

**Commonwealth of Kentucky**  
Overview of Kentucky HEALTH

*All information based on Kentucky  
HEALTH Waiver proposal.  
Information is subject to change.*

# The need for Kentucky HEALTH

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

- unemployment rate
- poverty rate
- workforce participation rate
- wages

**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 all daily life and work functions.



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

- 1<sup>st</sup> in the nation for cancer deaths
- 2<sup>nd</sup> highest in the nation for smoking
- 1/3 of Kentuckians have weight-related health issues.
- 6.8 infant deaths per 1,000 live births (17<sup>th</sup> highest in the nation).
- 8 of 13 counties in the nation with largest declines in life expectancy since the 1980s are in Kentucky.

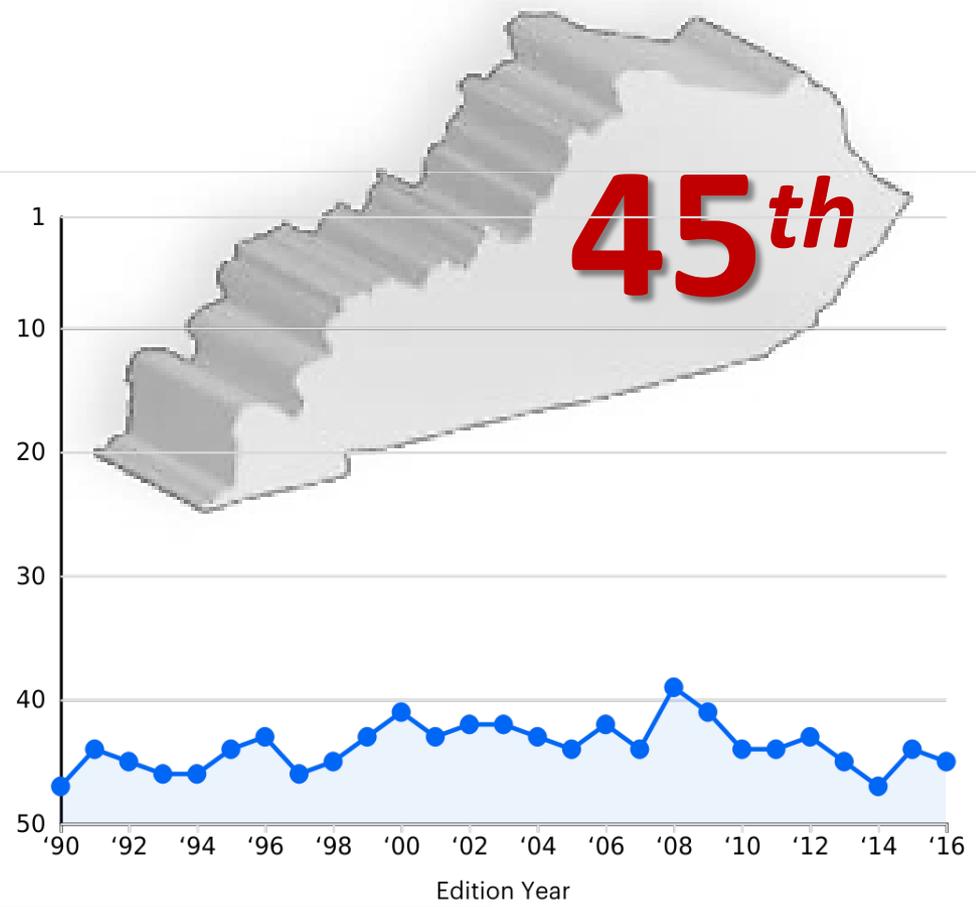
# Unsustainable Growth

- **High poverty & high Medicaid enrollment**
  - Workforce participation is 59.4%, 45<sup>th</sup> in the nation
  - 19% of Kentuckians live in poverty
  - 47<sup>th</sup> in the nation for median household income
  - **Nearly 1/3 of total state population is enrolled in Medicaid**
- **Poor health outcomes despite high spending**
  - 1 out of 3 Kentuckians has weight-related health issues
  - 2<sup>nd</sup> highest rate in the nation for smoking
  - 1<sup>st</sup> highest rate of cancer deaths in the nation
- **Ranks 1<sup>st</sup> highest in nation for MCO profits**
- **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 the aged, blind, disabled, pregnant women, & children.

