

A large background image showing a doctor in a white coat holding a tablet, with a patient's hands clasped in front of them. The top right corner has a yellow curved banner with the text 'KENTUCKY HEALTH OVERVIEW'.

KENTUCKY HEALTH OVERVIEW

Helping to Engage and Achieve Long Term Health

Kentucky HEALTH is the Commonwealth's new health and well-being program for certain low-income adults and their families. The program gets its name from its mission. The word HEALTH stands for "Helping to Engage and Achieve Long Term Health."

This innovative program brings together existing state agencies and programs, and leverages federal funding to improve access to health, educational, financial, and professional development resources that can help families and communities grow and thrive over the long term.

Access to healthcare alone has not dramatically improved the health of Kentuckians. The cost to the state is unsustainable, and threatens funding for traditional Medicaid for aged, blind, and disabled individuals. Kentucky HEALTH takes a holistic approach to improving health by integrating key components of a person's well-being, such as access to health services, personal finance, community engagement, skills development, and ultimately career advancement and financial rewards.

A graphic of interlocking metal gears in a warm, brownish-gold color. Three horizontal white bars with blue text are overlaid on the gears.

fostering informed healthcare consumers

encouraging healthy lifestyles

empowering personal & professional growth

Kentucky is the first state to require some individuals enrolled in Medicaid to actively participate in education, job training, substance use disorder treatment, employment, or volunteering activities as a condition of eligibility; it provides a blueprint for other states to follow. Kentucky HEALTH will leverage Medicaid funding not only to address the physical health needs of low-income residents, but to implement a proactive approach to member health, with the goal of creating healthier individuals, healthier families, healthier communities, and a stronger Kentucky.

www.KentuckyHEALTH.ky.gov

Innovative Components of Kentucky HEALTH

INVESTMENT

People invest in their own health

Cost Sharing: People invest in their personal health by paying either predictable monthly family premiums (between \$1 and \$15 based on household income) or copayments when they receive services.

- Premiums cover the beneficiary's portion of all Medicaid-covered visits for the whole month. Those paying premiums will not have to pay more—regardless of the number of trips to the doctor.
- Even if people need a lot of care, they will not pay more than 5% of their income to participate in Kentucky HEALTH. That way, they know there is a limit on how much they will ever have to pay.

Kentucky invests in people's health, education, and enhanced substance abuse coverage

My Rewards Account: People are incentivized to improve their health and be active in their communities by earning My Rewards dollars for activities like getting preventive care, taking health and financial literacy classes, and participating in job training programs. People can use these dollars to access some services not covered by the Kentucky HEALTH plan.

- People can receive up to a \$500 payout from their My Rewards Account when they transition to a commercial insurance plan for 18 months or more.

Premium Assistance: People can receive assistance from the state to help pay for job-based coverage if it is available and more cost effective than Kentucky HEALTH.

Substance Use Disorder (SUD) and Mental Health Treatment: Beneficiaries will have access to enhanced mental health and substance abuse services. Kentucky HEALTH will raise the standard of care for drug treatment in order to aggressively combat this epidemic.

- Current benefits provide a full range of care, including residential treatment options.
- The waiver expands access to SUD providers, allows Medicaid to reimburse for short term residential stays (up to 30 days) in an IMD facility and adds coverage for methadone.

UNDERSTANDING

Familiarize people with commercial insurance

Cost Sharing: Beneficiaries learn about key commercial market features, like making timely monthly premium payments, tracking deductibles, and understanding healthcare spending accounts.

Premium Assistance: Beneficiaries learn about their job-based coverage, provider networks, and covered services, while receiving wraparound coverage to make sure they have access to all Medicaid-covered services.

ENGAGEMENT

Encourage people to make

informed decisions about their healthcare

Deductible Account: Kentucky HEALTH beneficiaries are empowered to be active health care consumers. Beneficiaries will have a \$1,000 state-funded account that is like a health savings account, but is maintained by the Managed Care Organization (MCO). This account pays for all non-preventive medical and pharmacy services.

The Deductible Account will help people track healthcare spending and show the cost of healthcare services. Once the Deductible Account is empty, all claims will be paid by the beneficiary's MCO. Eligible beneficiaries can:

- Review and compare costs of services.
- Track balance and expenditures through monthly statements.
- Roll over half of their unused Deductible Account to their My Rewards Account at the end of the year.

ADVANCEMENT

Incentivize and empower people to develop practical knowledge and skills

Community Engagement, or "PATH" Program: PATH stands for "Partnering to Advance Training and Health" and is Kentucky HEALTH's community engagement initiative. PATH is not a one-size-fits-all program. People can access customizable personal and professional development tools and supports. Numerous studies have confirmed a vital link between community engagement and overall health, well-being, and economic stability.

- Kentucky HEALTH offers several PATHs to improved employability, long-term stability, and future success.
- The PATH program connects beneficiaries to opportunities including education, job training, substance abuse treatment, employment, or volunteering.
- An individual may already meet the PATH program requirement if they are working or going to school full time.
- If a beneficiary is receiving SNAP benefits, the SNAP work policies apply instead of PATH.
- All Kentucky HEALTH beneficiaries can participate in PATH, but some Kentucky HEALTH beneficiaries will not have any PATH requirements, such as pregnant women.

Education and Training: People can access health and financial literacy classes to help them foster skills for long-term independence and success.

- Beneficiaries choose classes that interest them, and some of these classes may meet PATH program requirements and earn dollars for their My Rewards Account.

KENTUCKY HEALTH TALKING POINTS



THE ISSUE

The current system has not improved health outcomes and is not sustainable.

Nearly one out of every three Kentuckians is on taxpayer-funded healthcare.

Medicaid enrollment has increased 68% since Obamacare was started in Kentucky.

An insurance card does not guarantee a healthy Kentucky. The Commonwealth still has poor health outcomes, and is ranked among the worst in several key health metrics.

- 1 in 3 Kentuckians struggle with obesity and weight-related health issues
- 2nd highest in the nation for rate of smoking
- 1st in the nation for cancer deaths and preventable hospitalizations

Medicaid expansion growth consumes every new dollar that comes into the state and more, taking critical funding from other programs such as education, infrastructure, public safety, and public pensions obligations.

According to a 2012 CDC study, adults in poverty are almost five times as likely to report being in fair or poor health as adults with incomes above the federal poverty level.

THE CONCLUSION

Medicaid expansion as enacted in Kentucky has not moved the needle on these metrics.

Kentucky cannot continue a program that does not propel beneficiaries toward better health and economic security.

Instead, we need a program that empowers and supports the overall well-being of individuals, families, and communities in Kentucky.

Kentucky needs a Medicaid program that will:

- Focus on improving beneficiary health.
- Encourage and reward healthy behavior.
- Promote personal responsibility.
- Provide support for personal and professional growth to improve beneficiary health – physical and financial – in the short and long-term.
- Help beneficiaries become informed healthcare consumers.
- Create a path for beneficiaries to transition to private employer insurance.

TAKING ACTION

The Commonwealth thoughtfully researched other state programs and has created an innovative program that reflects the unique needs of our population.

Kentucky HEALTH:

- Takes a holistic approach to empower Kentuckians to improve their overall health and well-being.
- Helps Medicaid beneficiaries become more active and informed healthcare consumers.
- Offers employment and training services through existing federal, state and local resources.
- Saves an initial estimated \$2 billion in taxpayer dollars over the demonstration period, with the goal to make the Medicaid program financially sustainable and address the many fiscal challenges facing Kentucky.



Frequently Asked Questions

Who is eligible for Kentucky HEALTH?

Kentucky HEALTH is designed for working-age adults and their families. Kentucky HEALTH benefits will be available to all non-disabled Medicaid beneficiaries, low-income parents, family caregivers, former foster youth up to age 26, pregnant women, and children.

Kentucky HEALTH is NOT for people who are on Medicare (age 65 or over) or on Medicaid due to age or disability.

Are almost 100,000 people going to be kicked off of Medicaid?

No. We are building support services and opportunities to help beneficiaries gain skills for long-term success, and we expect that many will improve their financial situations so they can ultimately transition out of Medicaid and into private insurance coverage. The lower projected enrollment reflects those who would transition off of Medicaid because they enter the workforce, get a better job and higher wages, and gain access to employer-sponsored insurance or other private insurance. While some may lose coverage because they don't meet the program requirements, we expect many others to leave because they improve their circumstances and no longer need public assistance.

Are the eligibility requirements going to be changed?

Requirements to qualify will not change. Kentucky HEALTH does not change income eligibility limits. Those who have Medicaid coverage now will move directly into Kentucky HEALTH if they are eligible, and will not need to re-apply.

