

# Kentucky

Data as of July 2003

## Mental Health and Substance Abuse Services in Medicaid and SCHIP in Kentucky

As of July 2003, 666,090 people were covered under Kentucky's Medicaid/SCHIP programs. 615,215 of these were financed by the traditional Medicaid program, 31,541 financed by Medicaid Expansion SCHIP program, 19,334 were financed by the separate SCHIP program. In state fiscal year 2002, Kentucky spent \$3,788,895,201 to provide Medicaid services.

In Kentucky low-income children may be enrolled into the Medicaid program, an SCHIP Medicaid expansion program, or a Separate SCHIP program based on the child's age and their family's income.

- Medicaid covers infants from families with incomes of 185% of FPL or less, children aged 1 through 5 from families with incomes of 133% of FPL or less, and children aged 6 through 18 from families with incomes of 100% FPL or less.
- The SCHIP Medicaid expansion program serves children aged 1 through 5 in families with incomes from 134 - 150% FPL and children aged 6 through 18 in families with incomes from 101 - 150 % FPL who do not otherwise qualify for Medicaid.
- The Separate SCHIP Program serves all uninsured children under age 1 from families with incomes from 186 - 200% FPL and uninsured children aged 1 through 18 from families incomes from 151% - 200% of the FPL who do not qualify for Medicaid.

\*\*The Medicaid and SCHIP programs use the same managed care system, a combination of Primary Care Case Management and comprehensive Managed Care Organization (MCO). Neither of these managed care programs manages mental health or substance abuse services. These services continue to be delivered to all Medicaid beneficiaries and SCHIP enrollees through Kentucky's fee-for-service system. Nonetheless,

- All non-institutionalized Medicaid and SCHIP beneficiaries who live in Louisville or the 15 counties surrounding the City must enroll into a comprehensive MCO. As of July 2003 about 128,975 were enrolled with this MCO.
- All Medicaid and SCHIP beneficiaries who qualify as a member of a low-income family or child, and do not live in the Louisville area are required to join the PCCM program. As of July 2003 about 309,867 were enrolled into the PCCM program.
- All Medicaid and SCHIP beneficiaries who are institutionalized, in long term care or are in the 1115 waiver program for July 2003 are 227,248.

## Medicaid

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### *Who is Eligible for Medicaid?*

#### **Families and Children**

1. Low income families who would have qualified for AFDC as of July 16, 1996. The exact limit varies by family size and is about 25% FPL.
2. Pregnant women and children under age 1 from families with incomes of 185% FPL or less,
3. Children ages 1 through 5 years old from families with incomes of 133% FPL or less.
4. Children between 6 through 18 years old from families with incomes of 100% FPL or less.
5. Recipients of adoption assistance and foster care under Title IV-E of the Social Security Act.

# Kentucky

Data as of July 2003

## Aged, Blind, and Disabled

1. Individuals receiving SSI or the state's supplemental payment.
2. Aged, Blind, and Disabled individuals in domiciliary facilities or other group living arrangements as defined under SSI.
3. Individuals who are in institutions for at least 30 consecutive days and with incomes of no more than 300% of the maximum SSI benefit.

## Medically Needy

Members of the following groups may qualify for Medicaid coverage as Medically Needy if they have sufficient medical expenses to 'spend down their income to a state-established limit.

1. Pregnant women
2. Children under age 19
3. Aged, Blind, and Disabled
4. Caretaker relatives

## Waiver Populations

Kentucky has an 1115 waiver, but this waiver does not expand Medicaid eligibility.

## ***What Mental Health/Substance Abuse Services are Covered by Medicaid?***

Medicaid must cover some types of services (mandatory services) and may cover some other types of services (optional services). The information presented here identifies the types of service Kentucky Medicaid covers and the coverage requirements for those services. These services are presented grouped as they are in the Medicaid State plan that Kentucky must maintain under Medicaid law. Only those types of services that include mental health or substance abuse services are discussed.

