Members Present:
Tony Georges—Chair, Jackie Beard, Willie Byrd, Rebel Chrest, Steve Cunanan, Tami Hatfield, Ryan Henson, Vincent James, Lisa Kaminski, Kent Oyler, Tom Quick, John Snider, Kristin Wingfeld proxy for Dr. Marty Pollio

Guests: Secretary Scott Brinkman, Kristi Putnam

Greetings and Welcome – Tony Georges
Mr. Georges welcomed everyone @ 8:14 a.m. He recognized new Board members Jackie Beard, Rebel Chrest, Lisa Kaminski, John Snider and each gave a brief introduction.

Recognition of Special Guests – Tony Georges
Mr. Georges recognized Secretary Scott Brinkman, Executive Secretary of the Governor’s Cabinet and Acting Secretary of CHFS, and Kristi Putnam of CHFS Medicaid.

Review and Approve Minutes of January 25, 2018 – Tony Georges
Motion was made by Tom Quick to approve the minutes of January 25, 2018 with one clarification on page two first paragraph about the eligibility age exclusion (between 49 and 64) to be edited. Motion seconded by Willie Byrd. Motion carried.

Update and Discussion: Medicaid Community Engagement Work – Kristi Putnam, Secretary Scott Brinkman
Ms. Putnam began by reminding the Board that at the last Board meeting Commissioner Beth Kuhn and Ms. Putnam provided answers to many questions. During this last month they have continued to work with partners like KentuckianaWorks staff to plan how the community engagement requirements will be implemented across the Commonwealth.

They have worked with Michael Gritton and team on case management numbers. Training dollar numbers are still being developed as a key component in an individualized path with training leading into a career with stability and positive long-term outcomes. She shared that Michael now has the proposed case management budget numbers. As a caveat these numbers and projections are as of February, they will not have the actual population numbers until just before the start of change in benefits scheduled for July 1.

Ms. Putnam talked about how they got the case management numbers. Both SNAP (Supplemental Nutrition Assistance Program, or “food stamps”) and KTAP (Kentucky Transitional Assistance Program) have a work or school component that people may be engaged in. Included as part of their negotiations and final agreement with the Center for Medicaid Services is an agreement that if someone meets the work or education requirements of another program like SNAP or KTAP, they are already considered having met it for Medicaid purposes. They will never have a situation where someone will have dual requirements from varying programs. Their end game is to align the policy, align the system and align the process for any type of training, education or work component across all programs. They are working with federal partners to identify how they can make changes at the federal level to make it easier for them to run programs concurrently.

Michael talked about KentuckianaWorks working off a big number of about 76,000 people in the seven counties who are expected to have the community engagement requirement because they are ABAWDs (Able-Bodied Adults Without Dependents) receiving Medicaid. With the help of the state, KentuckianaWorks is trying to figure out just how many people are estimated to walk through the doors at the career center. Individuals on SNAP or TANF who are already in the Power of Work program would not be required to do anything extra because they already have requirements to meet in these programs. This group is taken out of the number expected to be served through community engagement. Likewise, the state estimates that another 10% of these ABAWDs will be determined to be “medically frail” and therefore excluded from the community engagement requirement. Since the state estimates that roughly half of these folks are already
working enough hours to meet the community engagement requirement, they are estimating that we will see about 40% of the total in our region. Ms. Putnam stated that this translates into an estimated 21,833 as of today. The number will shift on a regular basis.

Vincent James asked about the percentage of those identified now and those unidentified as of now but who may be determined to be “medically frail.” Ms. Putnam stated there’s an algorithm tool used by the state to estimate this number, and it could turn out to be as high as 14%-15%. There will be multiple ways that people can be determined to be “medically frail.”

Rebel Chreste asked about those who are determined “medically frail” through this process. Will it be similar to how the SNAP program is operated in that there’s a time limit for when they are “medically frail” and after treatment a provider will attest they are no longer in that situation and would be subject to the time limit? Ms. Putnam stated that the “medically frail” determination is a 12-month status.

In discussing case management they are using the 21,833 number to base the estimates of funding available for case management and other services. They had a total of $18 million to provide case management across the Commonwealth with a July 1 start date. Of that total KentuckianaWorks is slated to receive $4,381,219 for case management pre-eligibility and eligibility services.