Some Kentucky HEALTH participants will be required to complete community engagement activities, also known as the PATH program. PATH stands for "Partnering to Advance Training and Health," and is broader than what has been labeled a "work requirement." In fact, someone could complete the 20-hour-per-week requirement without being employed, because community engagement includes skills training, job search activities, education and training, and volunteer/public service activities. Pregnant women, those determined to be "medically frail," former foster youth up to age 26, and most caregivers will not be required to complete these activities.

Of the 350,000 people we estimate will be in the PATH program in Kentucky, we believe about half of those people are either already working, in full-time education programs, meeting SNAP/K-TAP work requirements, or otherwise engaged in volunteering or caregiving. If a beneficiary is receiving SNAP benefits, the SNAP work policies apply instead of PATH. In other words, they already may be meeting these requirements.

Innovative Components of Kentucky HEALTH

INVESTMENT

- People invest in their own health
- Kentucky invests in people's health, education and increased substance use disorder coverage

ADVANCEMENT

- Incentivize and empower people to develop practical knowledge and skills

ENGAGEMENT

- Encourage people to make informed decisions about their healthcare
- People become more involved in their communities, and communities become more involved in their people

UNDERSTANDING

- Familiarize people with commercial insurance



Frequently Asked Questions

Overall Kentucky HEALTH Program Questions

1. What is Kentucky HEALTH?

Kentucky HEALTH is the Commonwealth's new health and well-being program for certain low-income adults and their families. The program gets its name from its mission. The word HEALTH stands for "Helping to Engage and Achieve Long Term Health."

The goal of the program is to offer each beneficiary the ability to customize a path based on individual needs that will lead to better health, engagement in their communities, improved employability, and success through long-term independence.

2. Why Kentucky HEALTH?

The current system has not improved health outcomes and is not sustainable. The Medicaid expansion as enacted has not moved the needle on these metrics, and the Commonwealth cannot continue a program that does not propel participants toward better health and economic security.

Instead, the Commonwealth needs a program that empowers and supports the well-being of individuals, families, and communities in Kentucky.

Kentucky HEALTH will:

- Be more cost effective and accountable.
- Address the needs of the whole person to help improve beneficiary health and well-being.
- Help beneficiaries be more active and informed about healthcare and how to use it.
- Connect beneficiaries to employment and training services using programs, resources, and tools that are already available in our communities.
- Provide beneficiaries new skills to transition them successfully to commercial health insurance.
- Save an initial estimated \$2 billion in state and federal taxpayer dollars over the demonstration, according to initial estimates.

- Help make the Medicaid program affordable for the Commonwealth to maintain, even with the economic issues facing Kentucky.

3. How will Kentucky HEALTH affect beneficiaries?

Kentucky HEALTH is designed for working age adults and their families. Kentucky HEALTH benefits will be available to all non-disabled Medicaid beneficiaries, low-income parents, family caregivers, pregnant women, former foster youth up to age 26, and children. Kentucky HEALTH is not for people who are on Medicare (over age 65) or those who are on Medicaid due to age or disability. Click [here](#) for more information about how Kentucky HEALTH may affect beneficiaries.

4. How can beneficiaries get information about their Kentucky HEALTH benefits?

Beneficiaries will have a lot of different ways to get information about their benefits. Some examples of information about beneficiary benefits include:

- Notices from Kentucky HEALTH
- Notices from the managed care organization
- Comprehensive beneficiary handbook
- The call center
- Kentucky HEALTH website

5. How do beneficiaries apply for Kentucky HEALTH?

Beneficiaries may use [benefind](#) to see if they qualify for Medicaid coverage. Benefind is the state website to apply for Medicaid, Kentucky Child Health Insurance Program (KCHIP), Supplemental Nutrition Assistance Program (SNAP - formerly called Food Stamps), Kentucky Transitional Assistance Program (KTAP), Kentucky's Temporary Assistance for Needy Families (TANF cash assistance program) and other benefit programs. Please go to benefind.ky.gov to apply for benefits without having to visit a local DCBS office. To contact an assister, call 1-855-459-6328.

6. Can application assisters still help beneficiaries?

Yes, in-person assisters will be trained on Kentucky HEALTH and able to help beneficiaries apply. Beneficiaries may call 1-855-459-6328 or go to Assister Search to find help in their area.

7. Will changes in Washington, D.C. affect Kentucky HEALTH?

Based on current proposals before Congress, the Commonwealth does not anticipate any changes to Kentucky HEALTH.

Eligible and Non-Eligible Populations

8. Who is eligible for Kentucky HEALTH?

Working-age adults and their families may be eligible for Kentucky HEALTH. This includes non-disabled Medicaid beneficiaries, such as:

- Low-income parents and caretakers
- Pregnant women
- Non-disabled children
- Former foster youth up to age 26
- Medicaid expansion adults

9. Who is NOT affected by Kentucky HEALTH?

Individuals who are aged, blind, and/or disabled will not be impacted by Kentucky HEALTH. Examples of people who will not see any changes to their Medicaid include:

- Individuals on certain waivers:
 - Home and Community Based Waiver
 - Michelle P. Waiver
 - Acquired Brain Injury (ABI) and ABI Long-term Care Waiver
 - Model Waiver II
 - Supports for Community Living
- Individuals determined eligible for Supplemental Security Income
- Individuals in the Medicaid buy-in program for working disabled adults
- Individuals covered by a Home and Community Based Waiver or residing in a Long Term Care Facility
- Individuals on Medicare
- Children in foster care or receiving subsidized adoption
- Individuals participating in the Breast and Cervical Cancer Treatment Program

10. Are there any added costs to Kentucky HEALTH?

While there are some new development administrative costs to implement the program, initial estimates suggest that Kentucky

HEALTH could save an initial estimated \$2 billion in state and federal funds over the course of the demonstration.

11. Will individuals lose benefits under Kentucky HEALTH?

Individuals will not lose medical benefits under Kentucky HEALTH.

Most individuals will keep the same benefits, and, in fact, may be eligible for new benefits, such as fitness services. Pregnant women, children, individuals who are considered medically frail, former foster youth up to age 26, and groups covered by Medicaid before the expansion will have all the same benefits they do now, including vision, dental, and access to non-emergency medical transportation.

Non-disabled adults—those who became eligible for Medicaid when it was expanded—will also be able to get the same medical benefits, but they will get some of them in a different way. These individuals will still have access to preventive and specialty medical services through their managed care organization (MCO) plan; however, vision and dental services (and some fitness activities) will be available through their My Rewards Account—a special health savings account where participants can earn dollars by doing certain healthy activities.

12. How will people know what to do when the program changes?

We will keep people informed in many different ways. Beneficiaries will hear directly from the Commonwealth and from their health plan (Managed Care Organization), social media, community outreach, direct mail and more. When it is time for beneficiaries to do something, the Commonwealth will send them information in the mail before the program starts in July 2018.

13. What can beneficiaries do now to get ready for Kentucky HEALTH?

If beneficiaries have recently moved, they should update their mailing address so they do not miss any important information. If beneficiaries have recently moved, they should log in to benefind.ky.gov or call 1-855-306-8959 to update their mailing address so they do not miss any important information.

Starting in January 2018, all adults eligible for Kentucky HEALTH may begin earning My Rewards dollars. When beneficiaries go to the dentist for a cleaning, take their dependent child in for a check-up, get a health screening, or complete other types of preventive services, they will automatically earn dollars in their My Rewards Account. Beneficiaries will receive more information about “My Rewards” soon.

Medically Frail and Chronically Homeless Designations

<p>14. What does “chronic homelessness” mean?</p>	<p>The federal definition of chronically homeless is someone who:</p> <ol style="list-style-type: none"> 1. Sleeps in a place that is not meant for humans to live (for example, on the street) OR 2. Lives in a homeless emergency shelter AND 3. Is homeless for a year or more OR 4. Has been homeless at least four times in the last three years.
<p>15. What should a Kentucky HEALTH beneficiary do if he or she is chronically homeless?</p>	<p>Kentucky HEALTH beneficiaries who may meet the definition of “chronically homeless” may report it. That beneficiary will have up to six months of Kentucky HEALTH benefits for medically frail beneficiaries. During that time the beneficiary will:</p> <ul style="list-style-type: none"> • Have a comprehensive set of benefits, including medical benefits, vision, dental, and transportation to doctor appointments. • Have an optional monthly premium. If the beneficiary pays the premium, he or she will have access to a My Rewards Account. • Not be required to participate in the Partnering to Advance Training and Health (PATH) program.
<p>16. What does “medically frail” mean?</p>	<p>Beneficiaries may be considered medically frail for many different reasons. Some of those reasons include:</p> <ul style="list-style-type: none"> • Disabling mental health diagnosis • Chronic substance use disorder • Serious and complex medical condition • Significant impairment in ability to perform activities of daily living • Diagnosed with HIV/AIDs • Eligible for Social Security Disability Insurance (SSDI) • Chronic homelessness • Refugee (up to one year after entering the U.S. with refugee status)
<p>17. How will someone know if he or she is medically frail?</p>	<p>Kentucky HEALTH will be able to identify people who are medically frail using four key methods:</p> <ol style="list-style-type: none"> 1. The Medicaid system will look at state health registries. 2. Managed care organizations will look at a beneficiary’s medical services or use a tool to screen for medically frail status. 3. Doctors can report that their patient may be medically frail to the managed care organization. 4. The beneficiary can report that he or she may be medically frail to the managed care organization.
<p>18. How does being medically frail change</p>	<p>Someone who is considered medically frail will get all the same medical benefits he or she gets now, including:</p>

the benefits someone gets on Kentucky HEALTH?