# Where is Kentucky compared to other states

	<b>KENTUCKY RANK</b>
FREQUENT MENTAL DISTRESS	44
CANCER DEATHS	50
PREVENTABLE HOSPITALIZATIONS	50
CHILDREN IN POVERTY	46
SMOKING	49
DRUG DEATHS	48
FREQUENT PHYSICAL DISTRESS	48
OBESITY IN ADULTS	46
PREMATURE DEATH/100,000	44
CARDIOVASCULAR DEATHS/100,000	43
PHYSICAL INACTIVITY	47
DIABETES IN ADULTS	47
LACK OF HEALTH INSURANCE	10
HIGH SCHOOL GRADUATION	8



# America's Health Rankings 2016

# Kentucky Health Program Overview

*Kentucky HEALTH is the Commonwealth's new program for certain low-income adults and their families. The program gets its name from its mission.*

**H E A L T H**

**Helping to Engage & Achieve Long Term Health**

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

# Kentucky HEALTH Program

Kentucky's Section 1115 Waiver is referred to as **Kentucky HEALTH: Helping to Engage & Achieve Long Term Health**

*Kentucky HEALTH will empower people to seek and gain employment and transition to self sufficiency, will encourage healthy lifestyles by incentivizing tangible actions with actual rewards, and will ensure long-term fiscal sustainability for Kentuckians*



## Triple-Aim Approach

- 1 Encourages members to improve their health by incentivizing preventative care
- 2 Embraces private market policies to prepare members for the commercial market
- 3 Addresses growing drug abuse epidemic

# Kentucky HEALTH Covered Populations

**Medicaid Populations *Not Included* in Kentucky HEALTH**  
 Traditional Medicaid (*Aged, Blind & Disabled*)

**Medicaid Populations *Included* in Kentucky HEALTH**  
 Non-Disabled Adults & Children  
*(Individuals covered before expansion, pregnant women, children, adult expansion population and Former Foster Youth up to age 26 )*

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

**Traditional Medicaid Adults Eligible Prior to Expansion**

- 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**

- Premiums or Copays
- State Employee Benefits
- Vision and Dental available through My Rewards Account
- Community Engagement required, unless primary caretaker of dependent

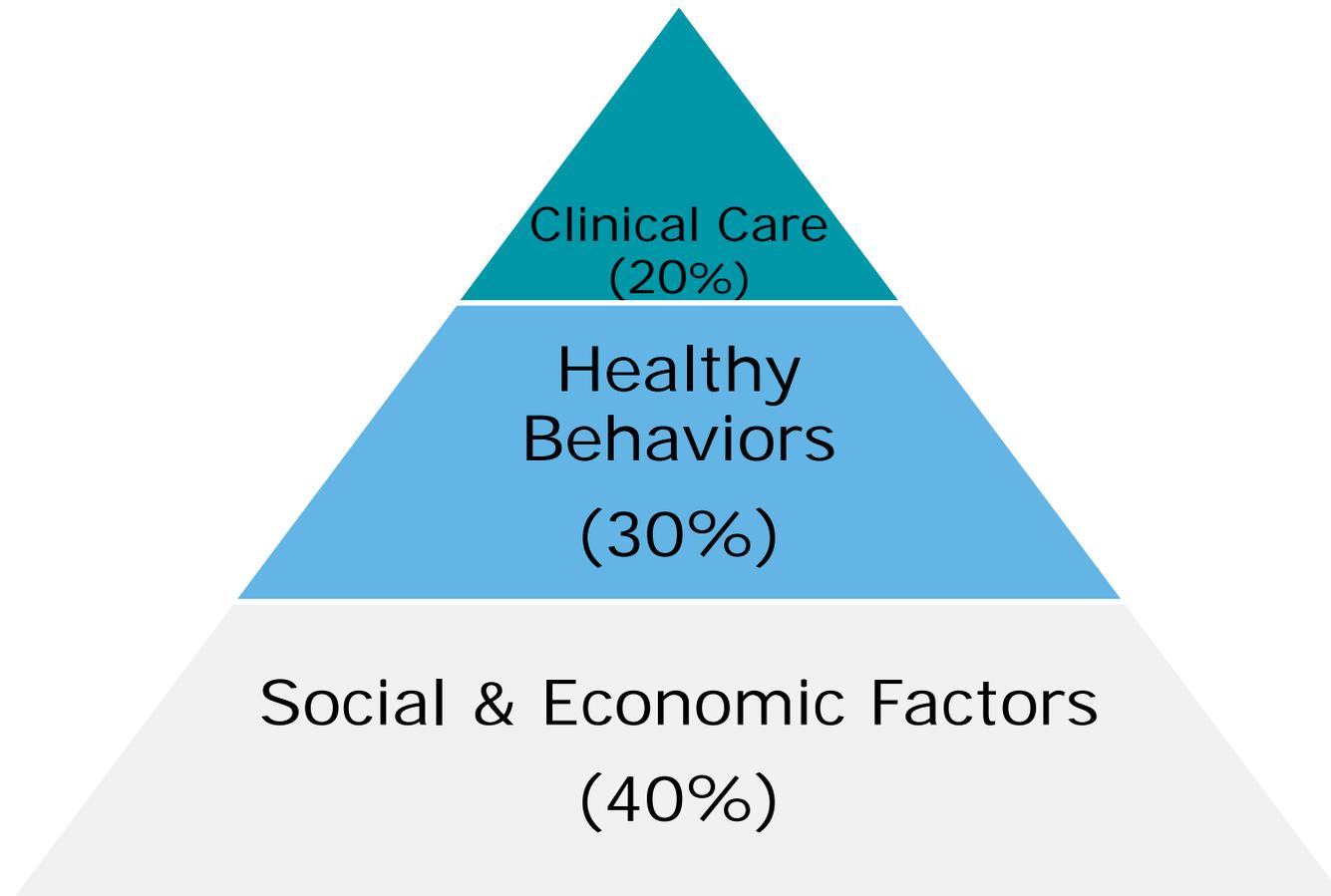
**Pregnant Women & Children (Traditional Medicaid and KCHIP)**

