except if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest. (Section 2105)(c)(7)(B)) (42CFR 457.475)
- 8.8.6. ☒ No funds provided under this title will be used to pay for any abortion or to assist in the purchase, in whole or in part, for coverage that includes abortion (except as described above). (Section 2105)(c)(7)(A)) (42CFR 457.475)

Section 9. Strategic Objectives and Performance Goals and Plan Administration

Guidance: States should consider aligning its strategic objectives with those discussed in Section II of the CHIP Annual Report.

- 9.1. Describe strategic objectives for increasing the extent of creditable health coverage among targeted low-income children and other low-income children: (Section 2107(a)(2)) (42CFR 457.710(b))

Historical objectives for the original population covered by KCHIP (formerly separate CHIP children) included the following to increase the extent of coverage:

- 1) Improve the health status of Kentucky children with a focus on preventive and early primary care.
- 2) Increase the proportion of children in Kentucky who have creditable health insurance and therefore a usual source of care.
- 3) Reduce the financial barriers to affordable health care coverage for low-income families.
- 4) Increase the number of children from birth to 19 who are enrolled in Medicaid.

Guidance: Goals should be measurable, quantifiable and convey a target the State is working towards.

- 9.2. Specify one or more performance goals for each strategic objective identified: (Section 2107(a)(3)) (42CFR 457.710(c))

Historical performance goals for each objective included the following:

Within two years of plan approval and implementation, increase Medicaid enrollment:

- 1) 10,000 new 14 to 19 year old's in families up to 100% FPL will be covered by Medicaid by June 30, 2000, and 17,500 new children from one to 19 years of age in families up to 150% FPL will be covered by Medicaid by June 30, 2000.
- 2) An additional 10,000 currently Medicaid eligible children will be enrolled in Medicaid within two years of plan approval and implementation.
- 3) Within five years of plan approval and implementation, increase health status of children.
 - a) 75% of children under 2 years of age will receive the recommended number of well child visits.
 - b) 67% of children from 3 through 5 years of age will receive at least one well child exam (Healthy Kentuckians goal = 80%)
 - c) 50% of children from 10 through 18 years of age will receive at least one well child exam annually ((Healthy Kentuckians goal = 50%)
 - d) 75% children will receive an eye exam by an eye care specialist between 3-6.

Guidance: The State should include data sources to be used to assess each performance goal. In addition, check all appropriate measures from 9.3.1 to 9.3.8 that the State will be utilizing to measure performance, even if doing so duplicates what the State has already discussed in Section 9.

It is acceptable for the State to include performance measures for population subgroups chosen by the State for special emphasis, such as racial or ethnic minorities, particular high-risk or hard to reach populations, children with special needs, etc.

The Kentucky Department for Medicaid Services will use quarterly reports submitted by Managed Care Organizations, HEDIS measures, and claims data to assess progress in meeting goals and completing objectives. Additionally, Kentucky will use the March of Dimes Report Card that is state specific to gage the state's efforts in improving outcomes among individuals living in poverty and Black individuals.

- 9.3.** Describe how performance under the plan will be measured through objective, independently verifiable means and compared against performance goals in order to determine the State's performance, taking into account suggested performance indicators as specified below or other indicators the State develops: (Section 2107(a)(4)(A),(B)) (42CFR 457.710(d))

(1) Performance Measurement:

The following measurements will be used to measure progress towards performance objectives:

The managed care entities will be encouraged to submit HEDIS 3.0. Administrative data on well child visits and immunizations and patient satisfaction information will be collected and analyzed on children covered by KCHIP.

The managed care entities are required to provide HEDIS data reports on well child visits and immunizations that are submitted on a quarterly and annual basis, but the managed care entities are not required to be NCQA accredited.

Additionally, the following means will be used to evaluate performance objective

progress.

1) Increase Medicaid Enrollment:

Medicaid Eligibility System Report

2) Increase Health status of children:

HEDIS 3.0 or identified performance measures will be tracked through administrative data.

Percentage of well child care and adolescent well care visits will be determined through administrative data. The established claims data system will enable KCHIP to track for the percentage of visits. It is possible to track for periodicity, but the data is not readily available.

(2) Increase numbers of kids with creditable coverage:

1) Medicaid and KCHIP enrollment data benchmarks.

2) Legislative Research Commission annual insurance studies.

a) The study uses calculated averages from a three year average, March supplement to the CPS produced by Bureau of Census and augmented by LRC household survey.