- Preventive care services
- Specialty services
- Non-emergency medical transportation
- Vision services
- Dental services

19. Will someone who is medically frail have to do anything different?

People who are medically frail will have access to new resources.

1. They will have an **option** to pay a monthly premium. If they do pay, they will have access to a My Rewards Account.
2. They will have an **option** to participate in the PATH program. It stands for “Partnering to Advance Training and Health,” and will provide lots of great job resources, free of charge.

Managed care organizations will periodically need to verify that beneficiaries are still medically frail, and beneficiaries may be asked to provide information as a part of that process.

Premium Assistance

20. Is there a way for the Commonwealth to help beneficiaries buy insurance through their employer?

Yes. Beginning in 2019, if beneficiaries are eligible for Medicaid and have access to health insurance through their employer, beneficiaries may be eligible for the premium assistance program. With this program, the Commonwealth will pay for beneficiaries and their families to enroll in the beneficiary’s employer plan for only \$1-\$15 per month.

21. Who can get help paying for employer-sponsored insurance?

People who are eligible for Kentucky HEALTH and have a job that offers health insurance may be eligible for help paying the premium for their employer-sponsored insurance through Kentucky HEALTH Premium Assistance.

Not all plans will be eligible for Premium Assistance. The plan will be evaluated to make sure it is cost-effective for the state.

22. Do beneficiaries have to enroll in employer-sponsored insurance if it is available?

Some beneficiaries may have to enroll in employer-sponsored insurance if it is available; but if they are required to do so, they will be getting financial help through Kentucky HEALTH Premium Assistance so that their monthly premiums are the same as the monthly Kentucky HEALTH premiums.

Participating in the Kentucky HEALTH Premium Assistance program will be optional for the first year a beneficiary is in Kentucky HEALTH. After that, the beneficiary may need to provide information about his or her employer health plan, and the state will decide if the plan is cost-effective. If it is, the

beneficiary will need to enroll in the plan, and will get premium assistance checks from the state to help pay most of the cost of the premium. If the plan is not cost-effective, the beneficiary will stay on Kentucky HEALTH.

23. Will the medical benefits be the same for beneficiaries with Premium Assistance?

Kentucky HEALTH Premium Assistance will give beneficiaries access to all the benefits of their employer plan **PLUS** all the benefits of Medicaid--including benefits and providers.

Beneficiaries getting Kentucky HEALTH Premium Assistance will need to pay the same premium they would pay for regular Kentucky HEALTH coverage, and will keep access to their My Rewards Account.

Cost Sharing

24. How much will Kentucky HEALTH beneficiaries pay in monthly premiums?

Monthly premium payments will be on a sliding scale based on family income. Premiums will range from \$1.00 to \$15.00 per month.

Federal Poverty Level Premium Amount

Under 25% FPL	\$1.00 per month
25-50% FPL	\$4.00 per month
51-100% FPL	\$8.00 per month
101-138% FPL	\$15.00 per month

- Pregnant women and children on Kentucky HEALTH will not have a premium payment.
- People who are medically frail or former foster youth up to age 26 can choose to pay the monthly premium to get access to a My Rewards Account.
- All other adults in Kentucky HEALTH will be required to pay monthly premiums.

25. How much will beneficiaries pay if they have copayments?

Beneficiaries who are paying their monthly premiums will not have copayment. However, beneficiaries with a household income below the poverty level who do not pay their premium will have to pay copayments. Copayment amounts may vary based on the type of service, and range from \$3.00 for an office visit to \$50.00 for a hospital visit. Copayments can be more expensive than the monthly family premiums.

26. What happens if beneficiaries do not pay their premiums?

Beneficiaries who do not pay their premiums will have different penalties, based on their income and health status.

- Pregnant women and children will not have a premium, so nothing will change.
- Medically frail and former foster youth up to age 26 will keep their benefits, but their My Rewards Account will go inactive. This means they will not be able to use the My Rewards Account to access enhanced services (i.e. approved fitness services).
- Other beneficiaries with household income under 100% FPL will have to pay copayments for each visit, and their My Rewards Account will go inactive. This means they will not be able to use the My Rewards Account to access vision, dental, and approved fitness services.
- Other beneficiaries with household income over 100% FPL will lose access to their medical benefits, including their My Rewards Account, for up to six months unless they meet requirements for early re-entry.

Beneficiaries will have opportunities to prevent a penalty; and if they lose their benefits, they will have opportunities to take steps to get them back before the end of the six-month lockout period. Those steps include repaying missed premiums and taking a re-entry course.

27. Can a beneficiary re-enroll after they have been locked out for not paying premiums?

Yes, a beneficiary can re-enroll in Kentucky HEALTH.

The beneficiary will need to complete the re-entry course and repay missed premiums, up to three months.

My Rewards Account

28. What is a My Rewards Account?

A My Rewards Account is an account for most adults eligible for Kentucky HEALTH. It works like a Health Spending Account. Beneficiaries can earn dollars into their account by completing certain activities.

29. What will the My Rewards Account cover?

The My Rewards Account can be used to pay for services such as:

- Vision services
- Dental services
- Enhanced benefits, such as approved fitness services or activities

All beneficiaries may use the My Rewards Account for the enhanced benefits. Medicaid expansion adults may also use My Rewards Account for preventive vision and dental services (medical vision and dental needs are still covered by the beneficiary's managed care organization (MCO)).

	<p>MCOs will continue to cover preventive vision and dental services for traditional Medicaid adults, pregnant women, children, individuals determined to be medically frail, and former foster youth up to age 26. These individuals will not use My Rewards Accounts for vision and dental services.</p>
<p>30. Will it be difficult for beneficiaries to earn My Rewards dollars?</p>	<p>No. Beneficiaries can earn My Rewards dollars for activities they already do. For example, beneficiaries can get rewards for things like getting yearly physicals, taking their dependent children to the doctor for well-child visits, and taking a health risk assessment with their managed care organization.</p> <p>Beneficiaries can get My Rewards dollars for these types of services without having to take any extra steps – the credit is applied automatically to their account.</p>
<p>31. How else can beneficiaries earn “dollars” into their My Rewards Account?</p>	<p>Beneficiaries can do healthy activities or extra community engagement activities to earn dollars for their My Rewards Account. Here are some examples of activities beneficiaries can complete for My Rewards dollars:</p> <p><u>Health and well-being</u></p> <ul style="list-style-type: none"> • Complete health risk assessment with the managed care organization • Complete diabetes, cardiovascular, weight management, or other chronic disease management course • Complete child preventive medical or dental exam • Avoid inappropriate emergency room visits • Follow-up with primary care doctor after ER visit <p><u>Community Engagement</u></p> <ul style="list-style-type: none"> • Register with career center and complete goals/needs assessment • Complete employment-related education or GED prep classes <p>Beneficiaries will also have a Deductible Account to pay for some of their initial healthcare services. If they do not use all of the money in that account, they may be able to roll half of the unused funds into the My Rewards Account at the end of the year.</p>
<p>32. When can beneficiaries start earning My Rewards Dollars?</p>	<p>If beneficiaries are on Medicaid now and are eligible for Kentucky HEALTH, they will be able to earn My Rewards dollars before Kentucky HEALTH begins.</p> <ul style="list-style-type: none"> • January 1, 2018: Starting in January 2018, all adults eligible for Kentucky HEALTH may begin earning My

Rewards dollars. When beneficiaries go to the dentist for a cleaning, take their dependent child in for a check-up, get a health screening, or complete other types of preventive services, they will automatically earn dollars in their My Rewards Account.