Steve Cunanan asked about the volume from the case management perspective and how do the requirements change relative to what people already are doing in the centers. Will there be more documentation requirements? Ryan Troutman responded there have been approximately 500 job placements in the first six months of this program year through the Kentucky Career Centers, and they are seeing foot traffic of approximately 1,000 people a month.

John Snider asked about the cost per person and the cost now for self-serve individuals who will need help for the first time. Kristi stated they are doing an outreach report that involves work with the federally qualified health clinics and connectors to help connect people to health care. They are training everybody on the system called Citizens Connect. The self-service system is mobile enabled and has been tested. Mr. Snider noted that a $2 million contract (e.g. Rescare’s) that yields 1,000 job placements in a year equals a cost per job placement of roughly $2,000 per job placement. At roughly $4 million in new Medicaid funds to serve approximately 20,000 people, the proposed funding equals a cost per participant of only $200 per person – much less than we currently spend under WIOA. Of course we don’t know today how many of those people will come in and ask for our services. Tony Georges asked if this funding is considered half a year of funding starting in July or is it annual. It is an annual amount from July to June.

Tom Quick expressed his concern on the interaction of case management, pre-eligibility and eligibility in knowing the person is eligible. He made clear that KentuckianaWorks does not want to be in charge of eligibility determinations, and Ms. Putnam assured him that DCBS will remain in charge of that function of the work. Mr. Quick noted that our goal is to find the appropriate job training options for any individual who needs it. He asked what will be the actual cost of training required to help customers remain Medicaid eligible and move into a 40 hour a week job. How do you train appropriately? How do we ensure there are enough resources to train people for the career-ladder jobs that exist in our regional economy?

Steve Cunanan emphasized that this work involves a two-step process. It’s important that we help those who are ready to find employment do so. It’s also important that we help train those who need job training in order to qualify for a decent-paying job that can help them get off Medicaid and into private insurance. He emphasized that it’s important how the skills are taught, that customers must receive direction on how to use the training to find employment, and that the combination of those two elements should be what the program is all about.

Ms. Putnam noted that there was language in the waiver approval letter that didn’t allow the Medicaid funding to be used directly for training services. This was different than what had been expected. In the past month she and her state colleagues have done work to identify resources to use as the beginning of training dollars until they have an idea of what that need is going to be. As of today, they have identified $9 million over the next two fiscal years. If they use the same percentage formula to dispense this funding that they used to estimate the case management dollars available, they estimate KentuckianaWorks would receive somewhere between $1.4 million and $2.1 million in training dollars.
Ms. Putnam noted that adult education has been asked to do asset mapping to help determine what resources they can make available to help with the training needs of these Medicaid recipients. They are being asked about the flexibility of their funding, and how they can repurpose and divert some of those resources to help support the training.

Kent Oyler asked Michael how much training can be accomplished with $100? Mr. Gritton replied “not much,” and explained that the Board’s normal WIOA policy allows for up to $4,000 to be spent on a job training voucher, with an additional $600 available for “supportive services” like books, test fees, uniforms, tools and the like. In discussions with the state, we had been estimating a job training expense of roughly $1,500 per person, which assumed we would be able to buy classes such as CPT (certified production technician) training. If you assume 3,000 people will need job training in the first year, this would equal $4.5 million in new job training dollars. Obviously, one hundred dollars per person won’t get to that.

Kent Oyler stated at that rate it would take $30 million dollars to get 20,000 people CPTs or other forms of job training. He predicted that with 20,000 people entering the system, private employers will bear the bulk of the training costs. Are we thinking in terms of how we coordinate with those employers to make that happen? People will be lined out the door with no money to train them unless employers step up to provide the training. Should some of the funding coming to KentuckianaWorks be used to coordinate the efforts to get employers to pay for the training?

Tom Quick spoke from an employer perspective there may be a need to have dialog with private employers to figure out the partnership aspect. The partnership should extend beyond KentuckianaWorks with the state. The opportunity here is between KentuckianaWorks, the Board and private employers to understand if there’s anything they can do or participate or get involved in. Steve Cunanan said he would also expand this out to JCPS and JCTC. We have to be ready from an employer perspective and start thinking about what role is there for us here.

Tony Georges spoke about UPS jobs, education money and their funding on the table that could support some of this. UPS does this on their own through a great program called Metropolitan College. There is an orchestration in connecting the dots that have dollars behind them that can be blended together for a bigger number. Ms. Putnam stated this is what they are looking to do with public and private partnerships. They will be looking for non-federal dollars that can be used in other ways with creativity.