- No Premiums
- No Change in Benefits
- Community Engagement initiative not required

**Medically Frail Adults/Former Foster Youth to Age 26**

- Optional Premiums (for access to My Rewards)
- No Change in Benefits
- Community Engagement initiative not required

# What Determines Health?



Access to healthcare alone will **NOT** dramatically improve the health of Kentuckians.

# Key Components of Kentucky HEALTH

## Cost Sharing

Cost sharing introduces members to critical commercial market features, including making timely monthly premiums, tracking deductibles, and managing a healthcare account a way of investing in own health.

## Deductible Account

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

## My Rewards Account

By rewarding health and positive community related activities, My Rewards Account provides incentives for members to improve their health, engage in their communities, and improve their job skills.

## Community Engagement

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

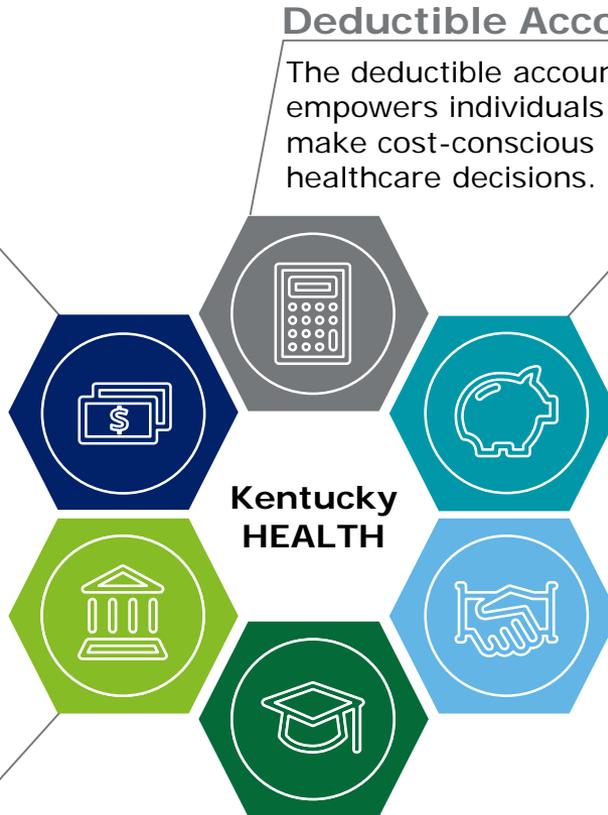
**Kentucky  
HEALTH**

## Premium Assistance

Establishes a path for the state to pay member's premium if employer sponsored insurance is available.

## Education and Training

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



# Innovative Components of Kentucky HEALTH



## Investment

### ***Members invest in their own health***

#### Cost Sharing:

Members invest in their personal health by paying predictable monthly premiums based on their income, or copayments when they receive services.

#### My Rewards Account:

Members are incentivized to improve their health and be active members of the community by offering My Rewards dollars for activities like accessing preventive care services, taking health and financial literacy classes, and job trainings.