- **April 1, 2018:** Beneficiaries have the opportunity to continue earning dollars by participating in My Rewards education and training activities (details coming soon).
- **July 1, 2018:** Kentucky HEALTH benefits begin. Beneficiaries can earn dollars for all qualifying activities, and use the dollars in their My Rewards Account to pay for dental services, vision services, and some fitness activities, such as gym memberships.

Beneficiaries will receive information in the mail as these dates get closer.

33. What if a beneficiary does not receive enough reward points to receive treatment?

Major medical services like preventive and specialty services will be covered for all Kentucky HEALTH beneficiaries. **No one** on Kentucky HEALTH should be missing yearly exams, cancer screenings, health screenings or checkups because of their My Rewards Account. In fact, these types of services will **give** beneficiaries funds to use on other services.

If Medicaid expansion adults want vision and dental services, they can get them through their My Rewards Account. They can earn the dollars they need for those services by getting the types of health services recommended for them. They can also get dollars by taking their dependent children in for their recommended health visits, by taking online health courses, or even by volunteering.

It may take some planning ahead, but Kentucky HEALTH offers lots of options for beneficiaries to earn the funds to access their vision and dental benefits.

34. Who does not have a My Rewards Account?

Children and non-Kentucky HEALTH Medicaid beneficiaries will not have My Rewards Accounts.

Deductible Account

35. What is the Deductible Account and what can it be used for?

The Deductible Account acts like a health savings account. The state will pay \$1,000 into the account at the beginning of the year. During the year, the money in the account pays for the first \$1,000 of non-preventive medical expenses. After the account is depleted, all medical services will continue to be covered by the beneficiary's managed care plan.

If the beneficiary has funds left in the account at the end of the year, a portion of those funds may roll over into the beneficiary's My Rewards Account.

Community Engagement/PATH

36. What is Community Engagement? What is PATH?

Community Engagement is the general term that refers to work and work-related activities that some people must do to stay eligible for their benefits in Kentucky HEALTH.

However, Kentucky HEALTH is offering ALL beneficiaries access to many community engagement and employment resources through its PATH Program. PATH stands for "Partnering to Advance Training and Health." Beneficiaries can use the program to access job opportunities, job training, volunteer opportunities, and much more – all free of charge.

37. Who is required to participate in PATH?

Many adult Kentucky HEALTH beneficiaries will be required to complete 80 hours of PATH-approved activities each month to stay eligible for their Kentucky HEALTH benefits.

Pregnant women, children, individuals who have been determined medically frail, primary caregivers, full-time students, and former foster youth up to age 26 will be considered **exempt** from the PATH requirement.

People who are enrolled in SNAP or TANF and meeting work requirements **already meet** the PATH requirement, but may be able to earn My Rewards dollars for completing job enhancement activities.

38. Who is not required to participate in PATH?

Not everyone will be required to participate in the PATH program. Some groups that are exempt from the requirement include:

- Children
- Pregnant women
- People who have been determined medically frail
- Primary caregiver of a dependent (for example, stay-at-home parent)
- Full-time students
- Former foster youth up to age 26

These groups may voluntarily participate in PATH if they would like to.

39. What does “primary caregiver” mean?	<p>The primary caregiver is an adult member of a household who provides full-time care for another dependent member of the household. In general, only one adult member in the household can claim to be the primary caregiver.</p> <p>Example: A stay-at-home parent taking care of his or her child.</p>
40. How does being a “primary caregiver” change the benefits someone gets on Kentucky HEALTH?	<p>“Primary caregiver” status does not change a person’s benefit package. The primary caregiver status only impacts whether or not the person will need to participate in the Partnering to Advance Training and Health (PATH) program. Participation in this program is optional for primary caregivers, and it will provide lots of great job resources, free of charge. Primary caregiver status will not impact whether or not the person needs to pay a premium.</p>
41. What are the PATH requirements?	<p>Beneficiaries subject to PATH (Partnering to Advance Training and Health) requirements will need to complete 80 hours of approved activities each month.</p> <p>PATH requirements will roll out across the state during 2018. Beneficiaries may not be subject to PATH requirements right away, but they will get a notice from Kentucky HEALTH three months before their requirements start. That will give the beneficiaries time to prepare and find available activities.</p>
42. Is there a plan being developed to provide more and better-paying jobs?	<p>There are many high-demand, good-paying jobs in Kentucky now. Over the next several years, there will be thousands of job openings, especially in 5 key areas:</p> <ol style="list-style-type: none"> 1. Advanced manufacturing 2. Business and information technology 3. Construction trades 4. Healthcare 5. Transportation and logistics <p>While many jobs in these and other in-demand fields do not need a college degree, some do need a high school diploma or GED and some skills training.</p>
43. Will there be an exemption for those who do not have reliable transportation, are living in an area without available work or volunteer opportunities, have been convicted of a	<p>Kentucky HEALTH is partnering with local workforce development boards to identify resources that will help beneficiaries meet program requirements, gain practical skills, and obtain necessary training to successfully navigate the program.</p> <p>However, Kentucky HEALTH will consider exceptional circumstances that prevent beneficiaries from being able to meet their PATH (Partnering to Advance Training and Health) requirements. Beneficiaries may qualify for temporary</p>

felony or are facing other hardships?	exemptions from the PATH requirements, based on their situation.
44. What happens if someone doesn't meet the PATH requirement?	Beneficiaries who do not meet their PATH (Partnering to Advance Training and Health) requirement will lose access to their medical benefits until they make up or meet the required hours or take a re-entry course.

Re-enrollment and Reporting Changes

45. Do beneficiaries need to reapply to Kentucky HEALTH every year?	<p>Beneficiaries will need to update or verify their information every year during their annual redetermination period.</p> <p>Beneficiaries must respond to any Kentucky HEALTH requests for information during this period or they may have a six-month lockout from accessing benefits.</p>
46. What happens if someone does not respond during the redetermination period?	<p>Beneficiaries will have an additional three months after their redetermination date to submit their paperwork and become re-enrolled in Kentucky HEALTH.</p> <p>If the beneficiaries have not responded within the three months after their redetermination date, they will need to wait for six months before they can re-enroll in Kentucky HEALTH. This does not apply to pregnant women, children, or people determined medically frail.</p>
47. How long do beneficiaries have to report a life change, such as in family composition, income, or employment?	Beneficiaries will have 30 days to report a change, but it is recommended that they report a change as soon as possible.
48. What if a beneficiary's job, income, or family size changes?	<p>Beneficiaries must continue to report changes in income, household size, and other changes using the same process they currently use to report a change—in person, in writing, via phone call, or through the benefind Self Service Portal (SSP).</p> <p>They must report changes in circumstances, but are not required to report normal fluctuations, including:</p> <ul style="list-style-type: none"> • Changes in work hours that will not exceed 30 days; • A fifth or periodic paycheck; or • Holidays, vacation days, or sick leave less than 30 days.

49. What can beneficiaries do if they believe they have been wrongly disenrolled?

Kentucky HEALTH beneficiaries will be able to appeal all eligibility determinations through the same channels and processes they use for appealing eligibility determination today.

50. Is there a limit to the number of times someone can be disenrolled from the program and re-enroll?

There is no limit to how many times someone can re-enroll. However, there are limits to the number of times someone can take the re-entry courses for penalties and suspensions. Each re-entry course can be taken once per year, to clear each suspension reason.

51. Will retroactive eligibility be available?

The Commonwealth will continue to provide retroactive coverage to pregnant women and children. For other Kentucky HEALTH beneficiaries, medical benefits will start the same month the beneficiary makes his or her first premium payment. For example, if the beneficiary makes the first premium payment on the 5th of the month, his or her coverage will go back to the 1st of that month.

52. When do beneficiaries get coverage after a suspension?

Beneficiary coverage starts the first of the month after they complete all re-entry requirements.

Emergency Transportation and Emergency Room Use

53. Will beneficiaries still have transportation in case of an emergency? Are Kentucky HEALTH beneficiaries losing transportation to their medical appointments?

Kentucky HEALTH beneficiaries will still have access to emergency transportation when they need it.

However, some beneficiaries will no longer have transportation to their regular, non-emergency medical services. Pregnant women, children, medically frail individuals, and former foster youth up to age 26 will still have this non-emergency medical transportation, but other non-disabled adults on the program will not.

54. Will beneficiaries be penalized for inappropriate emergency room visits?

Yes, funds will be taken from a beneficiary's My Rewards Account for each confirmed inappropriate emergency room visit.

However, beneficiaries can call their managed care organization's nurse advice line before they go to the emergency room. If the nurse advice line recommends the beneficiary go to the emergency room, that person will not have funds taken out the My Rewards Account, even if the visit did not end up being an emergency.



