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State/Territory Name: Kentucky

State Plan Amendment (SPA) #: KY-26-0003-CHIP

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

Children and Adults Health Programs Group

August 17, 2026

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

Dear Commissioner Lee:

Your Title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) KY-26-003, submitted on June 15, 2026, has been approved. The effective date for this SPA is January 1, 2026.

Through KY-26-0003, Kentucky demonstrates compliance with section 205 of the Consolidated Appropriations Act, 2024 (CAA, 2024) by modifying CHIP eligibility requirements for the treatment of incarcerated pregnant women. Section 205 of the CAA, 2024, amends section 2102(d)(1)(A) of the Social Security Act to expand the prohibition on terminating eligibility to CHIP-enrolled pregnant women solely because an individual is an inmate of a public institution. Additionally, the state clarifies policies related to a pregnant woman's enrollment in managed care while incarcerated.

Your Project Officer is Joshua Bougie. He is available to answer your questions concerning this amendment and other CHIP-related matters and can be reached at Joshua.Bougie@cms.hhs.gov.

If you have additional questions, please contact Mary Beth Hance, Director, Division of State Coverage Programs, at (410) 786-4299. We look forward to continuing to work with you and your staff.

Sincerely,

/Signed by Jessica Stephens/

Jessica Stephens
Acting Director

Implementation Date:	October 24, 2019
SPA # KY-21-0001-CHIP	**Pregnant Women**
Effective Date:	July 1, 2021
Implementation Date:	July 1, 2021
CS8L	PW Eligibility
CS13:	Deemed Newborn Eligibility
CS18:	Eligibility-Citizenship
CS20:	PE Waiting period
CS29:	PW Presumptive Eligibility
SPA # KY-21-0002-CHIP	**Pregnant Women**
Effective Date:	July 1, 2022
Implementation Date:	July 1, 2022
SPA #KY-22-0002	**12-month postpartum coverage for pregnant women**
Effective Date:	April 1, 2022
Implementation Date:	April 1, 2022
CS27:	Postpartum coverage for pregnant women
KY-22-0003-CHIP	Transition all eligible children in its separate CHIP to a Medicaid expansion program.
CS3:	Update Medicaid expansion eligibility levels
CS7, 10, and 14:	These templates are now obsolete.
CS18:	Eligibility/citizenship: Update to remove references to children
Effective Date:	July 1, 2022
Implementation Date:	August 1, 2022
KY-22-0004 CHIP	COVID Testing, Treatment and Vaccine Coverage for compliance with American Rescue Plan
Effective Date:	March 11, 2021
Implementation Date:	March 11, 2021
KY-22-0005	Companion SPA to KY-22-0003. Update entire state plan to specify policies for pregnant individuals and remove policies specific to children in certain sections.
Effective Date:	July 1, 2022
Implementation Date:	August 1, 2022
KY-25-0001 CHIP	Maternal Population Health Objectives
Effective Date:	July 1, 2025 (Pending)
Implementation Date:	July 1, 2025 (Pending)
KY-26-0003 CHIP	Prohibition of Termination of Incarcerated Pregnant Women
Effective Date:	January 1, 2026
Implementation Date:	January 1, 2026

KY-21-0001 CHIP Effective/Implementation Date: July 1, 2021	Magi-Eligibility & Methods Magi-Eligibility & Methods Non-Financial Non-Financial Eligibility General Eligibility	CS8 CS 13 CS 18 CS20 CS29	Targeted Low-Income Pregnant Women Deemed Newborn Eligibility-Citizenship Substitution of Coverage Presumptive Eligibility for pregnant women	Benefits-adds pregnant adults 19 and older, up to 213% FPL as CHIP pregnant women; Eligibility: Adds deemed newborns to CHIP; Extends Lawfully residing option to CHIP pregnant women; Waiting period not applicable to CHIP pregnant women; Added Presumptive Eligibility for pregnant women;
KY-22-0001-CHIP Effective/Implementation Date: April 1, 2022		CS27	Targeted low-income pregnant individuals through the end of the 12-month postpartum period	Continuous coverage through 12 months postpartum
KY-22-0003 CHIP Effective Date: July 1, 2022, Implementation Date: August 1, 2022		CS3, CS18 (CS7, 10 and 14 are now obsolete)	Transition all separate CHIP children to a Medicaid expansion program.	
KY-26-0003 CHIP Effective Date: Jan. 1, 2026 Implementation Date: Jan. 1, 2026	Eligibility	CS31	Incarcerated Beneficiaries CHIP Eligibility Template	Prohibits Termination of Enrollment for Incarcerated Pregnant Women

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

Not applicable.

