

Table of Contents

State/Territory Name: Kentucky

State Plan Amendment (SPA) #: 13-0005-MM4

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, GA 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

November 20, 2013

Lawrence Kissner, Commissioner
Department for Medicaid Services
Attn: Karen Martin
275 East Main Street, 6WA
Frankfort, KY 40621-0001

Dear Mr. Kissner:

Enclosed is an approved copy of Kentucky's state plan amendment (SPA) 13-0005-MM4, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 22, 2013. SPA 13-0005-MM4 establishes the single state agency and entities responsible for determinations of eligibility and appeals/fair hearings in accordance with the Affordable Care Act. This SPA was approved on November 19, 2013. The effective date of this SPA is January 1, 2014.

Enclosed is a copy of the new state plan pages and attachments to be incorporated within a separate section at the back of Kentucky's approved state plan, as well as a summary of the state plan pages which are superseded by SPA 13-0005-MM4, which should be incorporated into a separate section in the front of the state plan.

CMS appreciates the significant amount of work your staff dedicated to preparing this state plan amendment. If you have any questions concerning this SPA, please contact Alice Hogan, at either 404-562-7432 or by email at Alice.Hogan@cms.hhs.gov.

Sincerely,

/s/

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

Medicaid State Plan Eligibility: Summary Page (CMS 179)

- State/Territory name:

Kentucky

- Transmittal Number:**

Please enter the Transmittal Number (TN) in the format ST-YY-0000 where ST= the state abbreviation, YY = the last two digits of the submission year, and 0000 = a four digit number with leading zeros. The dashes must also be entered.

13-005

- Proposed Effective Date**

10/01/2013 (mm/dd/yyyy)

- Federal Statute/Regulation Citation**

42 CFR 42

- Federal Budget Impact**

	Federal Fiscal Year	Amount
First Year	2013	\$ 0.00
Second Year	2014	\$ 0.00

- Subject of Amendment**

Character Count: out of 2000

Provides description of the adr

- **Governor's Office Review**

- Governor's office reported no comment
- Comments of Governor's office received

Describe:

- No reply received within 45 days of submittal
- Other, as specified

Describe:

Character Count: out of 2000

Governor's Office has appointe

- **Signature of State Agency Official**

- Submitted By:

Sharley Hughes

- Last Revision Date:

Nov 19, 2013

- Submit Date:

Aug 22, 2013

- o



Medicaid Administration

State Plan Administration Designation and Authority

A1

42 CFR 431.10

Designation and Authority

State Name:

Kentucky

As a condition for receipt of Federal funds under title XIX of the Social Security Act, the single state agency named below submits the following state plan for the medical assistance program, and hereby agrees to administer the program in accordance with the provisions of this state plan, the requirements of titles XI and XIX of the Act, and all applicable Federal regulations and other official issuances of the Department.

Name of single state agency:

Department for Medicaid Services

Type of Agency:

- Title IV-A Agency
- Health
- Human Resources
- Other

Type of Agency State Medicaid Agency

The above named agency is the single state agency designated to administer or supervise the administration of the Medicaid program under title XIX of the Social Security Act. (All references in this plan to "the Medicaid agency" mean the agency named as the single state agency.)

The state statutory citation for the legal authority under which the single state agency administers the state plan is:

KRS 194A.030

The single state agency supervises the administration of the state plan by local political subdivisions.

Yes No

The certification signed by the state Attorney General identifying the single state agency and citing the legal authority under which it administers or supervises administration of the program has been provided.

An attachment is submitted.

The state plan may be administered solely by the single state agency, or some portions may be administered by other agencies.

The single state agency administers the entire state plan under title XIX (i.e., no other agency or organization administers any portion of it).

Yes No

Waivers of the single state agency requirement have been granted under authority of the Intergovernmental Cooperation Act of 1968.



Medicaid Administration

The waivers are still in effect.