Commonwealth of Kentucky

Overview of Kentucky HEALTH

Challenges Facing Kentucky

Nationally, Kentucky is ranked close to last in many crucial areas.

The state's unemployment rate, poverty rate, workforce participation rate, and wages are all significantly below the national average.

Over the past decade, the opioid epidemic has wreaked havoc on our families, communities and economy.

- Overdose deaths have climbed to more than 1,000 per year.
- Kentucky's rate of babies born drug-addicted is twice the national average.
- Drug abuse has negative impacts on daily life and work functions, is weakening family and social connections, and is impacting employability (attendance, teamwork, and productivity).
- All of these factors impact a person's ability to be independent.



Kentucky is among the worst nationally in several key population health metrics.

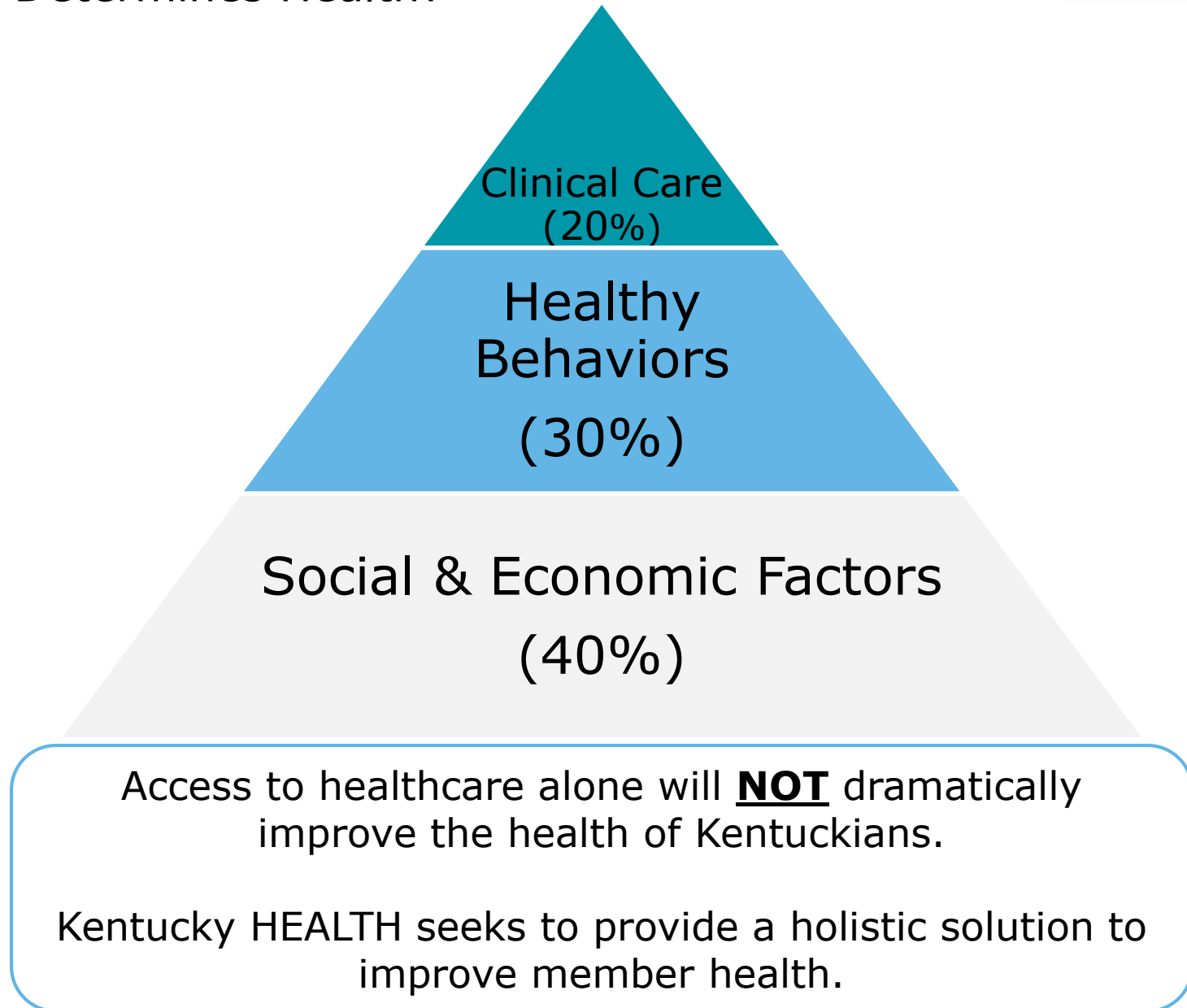
- 1st in the nation for cancer deaths, 2nd highest in the nation for smoking.
- Over 1/3 of Kentuckians have weight-related health issues (7th highest rate in the nation).
- There are 6.9 infant deaths per 1,000 live births (13th highest rate in the nation).
- Recent report shows 8 of 13 counties in the nation with largest declines in life expectancy since the 1980s are in Kentucky.

Unsustainable Growth

- **High poverty & high Medicaid enrollment**
 - Workforce participation rate is 59.4% (45th in the nation)
 - 19% of Kentuckians live in poverty
 - 47th in the nation for median household income
 - **Nearly 1/3 of total state population is enrolled in Medicaid**
- **Kentucky has poor health outcomes despite high spending**
 - 1 in 3 Kentuckians struggle with weight-related health issues
 - Ranks 2nd highest in the nation for smoking
 - Ranks 1st highest in the nation for cancer deaths
- **No long term financing plan**
 - Kentucky is projected to spend approximately **\$1.2 billion** over the next five years on expanded Medicaid benefits (SFY 2017-2021)

The cost growth in Medicaid expansion threatens funding for traditional Medicaid coverage for pregnant women, children, and individuals who are aged, blind, or have disabilities.

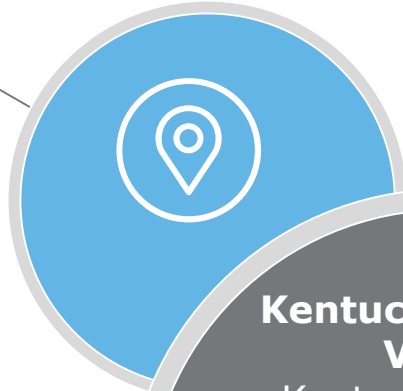
What Determines Health?



Note: The remaining 10% accounts for miscellaneous factors.

Kentucky HEALTH Benefits

Giving members more control over their healthcare



Promoting self-sufficiency and encouraging individuals to be engaged in their communities



Kentucky HEALTH Vision

Kentucky HEALTH aims to improve lives and re-envision public assistance as a temporary safety net, not a long-term plan. The program aims to improve health by:

Creating opportunities for members to get involved in their healthcare and promoting healthy living



Implementing a more financially sustainable approach for Kentucky's Medicaid services



Kentucky HEALTH Covered Populations

Medicaid Populations Not Included in Kentucky HEALTH

Traditional Medicaid (*Aged, Blind & Disabled*)

Home and Community Based Waiver - 1915(c) No Change	Model Waiver II – 1915(c) No Change
Michelle P Waiver – 1915(c) No Change	Supports for Community Living – 1915(c) No Change
Acquired Brain Injury – 1915(c) No Change	Acquired Brain Injury, Long Term Care – 1915(c) No Change
Nursing Facility and ICF/MR Residents No Change	Qualified Medicare Beneficiaries No Change

Medicaid Populations Included in Kentucky HEALTH

Non-Disabled Adults & Children
(*Individuals covered before expansion, pregnant women, children, former foster youth up to age 26 & adult expansion population*)

Traditional Medicaid Adults Eligible Prior to Expansion <ul style="list-style-type: none"> Premiums or Copays No Change in Benefits (continue to get vision and dental through MCO) Community Engagement required, unless primary caretaker of dependent 	Medicaid Expansion Adults <ul style="list-style-type: none"> Premiums or Copays Vision and Dental available through My Rewards Account Community Engagement required, unless primary caretaker of dependent
Pregnant Women & Children (Traditional Medicaid and KCHIP) <ul style="list-style-type: none"> No Premiums No Change in Benefits Community Engagement initiative not required 	Medically Frail Adults & Former Foster Youth up to age 26 <ul style="list-style-type: none"> Optional Premiums (for access to My Rewards) No Change in Benefits Community Engagement initiative not required

Benefit Overview

2 >



Kentucky HEALTH Medicaid State Plan/CHIP

- Current benefits available to individuals outside of the Adult Group
 - Includes Medically Frail and former foster youth to age 26

1 >



Kentucky HEALTH Alternative Benefit Plan

- Benefits and limitations similar to the Kentucky State Employees plan
- The following benefits are moved to *My Rewards Account*:
 - Vision
 - Dental
- The following benefits are added to *My Rewards Account*:
 - Gym membership and fitness activities

Benefits by Population

Population	Benefit Package
Adult Group	Kentucky HEALTH Alternative Benefit Plan
• Medically Frail Adults	No change in benefits (Medicaid State Plan)
• Former Foster Youth to age 26	No change in benefits (Medicaid State Plan)
Parents and Caretakers & TMA	No change in benefits (Medicaid State Plan)
Pregnancy Category	No change in benefits (Medicaid State Plan)
Children	No change in benefits (Medicaid State Plan)

Note: Vision and dental coverage will continue to be covered by the MCOs (not the My Rewards Account) for all members with access to Medicaid State Plan benefits.