(3) Reduce barriers to affordable health coverage:

KCHIP will report on enrollees by family income level. Clients who disenroll before their eligibility expires will be asked for a reason. Responses to that question will be tracked and analyzed to evaluate the extent that KCHIP has reduced financial barriers to affordable health care coverage.

Check the applicable suggested performance measurements listed below that the State plans to use: (Section 2107(a)(4))

9.3.1. The increase in the percentage of Medicaid-eligible children enrolled in Medicaid.

9.3.2. The reduction in the percentage of uninsured children.

9.3.3. The increase in the percentage of children with a usual source of care.

9.3.4. The extent to which outcome measures show progress on one or more of the health problems identified by the state.

9.3.5. HEDIS Measurement Set relevant to children and adolescents younger than 19.

9.3.6. Other child appropriate measurement set. List or describe the set used.

9.3.7. If not utilizing the entire HEDIS Measurement Set, specify which measures will be collected, such as:

9.3.7.1. Immunizations

9.3.7.2. Well childcare

9.3.7.3. Adolescent well visits

9.3.7.4. Satisfaction with care

9.3.7.5. Mental health

9.3.7.6. Dental care

9.3.7.7. Other, list:

9.3.8. Performance measures for special targeted populations.

9.4. The State assures it will collect all data, maintain records and furnish reports to the

Secretary at the times and in the standardized format that the Secretary requires. (Section 2107(b)(1)) (42CFR 457.720)

Guidance: The State should include an assurance of compliance with the annual reporting requirements, including an assessment of reducing the number of low-income uninsured children. The State should also discuss any annual activities to be undertaken that relate to assessment and evaluation of the program.

9.5. The State assures it will comply with the annual assessment and evaluation required under Section 10. Briefly describe the State's plan for these annual assessments and reports. (Section 2107(b)(2)) (42CFR 457.750)

9.6. The State assures it will provide the Secretary with access to any records or information relating to the plan for purposes of review or audit. (Section 2107(b)(3)) (42CFR 457.720)

Guidance: The State should verify that they will participate in the collection and evaluation of data as new measures are developed or existing measures are revised as deemed necessary by CMS, the states, advocates, and other interested parties.

9.7. The State assures that, in developing performance measures, it will modify those measures to meet national requirements when such requirements are developed. (42CFR 457.710(e))

9.8. The State assures, to the extent they apply, that the following provisions of the Social Security Act will apply under Title XXI, to the same extent they apply to a State under Title XIX: (Section 2107(e)) (42CFR 457.135)

9.8.1. Section 1902(a)(4)(C) (relating to conflict of interest standards)

9.8.2. Paragraphs (2), (16) and (17) of Section 1903(i) (relating to limitations on payment)

9.8.3. Section 1903(w) (relating to limitations on provider donations and taxes)

9.8.4. Section 1132 (relating to periods within which claims must be filed)

Guidance: Section 9.9 can include discussion of community-based providers and consumer representatives in the design and implementation of the plan and the method for ensuring ongoing public involvement. Issues to address include a listing of public meetings or announcements made to the public concerning the development of the children's health insurance program or public forums used to discuss changes to the State plan.

9.9. Describe the process used by the State to accomplish involvement of the public in the design and implementation of the plan and the method for ensuring ongoing public involvement. (Section 2107(c)) (42CFR 457.120(a) and (b))

The development of the Kentucky Children's Health Insurance Program has been an open and inclusive process from its origin in November, 1996. At that time the Universal Access Workgroup was convened by staff from the Health Policy Development Branch in the Department for Public Health at the request of the Secretary of the Cabinet. The purpose of the group was to develop recommendations for improving access to health care for several groups consisting of children, adults (working poor), and the elderly without drug benefits.

Work began in several areas, including types of programs possible, the financing of such programs, and the scope of the problem to be solved. As the Balanced Budget Act of 1997 made children's health insurance funding a reality, the workgroup expanded to begin the process of program design.

Committees on benefits and finance were established in the fall of 1997. These groups were responsible for developing recommendations regarding funding sources for the state match and benefit package to be used.

Ongoing public involvement is ensured through the regulatory process. When regulations are changed, a legislative committee provides review and oversight, and public hearings are held. Kentucky makes a conscientious effort to ensure public input during both the development of policies and implementation of the program. Public input is encouraged at all times through direct contact to Kentucky Medicaid and through various stakeholder organizations.