Yes No

Enter the following information for each waiver:

Remove

Date waiver granted (MM/DD/YY): 11/07/13

The type of responsibility delegated is (check all that apply):

- Determining eligibility
- Conducting fair hearings
- Other

Name of state agency to which responsibility is delegated:

Division of Administrative Hearings

Describe the organizational arrangement authorized, the nature and extent of responsibility for program administration delegated to the above named agency, and the resources and/or services of such agency to be utilized in administration of the plan:

The Division of Administrative Hearings is housed within the Cabinet Secretary's Office and consists of two branches: the Health Services Administrative Hearings Branch and the Families & Children Administrative Hearings Branch. The HS AHB hearing officers conduct hearings in service appeal cases. These cases include both members and providers. The F&C AHB hearing officers conduct hearings primarily in eligibility appeal cases. Any party unsatisfied with the hearing officer determination may appeal to the Appeals Board. This board is appointed by the Secretary and presently consists of three attorneys along with support staff. Decisions of the appeals board are final and not reviewed by DMS.

The methods for coordinating responsibilities among the agencies involved in administration of the plan under the alternate organizational arrangement are as follows:

The Division of Administrative Hearings provides impartial hearing officers for various Cabinet for Health and Family Services administrative hearings to resolve disputes concerning benefits, services and actions in a variety of programs administered by the Cabinet and governed by state and federal law.

The Division of Administrative Hearings has two branches:

Families and Children Administrative Hearings Branch
Health Services Administrative Hearings Branch

Families and Children Administrative Hearings Branch

Conducts hearings for the Kentucky Transitional Assistance Program (K-TAP) including initial and ongoing eligibility for monthly payments, eligibility as an incapacitated individual, non-participation in the Kentucky Works Program (KWP) and concerning other services provided by the Department for Community Based Services.

Conducts hearings for the Food Stamp Program including initial and ongoing eligibility for program benefits, participation in the employment and training program and recoupment of overpayment of benefits. Conducts hearings for individuals who allegedly have committed an intentional program violation.



Medicaid Administration

Conducts hearings for Medicaid including initial and ongoing eligibility for medical benefits, eligibility as a permanent and totally disabled individual and monthly personal obligation for cost of nursing facility care.

Conducts hearings for the Division of Child Support including obligation amounts, tax intercept, payment arrearages and suspension of drivers licenses.

Conducts hearings for the Division of Protection and Permanency including program issues about services for and treatment of families, children and vulnerable adults.

Health Services Administrative Hearings Branch

Process and schedule hearing requests in a timely manner and in accordance with applicable laws and regulations;

Conduct pre-hearing conferences in a timely manner and in accordance with appropriate laws and regulations;

Conduct hearings in accordance with KRS 13B requirements or in accordance with hearing procedures approved by the Attorney General and the legislature;

Render decisions or reports in a timely manner in accordance with appropriate laws and regulations;

Maintain hearing records in accordance with federal and state statutes;

Issue subpoenas; Administrative Subpoena; CAPTA Administrative Subpoena

Assist the CHFS secretary on appeals and hearings when requested.

-DMS will ensure that DAH complies with all federal and state laws, regulations and policies.

-DMS does retains oversight of the State Plan and will establish a process to monitor the entire appeals process, including the quality and accuracy of the final decisions made by DAH.

-DMS will ensure that every applicant and beneficiary is informed, in writing, of the fair hearing process and how to contact DAH and how to obtain information about fair hearings from that agency.

Add

- The agency that administers or supervises the administration of the plan under Title X of the Act as of January 1, 1965, has been separately designated to administer or supervise the administration of that portion of this plan related to blind individuals.

The entity or entities that have responsibility for determinations of eligibility for families, adults, and for individuals under 21 are:

- The Medicaid agency
- Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act

The entity that has responsibility for determinations of eligibility for the aged, blind, and disabled are:

- The Medicaid agency
- Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act



Medicaid Administration

The Federal agency administering the SSI program

Indicate which agency determines eligibility for any groups whose eligibility is not determined by the Federal agency:

- Medicaid agency
 Title IV-A agency
 An Exchange

The entity or entities that have responsibility for conducting fair hearings with respect to denials of eligibility based on the applicable modified adjusted gross income standard are:

- Medicaid agency
 An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
 An Exchange appeals entity, including an entity established under section 1411(f) of the Affordable Care Act

The agency has established a review process whereby the agency reviews appeals decisions made by the Exchange or Exchange appeals entity or other state agency, but only with respect to conclusions of law, including interpretations of state or federal policies.

Yes No

State Plan Administration

Organization and Administration

A2

42 CFR 431.10
42 CFR 431.11

Organization and Administration

Provide a description of the organization and functions of the Medicaid agency.

