



## **Behavioral Health Changes in Kentucky November 14, 2013**

### **What we know:**

- The Cabinet for Health and Family Services (CHFS) has submitted a State Plan Amendment (SPA) to the federal Centers for Medicare and Medicaid Services (CMS) to modify the Kentucky Medicaid State Plan to completely open up the provider network for behavioral health, mental health and substance abuse services.
- The SPA was submitted by October 1st, 2013.
- CMS has responded to CHFS Kentucky regarding the SPA and the dialogue has begun to obtain approval from CMS. See below the link to the SPA submitted to CMS. The SPA for Substance Use and Mental Health Services is 13-022 Part I and Part II. .  
<http://chfs.ky.gov/dms/State+Plan+Amendments.htm#2013>
- **Please note** that this SPA does not contain In-home Wraparound Services. It was the intention of CHFS to include those services in the original SPA. It was an oversight to not include them (they thought it was covered in another section). CHFS has already submitted to CMS an amendment to the original SPA to include In-Home Wraparound Services. The amendment to the original SPA has not yet been posted for viewing.
- Parallel to the process in the previous bullets, CHFS is developing the new billing codes and Medicaid rates for those codes.
- KY Medicaid will set Medicaid rates for all of the new codes, however, the Medicaid Managed Care Organizations in Kentucky (MCO's) will be able to negotiate rates for those codes and services with potential providers. In other words, the MCO's are not required to pay Medicaid rates and can negotiate different rates with providers. Which means a provider organization can have different rates with MCO's for the same service.
- The new providers that will be able to bill for outpatient and community based services include licensed therapists and licensed providers.
- Within the next several months therapists and providers that want to provide these services will be able to obtain Medicaid provider number and bill Medicaid directly for these services.
- These services will be included within the Medicaid Managed Care framework within Kentucky. So providers will actually be contracting with and billing the Medicaid Managed Care Organizations on behalf of the Medicaid members.
- The services included in the existing IMPACT Plus program will ideally will become a part of the regular Medicaid Program.
- IMPACT Plus will remain intact for at least the next several months.
- Part of the reason that CHFS made this important policy decision was the expected significant increase in demand for these types of services due to the implementation of

the Affordable Care Act (Obamacare) beginning in January 2014.

- The increased demand will be because of the following factors:
  - In order to comply with provisions of the ACA, KY decided to expand Medicaid. The impact of which will be roughly 300,000 new Kentuckians will be eligible for Medicaid starting January 1st, 2014.
  - Also in order to comply with provisions of the ACA, KY has developed their own Health Care Exchange, which will be a marketplace for individuals and small business to shop and purchase health insurance coverage.
  - The impact of which will be roughly 340,000 Kentuckians will purchase health insurance coverage via the exchange.
  - As required by the ACA, coverage purchased on the exchange and benefits via Medicaid expansion must include coverage for several “Essential Health Benefits”. One of the required Essential Health Benefits is coverage for Mental Health and Substance Abuse treatment services.
  - October 1st, 2014 started open enrollment for the Health Care Exchange.
  - Those policies will be effective beginning January 1st, 2014.
- Once the CHFS receives approval for the SPA from CMS, they will file regulations to implement the overall policy change.

### **What we don't know:**

- The list of licensed therapists that will be included in this expansion.
- The Kentucky regulatory requirements for a provider to become a licensed outpatient behavioral health provider.
- The specific billing codes that will be created for Kentucky Medicaid.
- When CMS will give final approval.
- When CHFS will file the regulations.
- How long it will take to obtain an Early and Periodic Screening, Diagnosis and Treatment (EPSDT) provider number.
- If provider will be required to go through the process of obtain a Medicaid Provider Number if they already have an EPSDT provider number.
- The rates that will be paid for services by the MCOs once providers are able to bill them directly for services.
- How long the IMPACT Plus program will remain in existence as most if not all of the covered services will likely become part of the regular IMPACT Plus program. If that happens as expected, there will likely not be a need for the IMPACT Plus program.
- Whether or not CHFS will maintain the IMPACT Plus program and for how long.

The above information is accurate to the best of my knowledge as of November 14, 2013.

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