Section 3. Methods of Delivery and Utilization Controls

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

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

Guidance: In Section 3.1, describe all delivery methods the State will use to provide services to enrollees, including: (1) contracts with managed care organizations (MCO), prepaid inpatient health plans (PIHP), prepaid ambulatory health plans (PAHP), primary care case management entities (PCCM entities), and primary care case managers (PCCM);
(2) contracts with indemnity health insurance plans; (3) fee-for-service (FFS) paid by the State to health care providers; and (4) any other arrangements for health care delivery. The State should describe any variations based upon geography and by population (including the conception to birth population). States must submit the managed care contract(s) to CMS' Regional Office for review.

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

3.1.1 Choice of Delivery System

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

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

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

Pregnant individuals enrolled in the Kentucky Children's Health Insurance Program (KCHIP) who become incarcerated will be excluded from managed care for the duration of their incarceration and may be reenrolled in managed care upon discharge from the correctional facility.

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

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

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

Examples of utilization control systems include, but are not limited to: requirements for referrals to specialty care; requirements that clinicians use clinical practice guidelines; or demand management systems (e.g., use of an 800 number for after-hours and urgent care). In addition, the State should describe its plans for review, coordination, and implementation of utilization controls, addressing both procedures and State developed standards for review, in order to assure that necessary care is delivered in a cost-effective and efficient manner. (42 CFR 457.490(b))

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

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

Guidance: Only States that use a managed care delivery system for all or some CHIP populations need to answer the remaining questions under Section 3 (starting with 3.1.1.2). If the State uses a managed care delivery

CHIP Eligibility

State Name: Kentucky

OMB Control Number: 0938-1148

Transmittal Number: KY - 26 - 0003

Incarcerated CHIP Beneficiaries — CS31

2102(d) and 2110(b)(7) of the SSA

Targeted Low-Income Children Who Become Incarcerated

☐ The state assures that it does not terminate eligibility for children enrolled in a separate CHIP because the child is an inmate of a public institution.

States may either suspend CHIP coverage or continue to provide CHIP state plan (or waiver of such plan) services otherwise not covered by the carceral facility to children who are incarcerated. States that elect to suspend CHIP coverage for the duration of a child's incarceration may implement a benefits or eligibility suspension.

The state elects to suspend CHIP coverage for the duration of a child's incarceration ☐

If yes, then check an option below:

○ Benefits suspension

○ Eligibility suspension

☐ The state assures that it redetermines eligibility for any child prior to their release if it has been longer than 12 months since the child's last redetermination and restores coverage for child health assistance to eligible children upon their release.

☐ Within the 30 days prior to release (or within one week of release, or as soon as practicable after release), the state assures that it provides eligible children with any screenings, diagnostic services, or case management services that would otherwise be available to children under the CHIP state plan (or waiver of such plan).

Additional information regarding implementation of mandatory provisions of section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023), including providing screenings, diagnostic services, or case management services:

Under section 5122 of the CAA, 2023, states may consider otherwise eligible children who are inmates pending disposition of charges as eligible for CHIP and provide all services covered under the CHIP state plan.

☐ The state elects to provide all CHIP state plan benefits (or waiver of such plan) to eligible children who are inmates pending disposition of charges.

CHIP Eligibility

Children Determined Eligible for CHIP While Incarcerated

Generally, children who apply for CHIP when they are in a carceral facility are not eligible because of the eligibility exclusion for inmates of a public institution under section 2110(b) of the Act. However, section 2110(b)(7) of the Act provides an exception to this eligibility exclusion for children who are within 30 days prior to their release.

☐ The state assures that they will process any application submitted on behalf of a child and make an eligibility determination for child health assistance upon their release from the institution.

☐ Children who apply and are found eligible within 30 days prior to their release will be provided screening and diagnostic services, and case management services that are otherwise available under the CHIP state plan (or waiver of such plan).

Targeted Low-Income Pregnant Women Who Become Incarcerated

☒ The state assures that it does not terminate eligibility for pregnant women enrolled in a separate CHIP because the pregnant woman is an inmate of a public institution.

States may either suspend CHIP coverage or continue to provide CHIP state plan (or waiver of such plan) services otherwise not covered by the carceral facility to pregnant women who are incarcerated. States that elect to suspend CHIP coverage for the duration of a pregnant woman's incarceration may implement a benefits or eligibility suspension.

The state elects to suspend CHIP coverage for the duration of a pregnant woman's incarceration: Yes

If yes, then check an option below:

- (•) Benefits suspension
- ( ) Eligibility suspension