The organizational structure of the Department for Medicaid Services consists of a commissioner, deputy commissioner, medical director, pharmacy director, dental director and six (6) divisions. Each division director assumes specific responsibility in one of the following divisions: Division of Program Quality and Outcomes, Division of Community Alternatives, Division of Provider and Member Services, Division of Fiscal Management, Division of Policy and Operations and Division of Program Integrity.

Each director utilizes professional and clerical staff specializing in specific program areas.

The Division of Program Quality and Outcomes consists of the Disease and Case Management Branch and the Managed Care Oversight - Quality Branch. Each branch consists of Nurse Consultants, Medicaid Specialists and Program Coordinators.

The Division of Community Alternatives consists of the Mental Health/Intellectual and Developmental Disabilities Branch, Acquired Brain Injury Branch, Home and Community Based Services Branch and Community Transitions Branch. Each branch consists of Nurse Consultants, Medicaid Specialists and Program Coordinators.

The Division of Provider and Member Services consists of the Member Services Branch and the Provider Services Branch. Each branch consists of Medicaid Specialists.

The Division of Fiscal Management consists of the Administrative Services Branch, Financial Management Branch and Rate Setting Branch. This division consists of Healthcare Data Administrators, Actuary, Internal Policy Analysts and Medicaid Specialists.

The Division of Policy and Operations consists of the Eligibility Policy Branch, Benefit Policy Branch and the Managed Care



Medicaid Administration

Oversight - Contract Management Branch. This division consists of Medicaid Specialists, Internal Policy Analysts and Nurse Consultants.

The Division of Program Integrity consists of the Recovery Branch, Third Party Liability Branch and Provider Licensing and Certification Branch. The division consists of Medicaid Specialists.

The Department for Medicaid Services is directly concerned with administration of all aspects of the Program (excluding the eligibility determinations function). It is responsible for promoting and administering the provision of a continuum of high quality comprehensive services to indigent citizens of the Commonwealth of Kentucky so as to improve their healthcare. There is a further responsibility for the Department to promote efficiency in assuring the availability and accessibility of facilities and resources, particularly in rural and urban poverty areas where shortages of health resources prevail. To be effective in these respects, it is essential for the Department to have a unified philosophy, clearly defined goals, and sufficient authority to carry out its responsibilities. As the organizational unit administering the Medicaid program, the Department is responsible for developing, recommending, and implementing policies, standards, and procedures relating to benefit elements.

A. Functions and responsibilities of the Department include, but are not limited to, the following:

1. Certifying the need of recipients for Medicaid;
2. Issuing authorizations for provision of Medicaid;
3. Certifying the provision of medical care in accordance with quality and quantity standards as established;
4. Developing bases and methods of payment for the medical services provided;
5. Certifying vendor billings for compliance with established base of payments;
6. Developing and implementing a managed care program for the delivery of physical and behavioral health services;
7. Developing and implementing a capitated non-emergency medical transportation delivery system, excluding ambulance stretcher services; and

B. In the course of carrying out the above specifically designated functions the Department for Medicaid Services performs other functions, including but not limited to:

1. Developing, implementing, and disseminating policy and procedure material relevant to service benefits;
2. Preparing and managing the Program budget;
3. Conducting research analysis and evaluation, and preparing special reports on the findings thereof;
4. Conducting provider and recipient utilization review for use as a control technique in the enforcement of quality and quantity standards;
5. Establishing and maintaining a data base for the generation of statistics necessary for the operation and management of the program;
6. Maintaining a complete system of claims processing;
7. Determining recipient qualifications for specific service benefits;
8. Verifying recipient eligibility and certifying provider payments;
9. Providing oversight of the managed care program for the delivery of physical and behavioral health services;
10. Providing oversight of the capitated non-emergency medical transportation delivery system;
11. Assisting the Advisory Council, the Technical Advisory Committees, and other special committees as they carry out their assignments; and
12. Administering a quality improvement program to monitor and evaluate the health and health outcomes of members.

Upload an organizational chart of the Medicaid agency.

An attachment is submitted.

Provide a description of the structure of the state's executive branch which includes how the Medicaid agency fits in with other health, human service and public assistance agencies.