Key Components of Kentucky HEALTH

Kentucky HEALTH is broken down into several different components, detailed below.

Cost Sharing

Cost sharing introduces members to key commercial market features as a way of investing in personal health, including monthly premium payments, tracking deductibles, and managing a health spending account (My Rewards).

Deductible Account

The deductible account empowers individuals to make cost-conscious healthcare decisions.

My Rewards Account

The My Rewards Account provides incentives for members to improve their health through preventive services and health education, engage in their communities, and improve their job skills..

PATH Program

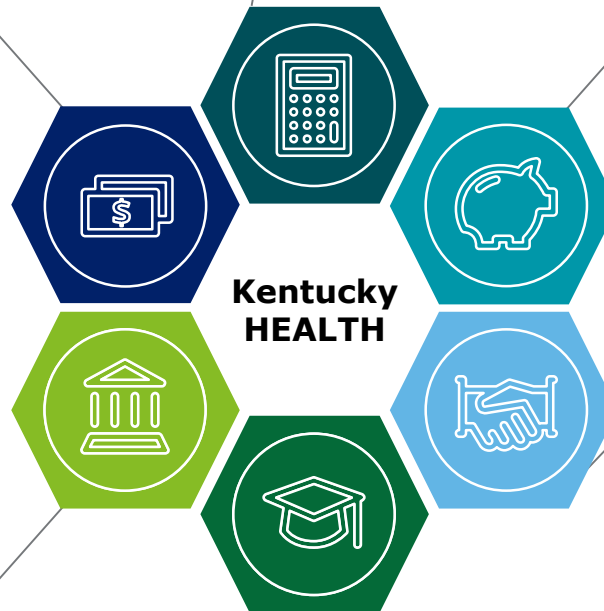
Research shows an important link between some sort of community engagement (like volunteer work, public service, or employment) and an individual's overall health and well-being. The PATH program is designed to move people toward financial security, and build and strengthen Kentucky's workforce.

Premium Assistance

Establishes a way for the state to pay member's premium if employer sponsored insurance is available and cost-effective.

Education and Training

The Health and Financial Literacy classes provide ways for Kentuckians to learn how to improve health outcomes and financial security.



Kentucky HEALTH Cost Sharing

Qualifying members will pay premiums or copays as a way of investing in personal health. Cost sharing introduces members to key commercial market features, including making timely monthly premium payments, tracking deductibles, and managing a healthcare spending account.

Cost Sharing Breakdown

Policy

- Kentucky HEALTH members will have monthly family premiums (ranging from \$1 to \$15, depending on income)
- Cost sharing is limited to 5% of family income on a quarterly basis (includes all family copayments and premiums)

What's Changing?

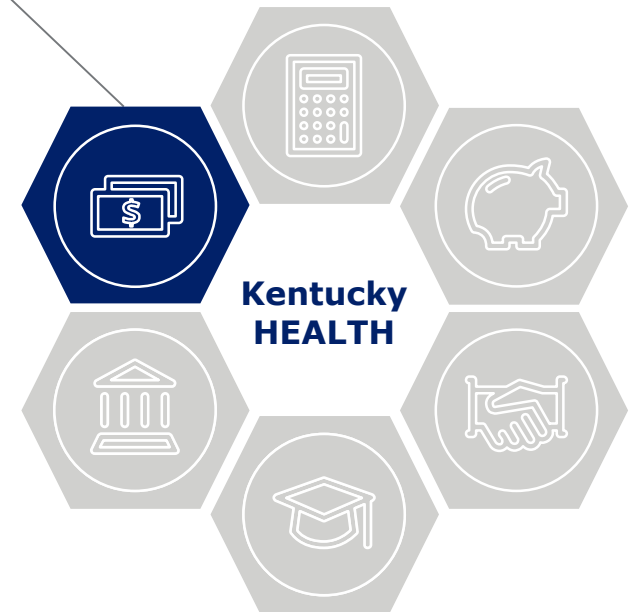
- Monthly premiums
- Non-payment penalties vary
 - Over 100% FPL- Disenrolled
 - At or below 100% FPL- shift to state plan with copayments

Who is Impacted?

- Adult Group
- Parent/Caretaker Relatives

Not Impacted

- Children
- Medically Frail & Former Foster Youth (up to age 26)
- Pregnant Women
- Non-Kentucky HEALTH Medicaid members





Deductible Account

The deductible account empowers individuals to be active consumers of healthcare and make cost-conscious decisions by allowing members to utilize the dollars in their deductible accounts towards healthcare services.

Deductible Account Breakdown

Policy

- Members will receive a \$1,000 state-funded account to pay for their \$1,000 plan deductible
- The first \$1,000 of expenses (except preventive services) will deduct from the account
 - preventive services are covered, but not counted toward the deductible account. A member with a My Rewards Account will earn dollars for preventive service.

What's Changing?

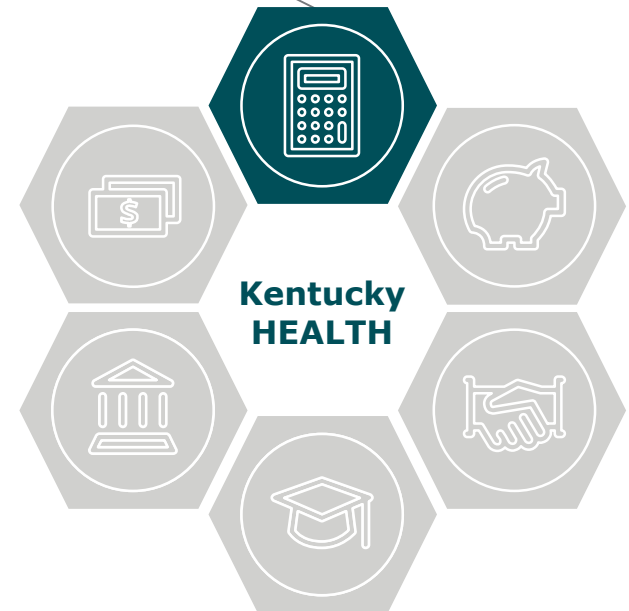
- Members will get statements showing their first \$1,000 of claims
- Up to ½ of the balance at the end of the year (if applicable) rolls over to My Rewards Account for additional benefits

Who is Impacted?

- Expansion Adults
- Parents/Caretaker Relatives
- Medically Frail & Former Foster Youth (up to age 26)

Not Impacted

- Children
- Pregnant Women
- Non-Kentucky HEALTH Medicaid members



Community Engagement Initiative

Research shows an important link between some sort of community engagement (like volunteer work, public service, or employment) and an individual's overall health and well-being. The PATH program is a unique community engagement or employment initiative for Kentucky HEALTH members designed to build and strengthen Kentucky's health and workforce.

PATH Program Breakdown

Partnering to Advance Training and Health



Policy

- Able-bodied working age adults who are not otherwise exempt are required to complete community engagement activities

What's Changing?

- Non-exempt members will need to complete qualifying activities to maintain eligibility, such as employment, volunteering, caretaking, job training, and education

Who is Impacted?