### ***Kentucky invests in member health, education and increased Substance Use Disorder coverage***

#### Substance Use Disorder (SUD) and Mental Health Treatment:

Members will obtain enhanced mental health and substance abuse services. Kentucky HEALTH will elevate the standard of care for drug treatment to aggressively combat this epidemic.

# Innovative Components of Kentucky HEALTH



## Understanding

***Members learn about commercial insurance and make informed decisions about their healthcare***



### Cost Sharing:

Members learn about key commercial market features, like making timely monthly premium payments, tracking deductibles, and managing an account similar to a healthcare flexible spending account.



### Premium Assistance:

Members 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.



Deductible Account: Members are empowered to be active healthcare consumers by receiving a \$1,000 state-funded health savings-like account.

# Innovative Components of Kentucky HEALTH



## Advancement

***Members are incentivized and empowered to develop practical knowledge and skills***

➤ P.A.T.H. Program (Community Engagement):

Research shows a link between community engagement (like volunteer work, public service, or employment) and an individual's overall health and well-being.

The Partnering to Advance Training and Health (PATH) program is a unique community engagement initiative designed to build and strengthen Kentucky's health and workforce through a wide variety of options, such as employment, volunteering, caretaking, job training, and education.

➤ Education and Training:

Members can access health, financial literacy, and parenting classes to help them gain and foster skills for long-term independence and success.

# Community Engagement – Proposed Qualifying Activities

<b>Training</b>	<b>Education</b>
<ul style="list-style-type: none"> <li>• Job Skills Training</li> <li>• Vocational Training</li> </ul>	<ul style="list-style-type: none"> <li>• Education related to Employment</li> <li>• General Education (i.e. GED, community college)</li> </ul>
<b>Community</b>	<b>Employment</b>
<ul style="list-style-type: none"> <li>• Community work experience</li> <li>• Community service/public service</li> <li>• Caregiving services for a non-dependent relative or other person with a chronic, disabling health condition</li> <li>• Participation in SUD treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Subsidized or unsubsidized employment</li> <li>• Job Search Activities</li> </ul>

# My Rewards Account – Proposed Qualifying Activities

Education and Training	Community Engagement
<ul style="list-style-type: none"> <li>• Complete health risk assessment</li> <li>• Complete chronic disease management courses such as for diabetes, cardiovascular disease, nutrition, weight management courses</li> <li>• "Complete HANDS Program"</li> <li>• Participate in Moving Beyond Depression (MBD)</li> <li>• Participate in Special Supplemental Nutrition Program for Woman, Infants, and Children (WIC)</li> <li>• Complete a My Rewards Course</li> </ul>	<ul style="list-style-type: none"> <li>• Register with career center and complete goal needs assessment</li> <li>• Participate in qualifying community service activity (including services)</li> <li>• Complete job skills training or training with career coach</li> <li>• Job Search Activities</li> <li>• Employment - related education or GED - prep classes</li> <li>• Passing the GED exam</li> </ul>
Prevention	Healthy Living
<ul style="list-style-type: none"> <li>• Health Screenings, including: Mammograms, Pap Smears, Prostrate Screenings, Colonoscopy, &amp; Flu Shots</li> <li>• Annual Physical including Biometric screening</li> <li>• Complete well-child, preventative dental exam or vision screening for the Dependent child</li> <li>• One Adult Preventative Dental Exam</li> <li>• One Adult Preventative Vision Exam</li> </ul>	<ul style="list-style-type: none"> <li>• Complete First Step Program</li> <li>• Avoid inappropriate Emergency Room Visits</li> <li>• Follow-up Visits with Primary Care Physician after ER Visit</li> </ul>

Note – Non-Emergency ER and Penalty will debit the My Rewards Account

# Forces working towards Kentucky HEALTH's success



## Government

Kentucky Governor's Office

Cabinet for Health and Family Services

Regional Entities (local government agencies, community resources, etc.)

Education & Workforce Cabinet

Department for Community Based Services

Department for Medicaid Services

Adult Education

Department of Public Health

Legislators

Workforce Innovation Boards (state & local)

## Contracted Support

Agents

Assisters

Conduent (Call Center)

## Vendors

Deloitte

DXC Technology

HMA Medicaid Market Solutions

## Members

Medicaid Recipients in the State

## MCOs

Aetna, Anthem, Humana, Passport, WellCare

## External Partners

Employers/ Businesses

Providers (Dental/Vision & General)

Organizations (Advocacy Groups)

Media