- 9.9.1.** Describe the process used by the State to ensure interaction with Indian Tribes and organizations in the State on the development and implementation of the procedures required in 42 CFR 457.125. States should provide notice and consultation with Tribes on proposed pregnant women expansions. (Section 2107(c)) (42CFR 457.120(c))

Kentucky has no registered Indian Tribes or recognized American Indian/Alaskan Native groups or organizations. Therefore, no interactive process has been developed. If Kentucky gains a recognized tribe, group or organization an interactive process will be developed.

- 9.9.2.** For an amendment relating to eligibility or benefits (including cost sharing and enrollment procedures), describe how and when prior public notice was provided as required in 42 CFR 457.65(b) through (d).

Provisions regarding cost sharing were announced in major newspapers within the state in September and December of 2013. In addition, applicants receive information about cost sharing when they apply from the eligibility determination caseworker. There are educational materials available in the local Department for Community Based Services offices where applicants go to apply for services that explain co-pays.

Providers also receive a letter at least ten (10) days prior to implementation explaining the co-payment policies. This information is also included on the Department for Medicaid Services and

KCHIP web sites, which providers routinely use to review current information.

9.9.3. Describe the State’s interaction, consultation, and coordination with any Indian tribes and organizations in the State regarding implementation of the Express Lane eligibility option.

Not applicable.

Kentucky has no registered Indian Tribes or recognized American Indian/Alaskan Native groups or organizations. Therefore, no interactive process has been developed. If Kentucky gains a recognized tribe, group or organization an interactive process will be developed.

9.10. Provide a 1-year projected budget. A suggested financial form for the budget is below. The budget must describe: (Section 2107(d)) (42CFR 457.140)

- Planned use of funds, including:
 - Projected amount to be spent on health services;
 - Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
 - Assumptions on which the budget is based, including cost per child and expected enrollment.
 - Projected expenditures for the separate child health plan, including but not limited to expenditures for targeted low income children, the optional coverage of the unborn, lawfully residing eligibles, dental services, etc.
 - All cost sharing, benefit, payment, eligibility need to be reflected in the budget.

- Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees.
- Include a separate budget line to indicate the cost of providing coverage to pregnant women.
- States must include a separate budget line item to indicate the cost of providing coverage to premium assistance children.
- Include a separate budget line to indicate the cost of providing dental-only supplemental coverage.
- Include a separate budget line to indicate the cost of implementing Express Lane Eligibility.
- Provide a 1-year projected budget for all targeted low-income children covered under the state plan using the attached form. Additionally, provide the following:
 - Total 1-year cost of adding prenatal coverage

- Estimate of unborn children covered in year 1

CHIP Budget

STATE: KY	FFY Budget
Federal Fiscal Year	2023
State's enhanced FMAP rate	80.52%
Benefit Costs	
Insurance payments	
Managed care	434,016,855
per member/per month rate	325.41
Fee for Service	20,869,988
Total Benefit Costs	454,886,843
(Offsetting beneficiary cost sharing payments)	
Net Benefit Costs	454,886,843
Cost of Proposed SPA Changes – Benefit	
Administration Costs	
Personnel	335,100
General administration	1,071,300
Contractors/Brokers	9,500,000
Claims Processing	included in general admin
Outreach/marketing costs	included in general admin
Health Services Initiatives	333,333
Other	
Total Administration Costs	11,239,733
10% Administrative Cap	45,488,684
Cost of Proposed SPA Changes	333,333
Federal Share	375,325,119
State Share	90,801,457
Total Costs of Approved CHIP Plan	466,126,576

NOTE: This is calculated by the following:

35,000 member months
 X \$8.12 NEMT CAP rate
 = \$284,200 monthly
 X 12 months annually

Beneficiary cost sharing is in the form of co-payments only. As all services subject to co-payments fall within the MCO contracts, beneficiary cost sharing will not reduce the per member per month capitation payment and, therefore, will not offset capitation payments. MCOs may or may not impose the co-payments outlined in this SPA.

The Source of State Share Funds: State General Fund Dollars

Section 10. Annual Reports and Evaluations

Guidance: The National Academy for State Health Policy (NASHP), CMS and the states developed framework for the annual report that states have the option to use to complete the required evaluation report. The framework recognizes the diversity in State approaches to implementing CHIP and provides consistency across states in the structure, content, and format of the evaluation report. Use of the framework and submission of this information will allow comparisons to be made between states and on a nationwide basis. The framework for the annual report can be obtained from NASHP's website at <http://www.nashp.org>. Per the title XXI statute at Section 2108(a), states must submit reports by January 1st to be compliant with requirements.