- All able-bodied working age adult Kentucky HEALTH members
 - Expansion Adults
 - Parent/Caretakers relatives

Not Impacted

- Children
- Pregnant Women
- Medically Frail & Former Foster Youth up to Age 26
- Chronically Homeless
- Primary Caregiver of a Dependent
- Full-Time Students

Fulfill PATH Requirement

- Full-Time Employed
- If a member is receiving SNAP benefits, the SNAP work program and applicable exemptions apply instead of PATH

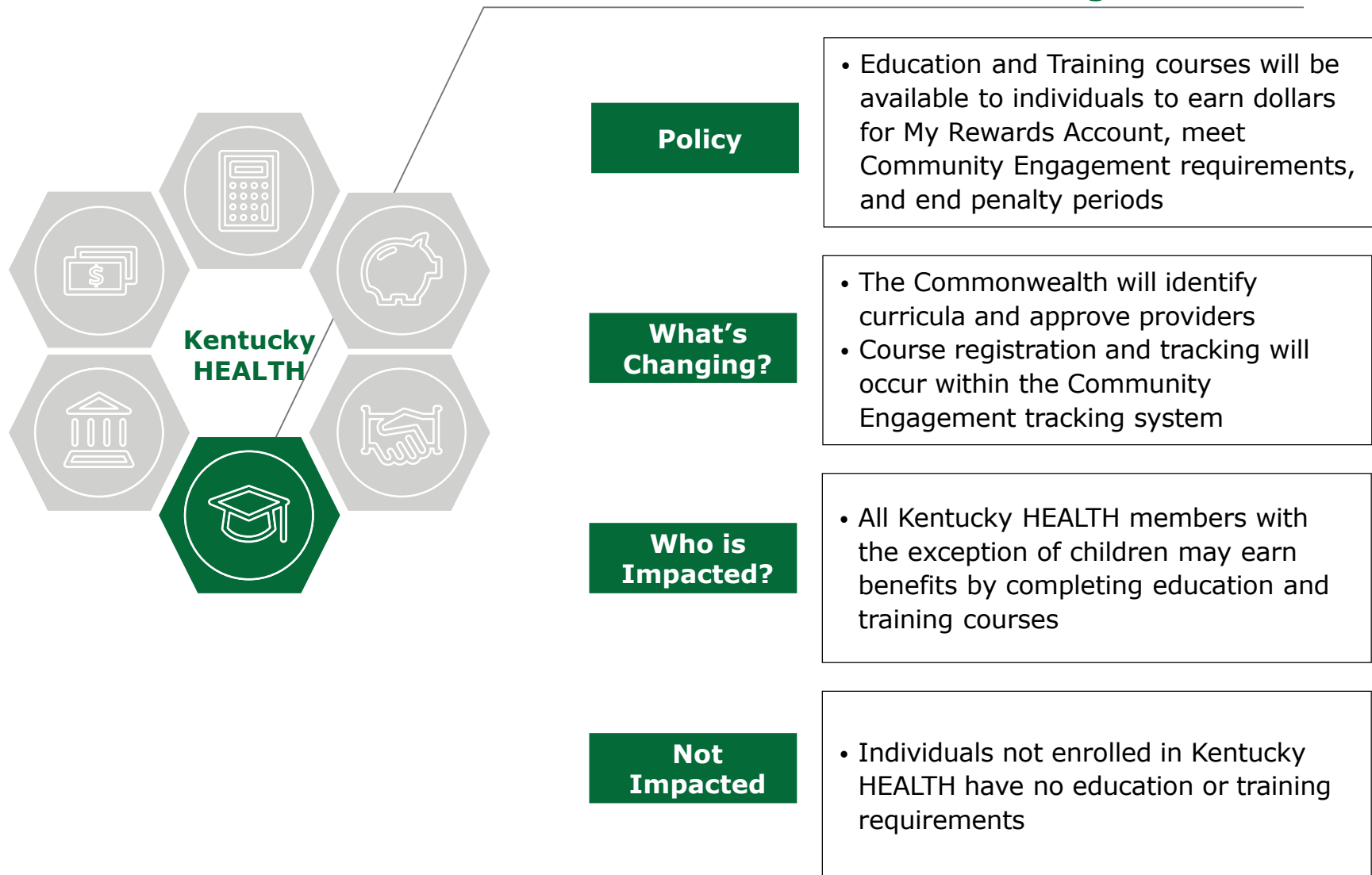
PATH Program:

Partnering to Advance Training and Health

Education and Training – Health and Financial Literacy

The Health and Financial Literacy classes will help Kentuckians gain skills for long-term independence and success.

Education and Training Breakdown



Premium Assistance

Premium Assistance establishes a path for the state to pay an individual's premium if employer sponsored insurance (ESI) is available, and if the ESI is more cost-effective than the qualifying member remaining in Kentucky HEALTH.

Premium Assistance

Policy

- Individuals eligible for Kentucky HEALTH may have the option or obligation to enroll in their employer's health plan instead of the standard Medicaid consumer health plan option

What's Changing?

- Kentucky HEALTH will reimburse the employee (minus the required premium amount) for the full cost of the employer plan
- Medicaid will cover the cost for services that are covered by Kentucky HEALTH, but not the employer plan.

Who is Impacted?

- **Mandatory enrollment:** Expansion Adults, Parents, Caretakers & TMA who have been enrolled in Kentucky HEALTH for 12 months and employed with the same employer for 12 months if the plan is deemed cost effective.

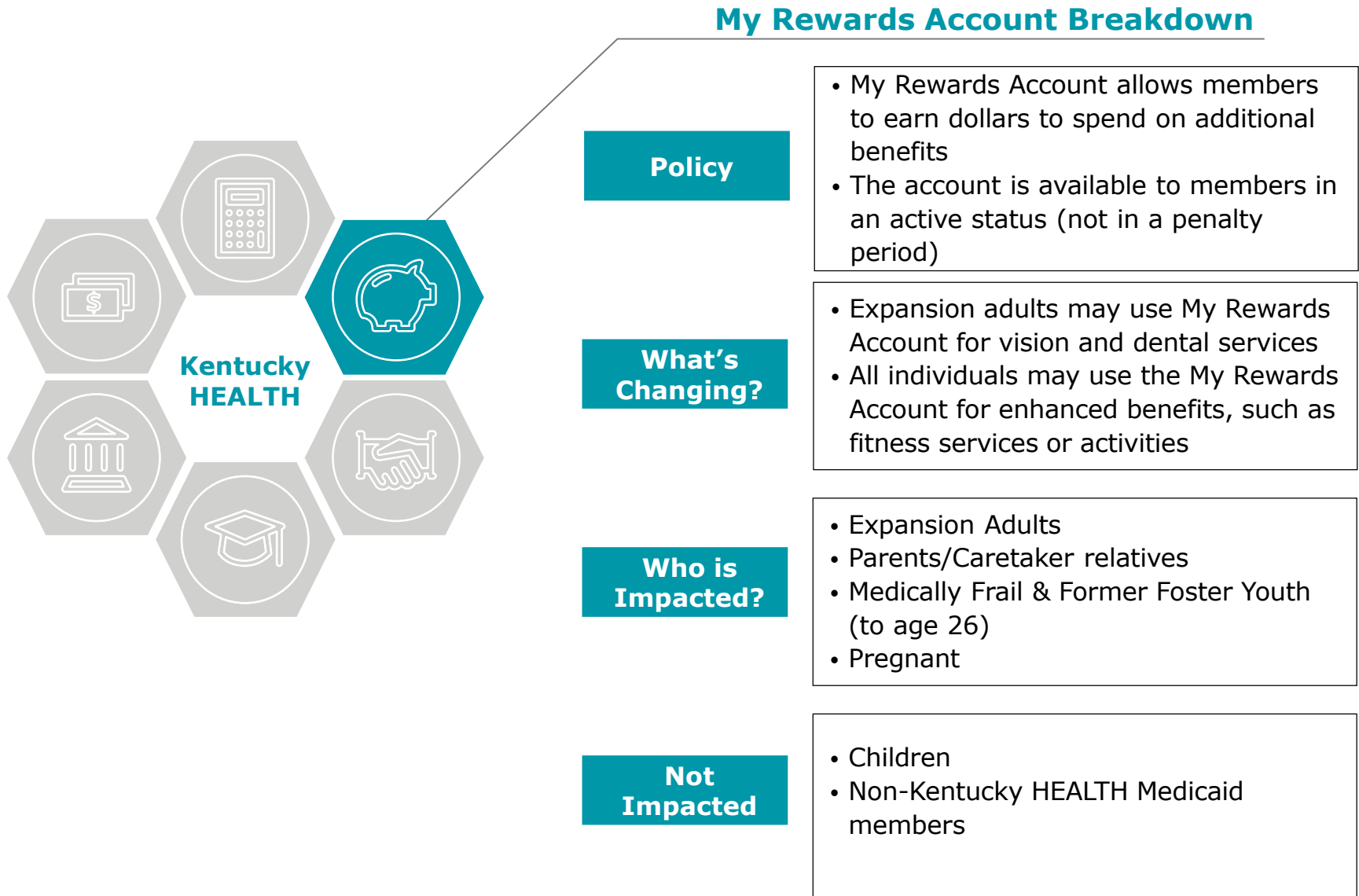
Not Impacted

- **Optional enrollment:** Medically Frail, Former Foster Youth (up to age 26), Pregnant Women & Children



My Rewards Account

By rewarding health, job training and community engagement, the My Rewards Account provides incentives for members to improve their health while becoming active members of the community.