Medicaid Administration

The Cabinet for Health and Family Services is the primary agency in state government responsible for the development and operation of health and human service programs, including all federal programs in which the Commonwealth elects to participate. The Secretary of the Cabinet is the chief executive and administrative officer of the Cabinet for Health and Family Services and reports to the Office of the Governor.

The Secretary of the Cabinet for Health and Family Services has supervisory authority over the Department for Medicaid Services, which is the Single State Agency. The Commissioner for Medicaid Services directs the operation of all Divisions and functions within the Department, and has the authority to exercise administrative discretion in the administration or supervision of the Medicaid program, including the issuance of policies, rules, and regulations on program matters. The Cabinet Secretary is responsible for determining that the Commissioner's exercise of authority is in compliance with general state executive policy.

Entities that determine eligibility other than the Medicaid Agency (if entities are described under Designation and Authority)

Remove

Type of entity that determines eligibility:

- Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- The Federal agency administering the SSI program

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.

The Department for Medicaid Services has by interagency agreement provided that the Department for Community Based Services will be responsible for all eligibility determinations and certification functions for individuals eligible for Medicaid, except that pursuant to agreement with the Social Security Administration, that agency determines Medicaid eligibility for Supplemental Security Income recipients.

The Department for Community Based Services is the single State agency for financial assistance under Title IV-A. Within the Department for Community Based Services, the Director of the Division of Family Support is responsible for supervising and directing the eligibility-related activities of staff located in each of Kentucky's 120 counties. Staff assigned to each local county make the eligibility determinations, with the appropriate eligibility rolls maintained at the central office level.

Remove

Type of entity that determines eligibility:

- Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- The Federal agency administering the SSI program

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.

A Memorandum of Understanding has been signed between the Department for Medicaid Services and the Office of the Kentucky Health Benefit Exchange, within the Cabinet for Health and Family Services, to facilitate coordination and administration of programs and systems that support Medicaid/KCHIP. One aspect of the Exchange includes a "no wrong door approach" to allow one enrollment system for multiple programs. This Eligibility and Enrollment (E&E) system will allow individuals to enroll in Medicaid and KCHIP, if determined eligible. This E&E system is owned by the Exchange and replaces the mainframe system the Department for Medicaid Services is currently using for eligibility determinations for Medicaid and KCHIP.

Remove



Medicaid Administration

Type of entity that determines eligibility:

- Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- The Federal agency administering the SSI program

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.

Pursuant to a 1634 agreement, the Social Security Administration determines Medicaid eligibility for Supplemental Security Income recipients.

Add

Entities that conduct fair hearings other than the Medicaid Agency (if are described under Designation and Authority)

Remove

Type of entity that conducts fair hearings:

- An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- An Exchange appeals entity, including an entity established under section 1411(f) of the Affordable Care Act

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.

Add

Supervision of state plan administration by local political subdivisions (if described under Designation and Authority)

Is the supervision of the administration done through a state-wide agency which uses local political subdivisions?

- Yes No

State Plan Administration

Assurances

A3

42 CFR 431.10
42 CFR 431.12
42 CFR 431.50

Assurances

- The state plan is in operation on a statewide basis, in accordance with all the requirements of 42 CFR 431.50.
- All requirements of 42 CFR 431.10 are met.
- There is a Medical Care Advisory Committee to the agency director on health and medical services established in accordance with meeting all the requirements of 42 CFR 431.12.
- The Medicaid agency does not delegate, to other than its own officials, the authority to supervise the plan or to develop or issue policies, rules, and regulations on program matters.

Assurance for states that have delegated authority to determine eligibility:



Medicaid Administration

- There is a written agreement between the Medicaid agency and the Exchange or any other state or local agency that has been delegated authority to determine eligibility for Medicaid eligibility in compliance with 42 CFR 431.10(d).

Assurances for states that have delegated authority to conduct fair hearings:

- There is a written agreement between the Medicaid agency and the Exchange or Exchange appeals entity that has been delegated authority to conduct Medicaid fair hearings in compliance with 42 CFR 431.10(d).
- When authority is delegated to the Exchange or an Exchange appeals entity, individuals who have requested a fair hearing are given the option to have their fair hearing conducted instead by the Medicaid agency.

Assurance for states that have delegated authority to determine eligibility and/or to conduct fair hearings:

- The Medicaid agency does not delegate authority to make eligibility determinations or to conduct fair hearings to entities other than government agencies which maintain personnel standards on a merit basis.