### **Mandatory State Plan Services**

<b>Inpatient Hospital Services</b>		
Service	Description	Coverage Requirements
Inpatient Psychiatric Care	<ul style="list-style-type: none"> <li>• Medically necessary inpatient evaluation and treatment services provided in a general acute care hospital, including psychiatric care in a general acute hospital</li> <li>• Detoxification is covered in a general acute care hospital</li> </ul>	<ul style="list-style-type: none"> <li>• Must have prior approval by the designated peer review organization (not including emergency admissions)</li> <li>• Limited to services that could not be covered on an outpatient basis</li> </ul>

<b>Outpatient Hospital Including Rural Health Center and Federally Qualified Health Center Services</b>		
Service	Description	Coverage Requirements
Outpatient Psychiatric and Substance Abuse Care	Services, including mental health and substance abuse services provided in an outpatient ward of a general hospital, including: <ul style="list-style-type: none"> <li>• Therapeutic and diagnostic services,</li> <li>• emergency room services in emergency situations,</li> <li>• drugs administered in the outpatient setting.</li> </ul>	<ul style="list-style-type: none"> <li>• All diagnostic and therapy services must be ordered by a physician.</li> <li>• Mental health or substance abuse services provided in an outpatient hospital setting must meet the same coverage requirements as those provide in other settings. Most of these requirements are identified under clinic services</li> </ul>

# Kentucky

Data as of July 2003

<b>Outpatient Hospital Including Rural Health Center and Federally Qualified Health Center Services</b>		
Service	Description	Coverage Requirements
Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs)	Medicaid-covered mental health and substance abuse services that are within the scope of practice of the providing practitioner.	<ul style="list-style-type: none"> <li>• The service must be within the scope of practice of the providing practitioner</li> <li>• Mental health and substance abuse services provided by FQHCs and RHCs must meet the same coverage requirements as those provided in a physician setting.</li> </ul>

<b>Physician Services</b>		
Service	Description	Coverage Requirements
Physician Services	<ul style="list-style-type: none"> <li>• Medically necessary, Medicaid-covered mental health and substance abuse services provided by a physician acting within his/her scope of practice, including psychiatric services.</li> </ul>	<ul style="list-style-type: none"> <li>• A beneficiary may not receive more than 4 outpatient psychiatric procedures in a 12-month period from any physician who is not a psychiatrist</li> </ul>

<b>Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Services to Children Under 21</b>		
Service	Description	Coverage Requirements
Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Mental Health Services	Standard EPSDT screening and diagnostic services. Service limits are expanded for children whose need for service is determined through an EPSDT screen and for whom standard Medicaid-covered services or limits are not medically sufficient.	<ul style="list-style-type: none"> <li>• The beneficiary must be under age 21</li> <li>• The service must be needed to treat or ameliorate a condition identified in an EPSDT screen</li> <li>• All expanded services must be prior authorized by the Medicaid agency</li> </ul>
Impact Plus Services	Services to children with complex mental health needs, including <ul style="list-style-type: none"> <li>• individual and group services,</li> <li>• collateral services,</li> <li>• substance abuse services,</li> <li>• therapeutic foster care,</li> <li>• day treatment,</li> <li>• partial hospitalization,</li> <li>• crisis stabilization, and</li> <li>• Wilderness Camp.</li> </ul>	<ul style="list-style-type: none"> <li>• The beneficiary must               <ul style="list-style-type: none"> <li>– Be under age 21</li> <li>– Have complex mental health needs</li> <li>– Be either                   <ul style="list-style-type: none"> <li>▪ currently in an institution or</li> <li>▪ at risk of institutionalization and approved by the local Regional Interagency Council (RIAC).</li> </ul> </li> </ul> </li> <li>• The service must be needed to treat or ameliorate a condition identified in an EPSDT screen</li> <li>• All services must be prior authorized by the RIAC</li> </ul>

# Kentucky

Data as of July 2003

## Optional State Plan Services

<b>Clinic Services</b>		
Service	Description	Coverage Requirements
Mental Health Centers	<ul style="list-style-type: none"> <li>• Services provided by or through a community mental health center, including                             <ul style="list-style-type: none"> <li>– individual, group, or family therapy,</li> <li>– collateral services,</li> <li>– intensive in-home services,</li> <li>– home visits,</li> <li>– emergency,</li> <li>– personal care home services,</li> <li>– Therapeutic Rehabilitation (therapeutic program for people who need more than outpatient therapy but do not require 24-hour care)</li> <li>– Evaluations, examinations, and testing</li> <li>– Inpatient Services</li> </ul> </li> <li>• Substance abuse services are not covered.</li> <li>• The only services covered in a detoxification setting are psychiatric services provided by the center-based psychiatrist.</li> </ul>	<ul style="list-style-type: none"> <li>• Services may only be provided as part of an approved, active plan of treatment.</li> <li>• Services rendered to Skilled Nursing or intermediate Care Facility patients/residents are not covered.</li> </ul>

