

Managed Care in Kentucky

This profile reflects state managed care program information as of August 2014, and only includes information on active federal operating authorities, and as such, the program start date may not reflect the earliest date that a program enrolled beneficiaries and provided services. Some states report populations and services available to program participants under the federal authority (e.g. Section 1115 waiver), so these features cannot be easily distinguished for each program.

Overview of Current Managed Care Programs

In 2011, nearly ninety percent of Medicaid beneficiaries in Kentucky were enrolled in managed care. The state introduced its first managed care program, the **Kentucky Patient Access and Care (KenPAC) Program** primary care case management program (PCCM), in 1986. KenPAC enrolled low-income adults and children on a mandatory basis across the state and covered acute, primary, and specialty care coordinated by providers. In 1997, the state implemented **Kentucky Health Partnership**, a comprehensive risk-based managed care program, through which a regional partnership of health care providers, called Passport Health Plan, covers acute, primary, and some specialty care (excluding behavioral health) to most Medicaid beneficiaries. Today, Kentucky Health Partnership is mandatory for most Medicaid beneficiaries who live in Louisville and 16 surrounding counties. The state also added **Human Service Transportation Delivery Program** in 2010 to extend transportation services on a mandatory basis to most Medicaid beneficiaries in the state.

In 2011, the state terminated the KenPAC (PCCM) program and received approval to expand managed care statewide to cover beneficiaries in regions not served by Kentucky Health Partnership. The state has since implemented a mandatory risk-based managed care program, referred to as Medicaid Managed Care, for most Medicaid beneficiaries. In contrast to the Kentucky Health Partnership program, which uses regional networks to deliver care, the Medicaid managed care program contracts with commercial managed care organizations (MCOs) to cover acute, primary, and specialty services, including behavioral health and dental services. In 2013, the state also began awarding contracts to additional MCOs to manage care for beneficiaries in the region served by KHP and Passport Health Plan.

In January 2014, Kentucky expanded managed care through an Alternative Benefit Plan (ABP). The newly eligible populations are mandatorily enrolled in existing MCOs. Kentucky required the MCOs to expand their provider networks, as needed, to ensure adequate access to the full range of services offered in the ABP. The Alternative Benefit Plan services provided outside of managed care (fee-for-service) for the expanded populations are: intermediate care facilities for individuals with an intellectual disability, hospice services provided to an enrollee in an institution, school-based health services, health access nurturing development services, early intervention program services, and nursing facility services for enrollees.

Participating Plans, Plan Selection, and Rate Setting

The state contracted with three health plans to manage care for beneficiaries. Three plans, Coventry Cares of Kentucky, Anthem Health Plan, and Wellcare of Kentucky are **national, for-profit plans**. Anthem Health Plan is the newest MCO in the state. Anthem was selected to serve the Medicaid expansion population. As of July 2013, Kentucky Spirit no longer operates in the state. Passport Health Plan, the regional provider partnership that serves KHP beneficiaries, is a **local, non-profit plan** that also operates as Medicare Advantage Special Needs Plan. Kentucky selects plans using competitive bidding and sets rates through an administrative process using actuarial analyses.

Quality and Performance Incentives

Kentucky requires its Medicaid managed care plans to maintain NCQA accreditation and report audited HEDIS data, as well as CAHPS and other performance measures, such as behavioral health indicators and measures specific to individuals with special health care needs. The state also collaborates with plans to develop unique Kentucky Medicaid Managed Care Performance Measures, which are aligned with national and state prevention initiatives. The state also requires plans to engage in performance improvement projects throughout the plan year. The state does not currently tie quality measures to performance incentives.

Table: Managed Care Program Features, as of August 2014

Program Name	Medicaid Managed Care Program	KY Health Care Partnership Program	Human Service Transportation Delivery Program
Program Type	MCO	MCO	Transportation PAHP
Program Start Date	2011	November 1997	November 2010
Statutory Authorities	1915(b), ABP	1115(a)	1915(b)
Geographic Reach of Program	Statewide	Single region	Statewide
Populations Enrolled (<i>Exceptions may apply for certain individuals in each group</i>)			
<i>Aged</i>	X	X	X
<i>Disabled Children & Adults</i>	X	X	X
<i>Children</i>	X	X	X
<i>Low-Income Adults</i>	X	X	X
<i>Medicare-Medicaid Eligibles (“duals”)</i>	X	X (excludes partial duals)	X (excludes QMB)
<i>Foster Care Children</i>	X	X	X
<i>American Indians/Alaska Natives</i>			
Mandatory or Voluntary enrollment?	Mandatory	Mandatory	Mandatory
Medicaid Services Covered in Capitation (<i>Specialized services other than those listed may be covered. Services not marked with an X are excluded or “carved out” of the benefit package.</i>)			
<i>Inpatient hospital</i>	X	X	
<i>Primary Care and Outpatient services</i>	X	X	
<i>Pharmacy</i>	X	X	
<i>Institutional LTC</i>			
<i>Personal Care/HCBS</i>		X	
<i>Inpatient Behavioral Health Services</i>	X		
<i>Outpatient Behavioral Health Services</i>	X		
<i>Dental</i>	X	X	
<i>Transportation</i>		X	X

Program Name	Medicaid Managed Care Program	KY Health Care Partnership Program	Human Service Transportation Delivery Program
Participating Plans or Organizations	1. Passport Health Plan 2. Coventry Cares Health Plan 3. Anthem Health Plan 4. Wellcare Health Plan 5. Humana Care Source Health Plan	Passport Health Plan	Human Service Transportation
Uses HEDIS Measures or Similar	X	X	
Uses CAHPS Measures or Similar	X	X	
State requires MCOs to submit HEDIS or CAHPS data to NCQA	Yes	Yes	NA
State Requires MCOs Accreditation	Yes	Yes	NA
External Quality Review Organization	IPRO		
State Publicly Releases Quality Reports	Yes		

Sources: Centers for Medicare and Medicaid Services (CMS), National Summary of State Medicaid Managed Care Programs as of July 1, 2011.

Kaiser Commission on Medicaid and the Uninsured. Profile of Medicaid Managed Care Programs in 2010. September 2011.

National Committee on Quality Assurance. NCQA Medicaid Managed Care Toolkit 2012 Health Plan Accreditation Standards. State Use of Accreditation as of February 2012.

Notes: Managed Care Organization (MCO); Prepaid Inpatient Health Plans (PIHP); Prepaid Ambulatory Health Plan (PAHP); Mental Health/Substance Use Disorder (MH/SUD); Healthcare Effectiveness Data and Information Set (HEDIS); Consumer Assessment of Healthcare Providers and Systems (CAHPS).

Primary Care and Outpatient Services include physician services, hospice, laboratory, imaging, FQHC, and other specialty services delivered in outpatient offices and clinics. Institutional Long Term Care (LTC) includes Skilled Nursing Facilities (SNF) and/or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD).

External Quality Review Organization activities are only required for MCOs, PIHPs, PAHPs, and other applicable entities with comprehensive risk contracts.

* According to an independent report, the KENPAC program began in 1986. See <http://legacy.library.ucsf.edu/documentStore/q/v/o/qvo54b00/Sqvo54b00.pdf>.