Steve Cunanan stated as a Board member it seemed to him they have a tremendous opportunity as an organization to impact a lot of people. As a Board he wants to make sure they set themselves up for success. He doesn’t want to have a situation where the key turns and there are hundreds of people in the offices, lined up out the door and staff has five minutes to spend with an individual. Five minutes with a person is not going to determine how they will be successful. A lot of time needs to be spent on working through this for success. Another concern is around training dollars. We shouldn’t cannibalize some of our existing programs. He doesn’t want to paralyze the programs because of new requirements.

Kent Oyler asked if the $2.1 million can be used for direct or coordination of services for people who engage the employer. There is flexibility in case management dollars that Ms. Putnam will check to see if the dollars could be used for some of the coordination as its job development and part of the eligibility and pre-eligibility support.

Kent Oyler sees it as directly integrating businesses into the program. If employers are not plugged into this they will get flooded with people they don’t want and then there’s another barrier to work through and talk about.

John Snider talked about the need for somebody to go out to meet with companies. Mr. Gritton noted his staff has been concerned about the need to meet with individual business partners with a high level staff person interacting with them. KentuckianaWorks is not yet staffed out to do this. This will have to be built out with the Medicaid dollars.

Mr. Gritton explained that he has had multiple conversations with Ms. Putnam, Commissioner Kuhn and others about his concerns that the job training funding be significant enough to meet the needs of the Medicaid customers who want and need that help to get to a decent-paying job. He noted that there is nothing that Ms. Putnam and Secretary Brinkman have described today that conflicts with the work this Board wants to do. But he noted that could change if the state does not offer the board significant new dollars to provide job training to those who need it. He mentioned that the Board can expect to have on-going conversations about this subject as the state clarifies how much job training funding it will make
available to the Board. Ultimately, the Board will have to decide whether this is a sufficient enough amount to undertake this new work.

**Timing**

From a timing perspective Ms. Putnam stated they need to make sure they get the language out for the RFP template, and have contracts signed between both cabinets to provide services to the 10 local boards. KentuckianaWorks’ start date is July 1 and the state will not roll out something that’s not ready. With there being flexibility at the state level, Michael will get back to the Board as things are worked out. There are discussions taking place now about July 1 sliding back 1–3 months for more time to make sure all things are ready to go on the front line.

Mr. Gritton talked about the complexity in trying to organize trainings funded by employers and the fact that employers around the table haven’t provided any dollars for training to take place through KentuckianaWorks. This is an infrastructure that doesn’t exist and KentuckianaWorks has very limited staff horsepower to conduct the outreach that would be needed to make it happen. If the government doesn’t pay for job training of Medicaid recipients, the employers will have to pay and that’s a seismic behavior change in our market, and he has urged the state for more time to make sure everything is right.

Mr. James voiced his concern about the July 1 start date. He commented in terms of the margin of error and what the state is looking at in terms of the gap, and how does the state anticipate filling the gap. People will just fall out of the system. What is the state doing to ensure the new infrastructure underpinning this new system will be ready by the targeted start date? It doesn’t seem to be a realistic number with the infrastructure not being fully developed. Another concern is about the people who will be left out, missed because the system is not in place in a way it will be able to reach the people. What is the state preparing for in terms of the system to be able to capture that?

Ms. Putnam noted that the state is planning for communication outreach in education for their beneficiaries. The outreach timeline will be emailed to Mr. Gritton for distribution to the Board. KentuckianaWorks will receive copies of the postcards, notices, posters and business cards going out. Outreach will be done through social media and via email along with texting through managed care. The intent between now and June is to have an outreach campaign that provides information in various ways through health clinic partners and managed care organizations to make sure people are being educated on the requirements.

Mr. James asked about the plan for people losing benefits? Ms. Putnam noted that there’s a long period of time before someone is suspended for either not paying a premium or not doing community engagement hours. Work is being done on a way for managed care partners and federal health clinic providers to get into the system to check if someone is in danger of not meeting the requirements. The state is open to hear about things that are identified as being a gap or misguided.

Kent Oyler asked about the status of the law suit. Secretary Brinkman said a law suit was filed in Washington, DC Circuit Court challenging the Waiver. The Federal Government motioned to move the case to Kentucky for which the state filed a law suit asking for a judgement that the Waiver is legal. Kentucky is not subject to any injunction or restraining order in terms of the implementation.