- 10.1. Annual Reports.** The State assures that it will assess the operation of the State plan under this Title in each fiscal year, including: (Section 2108(a)(1),(2)) (42CFR 457.750)
- 10.1.1.** The progress made in reducing the number of uninsured low-income children and report to the Secretary by January 1 following the end of the fiscal year on the result of the assessment, and
- 10.2.** The State assures it will comply with future reporting requirements as they are developed. (42CFR 457.710(e))
- 10.3.** The State assures that it will comply with all applicable Federal laws and regulations, including but not limited to Federal grant requirements and Federal reporting requirements.
- 10.3-DC** The State agrees to submit yearly the approved dental benefit package and to submit quarterly current and accurate information on enrolled dental providers in the State to the Health Resources and Services Administration for posting on the Insure Kids Now! Website. Please update Sections 6.2-DC and 9.10 when electing this option.

Section 11. Program Integrity (Section 2101(a))

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State’s Medicaid plan, and continue to Section 12.

11.1. The State assures that services are provided in an effective and efficient manner through free and open competition or through basing rates on other public and private rates that are actuarially sound. (Section 2101(a)) (42CFR 457.940(b))

11.2. The State assures, to the extent they apply, that the following provisions of the Social Security Act will apply under Title XXI, to the same extent they apply to a State under Title XIX: (Section 2107(e)) (42CFR 457.935(b)) (The items below were moved from section 9.8. Previously 9.8.6. - 9.8.9.)

11.2.1. 42 CFR Part 455 Subpart B (relating to disclosure of information by providers and fiscal agents)

11.2.2. Section 1124 (relating to disclosure of ownership and related information)

11.2.3. Section 1126 (relating to disclosure of information about certain convicted individuals)

11.2.4. Section 1128A (relating to civil monetary penalties)

11.2.5. Section 1128B (relating to criminal penalties for certain additional charges)

11.2.6. Section 1128E (relating to the National health care fraud and abuse data collection program)

Section 12. Applicant and Enrollee Protections (Sections 2101(a))

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State’s Medicaid plan.

12.1. **Eligibility and Enrollment Matters-** Describe the review process for eligibility and enrollment matters that complies with 42 CFR 457.1120. Describe any special processes and procedures that are unique to the applicant’s rights when the State is using the Express Lane option when determining eligibility.

Kentucky uses the Medicaid Fair Hearing Process for enrollment, eligibility, and health services matters.

Guidance: “Health services matters” refers to grievances relating to the provision of health care.

12.2. **Health Services Matters-** Describe the review process for health services matters that complies with 42 CFR 457.1120.

Kentucky uses the Medicaid Fair Hearing Process for enrollment, eligibility, and health services matters.

12.3. **Premium Assistance Programs-** If providing coverage through a group health plan that

does not meet the requirements of 42 CFR 457.1120, describe how the State will assure that applicants and enrollees have the option to obtain health benefits coverage other than through the group health plan at initial enrollment and at each redetermination of eligibility.

Key for Newly Incorporated Templates

The newly incorporated templates are indicated with the following letters after the numerical section throughout the template.

- PC- Prenatal care and associated health care services (SHO #02-004, issued November 12, 2002)
- PW- Coverage of pregnant women (CHIPRA #2, SHO # 09-006, issued May 11, 2009)
- TC- Tribal consultation requirements (ARRA #2, CHIPRA #3, issued May 28, 2009)
- DC- Dental benefits (CHIPRA # 7, SHO # #09-012, issued October 7, 2009)
- DS- Supplemental dental benefits (CHIPRA # 7, SHO # #09-012, issued October 7, 2009)
- PA- Premium assistance (CHIPRA # 13, SHO # 10-002, issued February 2, 2010)
- EL- Express lane eligibility (CHIPRA # 14, SHO # 10-003, issued February 4, 2010)
- LR- Lawfully Residing requirements (CHIPRA # 17, SHO # 10-006, issued July 1, 2010)

