

**KENTUCKY HEALTH CARE PARTNERSHIP
SECTION 1115 DEMONSTRATION
FACT SHEET**

Name of Section 1115 Demonstration:	Kentucky Health Care Partnership
Waiver Number:	11-W-0000-5/4
Date Proposal Submitted:	May 26, 1993
Date Proposal Approved:	December 9, 1993
Date Implemented:	November 1, 1997
Date Extension Proposal Submitted:	March 4, 2002
Date Extension Proposal Approved:	October 31, 2002
Date Extension Proposal Submitted:	June 28, 2005
Date Extension Proposal Approved:	October 25, 2005
Date Expires:	October 31, 2008
Date Extension Proposal Submitted:	April 30, 2008
Date Extension Proposal Approved:	October 30, 2008
Date Expires:	October 31, 2011

SUMMARY

The Kentucky Health Care Partnership Demonstration was implemented on November 1, 1997. The Demonstration was to divide the Commonwealth into eight regional managed care networks with each region served by a single managed care entity. However, the Commonwealth was never able to fully implement the demonstration beyond its two most urban areas. On July 1, 2000, one of the two operating Partnerships terminated its contract with the Commonwealth leaving only one Partnership remaining in the Commonwealth's largest urban area. This Partnership, known as Passport Health Plan (PHP), is a private non-profit entity that manages the Medicaid delivery system for the city of Louisville in Jefferson County and the fifteen surrounding counties. This area comprises approximately 20 percent of the State's Medicaid population.

Partnership beneficiaries receive a comprehensive benefits package that corresponds to benefits and services available under the Medicaid State plan. Any willing provider may participate in the Partnership plan which enjoys widespread provider participation.

On October 31, 2002 the Demonstration was extended for an additional three years. The current BBA three year period of approval for the Kentucky Health Care Partnership expires on October 31, 2005 under the terms of the Balanced Budget Act of 1997 (BBA).

On October 25, 2005 the Demonstration was extended for an additional three years, as authorized by Section 1115(f) of the BIPA. With this renewal, the Partnership benefits package was expanded to include mental/behavioral health coverage.

On October 30, 2008 the Demonstration was extended for an additional three years, as authorized by Section 1115(a) of the Social Security Act.

THE MOST RECENT THREE AMENDMENTS TO THE DEMONSTRATION

Amendment #2

Date Amendment Submitted: July 11, 2000
Date Amendment Approved: April 27, 2001

On July 11, 2000 the Commonwealth submitted an amendment in response to the change in the Demonstration’s design from a statewide to a sub-state model. With the change to a sub-state model, the Commonwealth desired to limit its risk for budget neutrality to a sub-state as opposed to statewide basis. This amendment was approved April 27, 2001.

Amendment #3

Date Amendment Submitted: September 13, 2001
Date Amendment Approved: April 19, 2002

On September 13, 2001 the Commonwealth submitted an amendment requesting waivers of provisions of the Benefits Improvement and Protection Act (BIPA) of 2000, to continue to apply its current payment methodology, which did not conform to the current Prospective Payment System (PPS) for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs). As part of the original approval, the Commonwealth was granted a section 1115 waiver of cost-based reimbursement to FQHCs and RHCs. The BIPA repealed the cost-based payment provisions and established a new PPS in Sections 1902(a)(15) and 1902(aa) of the Act. As outlined in the January 19, 2001, State Medicaid Director’s letter, the existing waivers of FQHC cost-based reimbursement were made moot because of the BIPA provisions. The Kentucky Primary Care Association supported this request and CMS approved the amendment on April 19, 2002.

Amendment #4

Date Amendment Submitted: May 4, 2006
Date Amendment Approved: May 24, 2006

On May 4, 2006 the Commonwealth submitted an amendment to modify the Special Terms and Conditions to ensure premium and co-payment limits assessed under the Kentucky Health Care Partnership Demonstration correspond to the premium and co-payment limits as approved under the Medicaid State plan.

ELIGIBILITY

- The state enrolls most non-institutionalized Medicaid beneficiaries including the dual eligibles into the Partnership.

- Dual eligibles must enroll in the Partnership to receive their Medicaid-only benefits such as pharmacy and transportation. They do not have to choose a primary care provider within the partnership network and retain their Medicare freedom of choice.
- Kentucky's Department of Medical Assistance is responsible for eligibility determination. Once eligible, the beneficiaries are automatically enrolled in the partnership serving their area. Eligibility is guaranteed only for the initial six month period of eligibility.
- Kentucky's Department of Medical Assistance re-determines eligibility periodically and has the sole authority for disenrolling beneficiaries from the Partnership without recourse for the following reasons: if the member no longer resides in the service area; is deceased; is admitted to a long term care facility or correctional facility; or no longer qualifies for Medical Assistance. Beneficiary disenrollment is effective on the date specified by the State.

DELIVERY SYSTEM

- The Partnership is a coalition of medical providers from both the public and private sectors. The public sector providers include the local health departments and Federally Qualified Health Centers.
- The Partnership functions as a provider-controlled managed care network and contracts with a private health maintenance organization (HMO) to provide the necessary administrative structure (i.e. enrollment, beneficiary education, claims processing, etc).
- Provider networks include hospitals, physicians, pharmacies, emergency transportation, and other providers to ensure the covered services are available within the Partnership. Any willing provider may participate in the Partnership.

BENEFITS

- The standard Medicaid benefit package is offered to all participants. The benefit package includes: inpatient and outpatient hospital services; physician services; family planning services and supplies; laboratory, radiology, and other diagnostic services; preventive services provided by the local health departments; home health services; and prescription drug, dental, and EPSDT services. Other services such as long-term care and school-based services are available under fee-for-service.
- The Partnership benefit package also includes wellness, preventive services, and disease management services not available under the traditional State plan.
- The partnership provides non-emergency transportation services for enrollees who require transport by stretcher only. A statewide transportation broker provides all other forms of non-emergency transportation.

QUALITY ASSURANCE

- The Partnership will make medical and other records available to the State and/or outside reviewers.
- The State is required to include in their quarterly report the reasons that beneficiaries request disenrollment.
- The State has contracted with an external quality assurance organization.
- An oversight committee, consisting of beneficiaries, consumer advocates, and public health officials, has been established to provide input.
- The State has established a toll-free hotline to respond to beneficiaries' concerns.

COST-SHARING

- The State agrees to maintain the State Plan co-payments and premium provisions for the Demonstration populations.

ORGANIZATIONAL STRUCTURE

- The Partnership is responsible for policy areas such as quality assurance, utilization management, compliance issues, and the annual evaluation of the applicant's administrator. The Partnership council consists of a coalition of providers and consumers.

STATE FUNDING SOURCE

The State of Kentucky certifies that State/local monies are used as matching funds for the Demonstration and that such funds shall not be used as matching funds for any other Federal grant or contract, except as permitted by law.

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