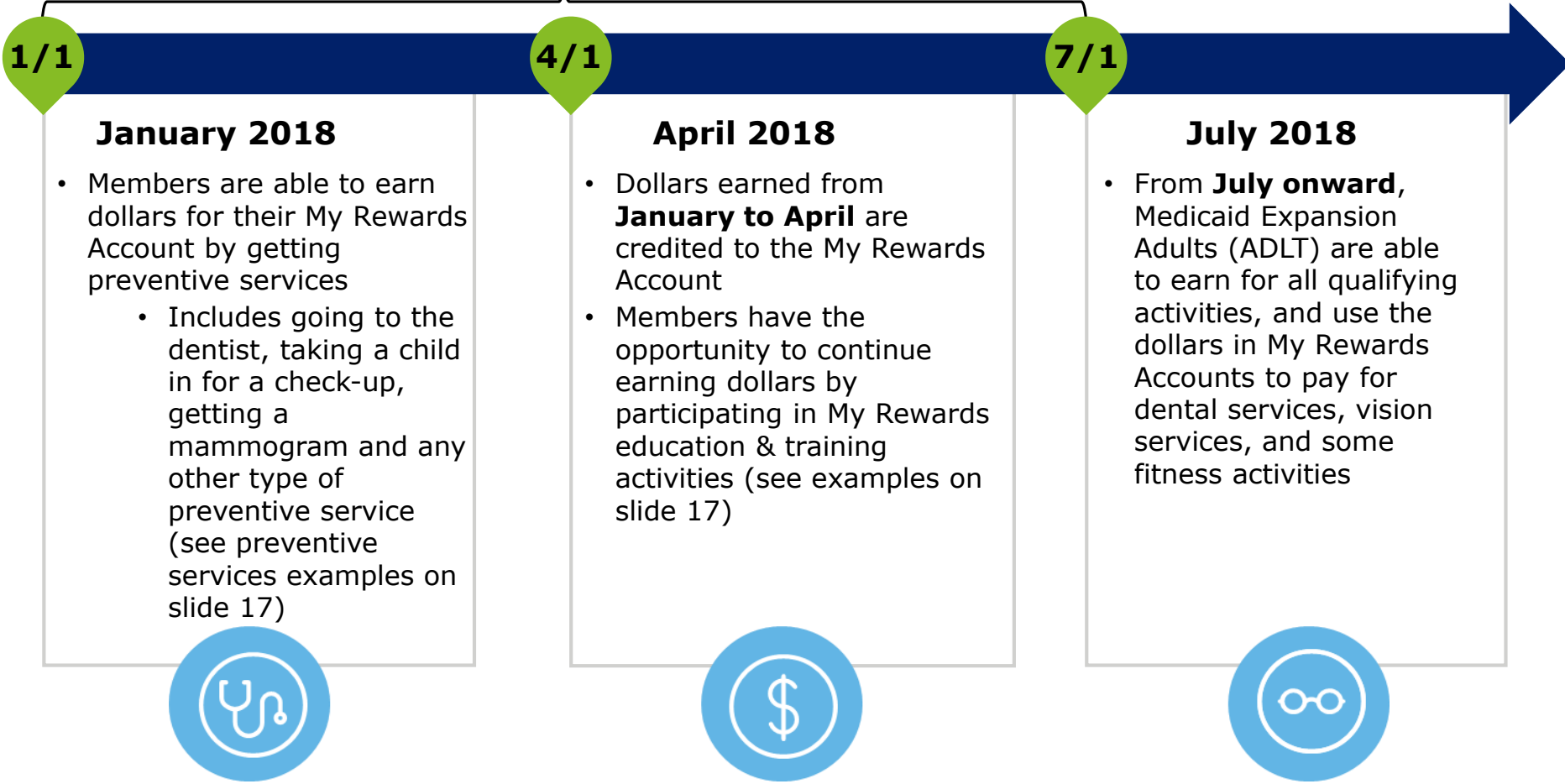
Examples: My Rewards Qualifying Activities*

Education and Training	Community Engagement
Complete health risk assessment with MCO	Register with career center and complete goal needs assessment
Complete diabetes, cardiovascular, weight management, or other chronic disease management course	Participate in qualifying community activity (including services)
Complete Health Access Nurturing Development Services (HANDS) program intended for any new or expectant parents	Complete job skills training or training with career coach
Participate in Moving Beyond Depression (MBD) intended for mothers suffering from depression needing assistance to function optimally and support their child's development	Conduct job search activities
Participate in Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC)	Employment - related education or GED - prep classes
Complete a My Rewards qualifying course	Pass the GED exam
Prevention	Healthy Living
Take part in health screenings and preventive services, such as: mammograms, pap smears, prostate screenings, colonoscopy, & flu shots	Participate in smoking cessation activity
Get annual physical, including biometric screening	Participate in drug addiction counseling (including for alcohol)
Complete well-child physical, preventive dental exam, or comprehensive vision exam for dependent child	Complete First Step Program
Complete adult comprehensive preventive dental exam	Avoid inappropriate emergency room visits
Complete adult comprehensive preventive vision exam	Follow-up with primary care after ER visit

*This is not an exhaustive list of My Rewards Qualifying Activities

Members Can Earn My Rewards Dollars 6 Months Before Kentucky HEALTH Benefits

6 months to earn My Rewards Dollars



NOTE: After benefits change to Kentucky HEALTH on July 1, MCOs will continue to cover vision and dental services for Traditional Medicaid Adults (PACAs), pregnant women, children, former foster youth (up to age 26), and those determined to be Medically Frail. These individuals will not use My Rewards Accounts for these services.

Kentucky HEALTH Proposed Roadmap

Thread	2017					2018											
	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Kentucky HEALTH Phase #1 <ul style="list-style-type: none"> Identification of Kentucky HEALTH population for outreach Members can earn My Rewards dollars for preventive services (will be credited retroactively based on claims beginning January 1, 2018) 																	
Kentucky HEALTH Phase #2 <ul style="list-style-type: none"> Community Engagement: Courses for My Rewards accrual available My Rewards: Beginning balance of a member's My Rewards Account is updated based on his/her claim(s) processed for preventive services starting from 1/1/18. Active accrual of My Rewards dollars also starts at this time 																	
Kentucky HEALTH Phase #3 <ul style="list-style-type: none"> Implementation of Alternate Benefits Plan (ABP) Tracking of penalties and suspension Community Engagement: Begin tracking Community Engagement hours, enable business connect functions (such as ability for partners to register and post opportunities), re-entry courses available My Rewards: Claims processing for member reimbursement, Medicaid provider authorization and claims processing for dental and vision services 																	

The Kentucky Education and Workforce Development Cabinet has received a number of questions lately related to Kentucky HEALTH's community engagement requirement. This brief Q&A will help participants understand the requirements and what they can do to meet them.

1

What is community engagement and how is it different than a work requirement?

Community engagement is more than just a job. It could mean studying a new skill at a local community college, earning your GED or learning English as a second language. It also could include:

- Visiting a nearby Kentucky Career Center to update your resume and search for local jobs.
- Taking care of an aging parent.
- Volunteering at your local school or church.

2

Will everyone on Medicaid be required to participate in community engagement to keep their benefits?

No. Community engagement is for adults, ages 19-64, who do not have dependents. People who are already working at least 20 hours per week are meeting community engagement and will not be required to do additional activities. Those with a disability or who are pregnant can choose to participate, but are not required to.

3

If a person on Medicaid has a drug or alcohol addiction, is that person required to participate in community engagement?

Getting treatment for drug or alcohol addiction is considered community engagement. Substance use disorder treatment is an important step in living a healthy lifestyle and gaining skills to move forward. You can find information about Kentucky rehabilitation programs at findhelpnowky.org.

4

Are there enough jobs available for Medicaid beneficiaries and for all Kentuckians?

Kentucky's job database, Focus Career, has thousands of job openings posted right now. Employers from all corners of the state are looking for qualified workers for thousands of good-paying jobs at all skill and education levels. You can learn more about high-demand jobs at helpwantedky.com or search job postings at focuscareer.ky.gov.

5

When do beneficiaries start community engagement and where do they report hours?

Community engagement will start at different times for different counties beginning in July 2018. You will receive a notice before you are required to begin. Your local career center can talk to you about ways to get into programs, jobs, training and more. Community engagement hours will be reported at CitizenConnect.ky.gov.