John Snider was concerned about how year two looks. If this is year one base line, then follow that up, what happens if the unemployment rate goes higher? The state is assuming people who go in for case management will ultimately get trained, move into work and off the Medicaid rolls. If the economy stays healthy the case management dollars might drop because the number of people requiring case management might drop. Job training dollars become important in a recession as there are jobs in demand for skilled workers aligned for what is growing.

**Update and Discussion: Potential Move of Multiple Career Centers and Programs – Michael Gritton**

After Ms. Putnam and Secretary Brinkman departed the meeting, Mr. Gritton noted for the Board that he was surprised that they were still referring to July 1 as the start date for our Medicaid work. He noted that for that timeline to be met, staff would have brought to the Board today a recommendation to issue an RFP for Medicaid services, and we clearly did not do that, because our understanding was our start date was being pushed back to October 1. He did not know why that did not come through clearly in the remarks from our state colleagues, and he will seek further clarification from them after today’s meeting.
In a previous Board meeting there was conversation about the potential of moving one or more career centers to consolidate operations. KentuckianaWorks will make one big hard push to try and make it happen. The career center at 6th and Cedar Street next to the jail is called “the Unemployment Office.” The building is owned and controlled by the state. KentuckianaWorks gave the state notice of its intention to move the comprehensive career center. KentuckianaWorks has located two promising opportunities for the new home of this work. The potential is to move the comprehensive career center, the health career center, the TANF Power of Work office which now houses the SNAP E&T program as the base line programs they are looking to move. There is opportunity to move the youth career center and the KentuckianaWorks operations into the same building. Secretary Hal Heiner spoke at a meeting of all the Board chairs and executive directors late last year and encouraged them to move out of state-owned buildings if that was their preference.

Mr. Gritton also briefly noted that the staff will be exploring the possibility of opening small career centers in Bullitt and Shelby Counties, with the combination of WIOA and Medicaid dollars (and any other partners who wish to join us).

Tony Georges encouraged Board members to visit the career centers to see and meet customers that are supported and to hear their stories. His recent visit was very rewarding and fulfilling and it highlighted today’s discussion. From a customer perspective we have an obligation to make it a better experience.

Key Program Highlights – Cindy Read
Cindy spoke briefly about the consent agenda process and explained why there had not been a Program Oversight Committee (POC) since last September due to the loss of members. The new committee met February 16 but there were no action items to report on. She talked about the background of the committee and named those who are now serving. She talked about the Program Highlights and Concerns Report.

Executive Director’s Report – Michael Gritton
Michael Gritton reviewed the following:
- Federal budget outlook – the Trump proposed budget is to cut the Labor Department by 40%
- Appointment of JCPS Superintendent Dr. Marty Pollio and the exciting work being done by him and his team on the Academies of Louisville
- The SummerWorks program’s efforts for 2018 and the new Program Director Chris Locke
- A heads up that an upcoming media story on WFPL may refer to an alleged rape of a participant in last year’s SummerWorks program who worked for the Louisville Metro Housing Authority. He explained that the police were called right away by the Housing Authority once they learned of the allegation, and the police (and the victim) chose not to pursue criminal charges. He also explained that YouthBuild staff immediately provided care and support to the SummerWorks participant, taking her to the Center for Women and Families, and moving her job duties for the rest of the summer to the SummerWorks headquarters at the Kentucky Youth Career Center
- Next meeting to be at the Shelby County Area Technology Center @ 8:30 a.m. with a tour of the facility
- We received very good news recently that the James Graham Brown Foundation approved our grant request for $450,000 – providing $100,000 a year for three years to match the grant provided by Paul and Viki Diaz, and providing an additional $50,000 a year for three years to support our Academies of Louisville work.

Meeting adjourned.

Staff:
Michael Gritton
Almeta Abernathy
Jaime Disney
Gloria Fuqua
Patrick Garvey
LaShala Goodwin
Chris Locke
Brian Luerman
Phil Miller
Rob Moore
Jennifer Novak
Laura Paulen
Regina Phillips
Cindy Read
Rider Rodriguez
Mary Rosenthal
Alece Smith

Guests:
Secretary Scott Brinkman
Kristi Putnam

Observers:
Keni Brown
Desiree Gill
Deb Giordano
Joyce Griffith
Catherine Hoagland
Demitra Suazo
Ryan Troutman
Jennifer Welch