CMS Regional Offices

CMS Regional Offices	States		Associate Regional Administrator	Regional Office Address
Region 1- Boston	Connecticut Massachusetts Maine	New Hampshire Rhode Island Vermont	Richard R. McGreal richard.mcgreal@cms.hhs.gov	John F. Kennedy Federal Bldg. Room 2275 Boston, MA 02203-0003
Region 2- New York	New York Virgin Islands	New Jersey Puerto Rico	Michael Melendez michael.melendez@cms.hhs.gov	26 Federal Plaza Room 3811 New York, NY 10278-0063
Region 3- Philadelphia	Delaware District of Columbia Maryland	Pennsylvania Virginia West Virginia	Ted Gallagher ted.gallagher@cms.hhs.gov	The Public Ledger Building 150 South Independence Mall West Suite 216 Philadelphia, PA 19106
Region 4- Atlanta	Alabama Florida Georgia Kentucky	Mississippi North Carolina South Carolina Tennessee	Jackie Glaze jackie.glaze@cms.hhs.gov	Atlanta Federal Center 4 th Floor 61 Forsyth Street, S.W. Suite 4T20 Atlanta, GA 30303-8909
Region 5- Chicago	Illinois Indiana Michigan	Minnesota Ohio Wisconsin	Verlon Johnson verlon.johnson@cms.hhs.gov	233 North Michigan Avenue, Suite 600 Chicago, IL 60601
Region 6- Dallas	Arkansas Louisiana New Mexico	Oklahoma Texas	Bill Brooks bill.brooks@cms.hhs.gov	1301 Young Street, 8th Floor Dallas, TX 75202
Region 7- Kansas City	Iowa Kansas	Missouri Nebraska	James G. Scott james.scott1@cms.hhs.gov	Richard Bulling Federal Bldg. 601 East 12 Street, Room 235 Kansas City, MO 64106-2808
Region 8- Denver	Colorado Montana North Dakota Dakota	South Dakota Utah Wyoming	Richard Allen richard.allen@cms.hhs.gov	Federal Office Building, Room 522 1961 Stout Street Denver, CO 80294-3538
Region 9- San Francisco	Arizona California Hawaii Nevada	American Samoa Guam Northern Mariana Islands	Gloria Nagle gloria.nagle@cms.hhs.gov	90 Seventh Street Suite 5-300 San Francisco Federal Building San Francisco, CA 94103

Region 10- Seattle	Idaho Washington	Alaska Oregon	Carol Peverly carol.peverly@cms.hhs.gov	2001 Sixth Avenue MS RX-43 Seattle, WA 98121
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GLOSSARY

Adapted directly from Sec. 2110. DEFINITIONS.

CHILD HEALTH ASSISTANCE- For purposes of this title, the term ‘child health assistance’ means payment for part or all of the cost of health benefits coverage for targeted low-income children that includes any of the following (and includes, in the case described in Section 2105(a)(2)(A), payment for part or all of the cost of providing any of the following), as specified under the State plan:

1. Inpatient hospital services.
2. Outpatient hospital services.
3. Physician services.
4. Surgical services.
5. Clinic services (including health center services) and other ambulatory health care services.
6. Prescription drugs and biologicals and the administration of such drugs and biologicals, only if such drugs and biologicals are not furnished for the purpose of causing, or assisting in causing, the death, suicide, euthanasia, or mercy killing of a person.
7. Over-the-counter medications.
8. Laboratory and radiological services.
9. Prenatal care and pre-pregnancy family planning services and supplies.
10. Inpatient mental health services, other than services described in paragraph (18) but including services furnished in a State-operated mental hospital and including residential or other 24-hour therapeutically planned structured services.
11. Outpatient mental health services, other than services described in paragraph (19) but including services furnished in a State-operated mental hospital and including community-based services.
12. Durable medical equipment and other medically-related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices).
13. Disposable medical supplies.
14. Home and community-based health care services and related supportive services (such as home health nursing services, home health aide services, personal care, assistance with activities of daily living, chore services, day care services, respite care services, training for family members, and minor modifications to the home).
15. Nursing care services (such as nurse practitioner services, nurse midwife services, advanced practice nurse services, private duty nursing care, pediatric nurse services, and respiratory care services) in a home, school, or other setting.
16. Abortion only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest.
17. Dental services.
18. Inpatient substance abuse treatment services and residential substance abuse treatment services.
19. Outpatient substance abuse treatment services.
20. Case management services.
21. Care coordination services.
22. Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

23. Hospice care.
24. Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services (whether in a facility, home, school, or other setting) if recognized by State law and only if the service is--
 - a. prescribed by or furnished by a physician or other licensed or registered practitioner within the scope of practice as defined by State law,
 - b. performed under the general supervision or at the direction of a physician, or
 - c. furnished by a health care facility that is operated by a State or local government or is licensed under State law and operating within the scope of the license.
25. Premiums for private health care insurance coverage.
26. Medical transportation.
27. Enabling services (such as transportation, translation, and outreach services) only if designed to increase the accessibility of primary and preventive health care services for eligible low-income individuals.
28. Any other health care services or items specified by the Secretary and not excluded under this section.