<b>Inpatient Psychiatric Services (for persons under the age of 21)</b>		
Service	Description	Coverage Requirements
Inpatient Psychiatric Facility Services for Individuals Under 21 Years of Age	Medically necessary inpatient evaluation, diagnostic and treatment services provided in a psychiatric hospital or licensed psychiatric residential treatment facility.	<ul style="list-style-type: none"> <li>• All services must be pre-authorized</li> <li>• To qualify for services a beneficiary must require inpatient psychiatric facility services on a continuous basis as a result of a severe mental or psychiatric illness (including severe emotional disturbances)</li> <li>• Services are not covered if appropriate alternative services are available in the community.</li> <li>• Services must be pre-authorized and re-evaluated at thirty day intervals in a PRTF</li> </ul>

<b>Rehabilitative Services</b>		
Service	Description	Coverage Requirements
Mental Health Community Rehabilitation	Services provided in a community mental health center	Service coverage is defined under Clinic services.

# Kentucky

Data as of July 2003

<b>Targeted Case Management</b>		
<b>Service</b>	<b>Description</b>	<b>Coverage Requirements</b>
Targeted Case Management (TCM) for severely emotionally disturbed (SED) children	<ul style="list-style-type: none"> <li>• Services to assist an individual in accessing needed medical, social, educational and other support services.</li> <li>• Specific services include               <ul style="list-style-type: none"> <li>– Assessment</li> <li>– Care/services plan development</li> <li>– Linking/coordination of services</li> <li>– Re-assessment/follow-up</li> <li>– Monitoring of services</li> <li>– Establishing records</li> <li>– Advocacy</li> <li>– Providing case consultations</li> <li>– Crisis Assistance</li> </ul> </li> </ul>	TCM services are available to Children aged 0-21 who meet the state's conditions and circumstances to be classified as a "severely emotionally disturbed child."
Targeted Case Management (TCM) for Adults with Chronic Mental Illness	<ul style="list-style-type: none"> <li>• Services to assist an individual in accessing needed medical, social, educational and other support services.</li> <li>• Specific services include               <ul style="list-style-type: none"> <li>– Assessment</li> <li>– Care/services plan development</li> <li>– Linking/coordination of services</li> <li>– Re-assessment/follow-up</li> <li>– Monitoring of services</li> <li>– Establishing records</li> <li>– Advocacy</li> <li>– Providing case consultations</li> <li>– Crisis Assistance</li> </ul> </li> </ul>	TCM services are available to adults age 18 and over with chronic mental illness <ul style="list-style-type: none"> <li>• symptoms persist for a continuous period of at least 2 years, or</li> <li>• the individual has been hospitalized for mental illness more than once in the past two years and that individual is presently significantly impaired in his ability to function socially or occupationally or both; and</li> <li>• have a diagnosis of a major mental disorder (other than substance abuse or mental retardation as the sole diagnosis)</li> </ul>

## **SCHIP Medicaid Expansion Program**

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### ***Who is Eligible for the SCHIP Medicaid Expansion Program?***

This program serves all

1. children aged 1 through 5 in families with incomes from 134 - 150% FPL
2. children aged 6 through 18 in families with incomes from 101 - 150% FPL.

### ***What Mental Health/Substance Abuse Services are Covered by the SCHIP Medicaid Expansion Program?***

Service coverage is identical to coverage in the Medicaid program, which was described in the previous section.

# Kentucky

Data as of July 2003

## **Separate SCHIP Program**

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### ***Who is Eligible for the Separate SCHIP Program?***

This program, called KCHIP, serves

1. All uninsured children under age 1 from families with incomes from 186 - 200% FPL and
2. All uninsured children aged 1 through 18 from families with incomes from 151% - 200% FPL.

There was no premium in SFY 2003. Kentucky began charging a premium of \$20 per family per month beginning November 2003.

### ***What Mental Health/Substance Abuse Services are Covered by the Separate SCHIP Program?***

Benefits in Separate SCHIP programs must be actuarially equivalent to a benchmark selected by the State, among federally established options. The Kentucky benefit package is equivalent to the State Employee HMO benefit package with service additions that make it almost equivalent to Medicaid without non-emergency transportation and without EPSDT special services (generally those services not otherwise specified in the state plan or covered services only to limits specified in the state plan). Mental health and substance abuse services include inpatient and outpatient mental health and substance abuse services to the extent covered in the Medicaid program for non-EPSDT clients. (See preceding section on Medicaid covered services in Kentucky.)