TARGETED LOW-INCOME CHILD DEFINED- For purposes of this title--

1. **IN GENERAL-** Subject to paragraph (2), the term ‘targeted low-income child’ means a child--
 - a. who has been determined eligible by the State for child health assistance under the State plan;
 - b. (i) who is a low-income child, or
(ii) is a child whose family income (as determined under the State child health plan) exceeds the Medicaid applicable income level (as defined in paragraph (4)), but does not exceed 50 percentage points above the Medicaid applicable income level; and
 - c. who is not found to be eligible for medical assistance under title XIX or covered under a group health plan or under health insurance coverage (as such terms are defined in Section 2791 of the Public Health Service Act).
2. **CHILDREN EXCLUDED-** Such term does not include--
 - a. a child who is a resident of a public institution or a patient in an institution for mental diseases; or
 - b. a child who is a member of a family that is eligible for health benefits coverage under a State health benefits plan on the basis of a family member's employment with a public agency in the State.
3. **SPECIAL RULE-** A child shall not be considered to be described in paragraph (1)(C) notwithstanding that the child is covered under a health insurance coverage program that has been in operation since before July 1, 1997, and that is offered by a State which receives no Federal funds for the program's operation.
4. **MEDICAID APPLICABLE INCOME LEVEL-** The term ‘Medicaid applicable income level’ means, with respect to a child, the effective income level (expressed as a percent of the poverty line) that has been specified under the State plan under title XIX (including under a waiver authorized by the Secretary or under Section 1902(r)(2)), as of June 1, 1997, for the child to be eligible for medical

assistance under Section 1902(1)(2) for the age of such child.

5. **TARGETED LOW-INCOME PREGNANT WOMAN.**—The term ‘targeted low-income pregnant woman’ means an individual— (A) during pregnancy and through the end of the month in which the 60-day period (beginning on the last day of her pregnancy) ends; (B) whose family income exceeds 185 percent (or, if higher, the percent applied under subsection (b)(1)(A)) of the poverty line applicable to a family of the size involved, but does not exceed the income eligibility level established under the State child health plan under this title for a targeted low-income child; and (C) who satisfies the requirements of paragraphs (1)(A), (1)(C), (2), and (3) of Section 2110(b) in the same manner as a child applying for child health assistance would have to satisfy such requirements.

ADDITIONAL DEFINITIONS- For purposes of this title:

1. **CHILD-** The term ‘child’ means an individual under 19 years of age.
2. **CREDITABLE HEALTH COVERAGE-** The term ‘creditable health coverage’ has the meaning given the term ‘creditable coverage’ under Section 2701(c) of the Public Health Service Act (42 U.S.C. 300gg(c)) and includes coverage that meets the requirements of section 2103 provided to a targeted low-income child under this title or under a waiver approved under section 2105(c)(2)(B) (relating to a direct service waiver).
3. **GROUP HEALTH PLAN; HEALTH INSURANCE COVERAGE; ETC-** The terms ‘group health plan’, ‘group health insurance coverage’, and ‘health insurance coverage’ have the meanings given such terms in Section 2191 of the Public Health Service Act.
4. **LOW-INCOME CHILD -** The term ‘low-income child’ means a child whose family income is at or below 200 percent of the poverty line for a family of the size involved.
5. **POVERTY LINE DEFINED-** The term ‘poverty line’ has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.
6. **PREEXISTING CONDITION EXCLUSION-** The term ‘preexisting condition exclusion’ has the meaning given such term in section 2701(b)(1)(A) of the Public Health Service Act (42 U.S.C. 300gg(b)(1)(A)).
7. **STATE CHILD HEALTH PLAN; PLAN-** Unless the context otherwise requires, the terms ‘State child health plan’ and ‘plan’ mean a State child health plan approved under Section 2106.
8. **UNINSURED CHILD-** The term ‘uninsured child’ means a child that does not have creditable health coverage.