

**Kentucky Employment First Council**

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Secretary, Education and Labor Cabinet

Employment First Council

Public Policy Committee

Minutes

July 30, 2026

9:00 am – 10:00 am (EST)

Zoom

Meeting ID: 817 4368 7977

Members' Present

Committee Chair/Legislative Liaison Andrew Johnson, Council Chair Katie Wolf Whaley, Council Vice Chair Jeff White, Alison Johnson, Austin Nugent, Merry Reid Sheffer, Karen Maciag, Dev Davidson, Alisha Clark, and Amy Luttrell

Members Absent

Susan Brown, Leslie Hoffman, and Cora McNabb

Staff Present

Nanci Howard, Anu Kumari, and Jonathan White

Welcome | Agenda Review:

Committee Chair Andrew Johnson welcomed attendees, and the agenda was reviewed by all participants.

Medicaid update

Austin Nugent, Commonwealth Council on Developmental Disabilities (CCDD), provided an update on recent Medicaid developments. Members were informed that the proposed 4% Medicaid provider reimbursement rate reduction will not be implemented this year; however,

the funding solution is temporary, and long-term sustainability remains a concern. The committee discussed ongoing advocacy efforts to support stable funding for Home and Community-Based Services (HCBS) and employment-related supports for individuals with disabilities.

Key discussion points included:

- Updates on the Kentucky Medicaid Works (Medicaid Buy-In) workgroup and efforts to strengthen employment supports while preserving Medicaid eligibility.
- The importance of distinguishing Employment First initiatives from Medicaid work requirements to address misconceptions among families and stakeholders

Committee Questions and Answers:

Question: What led to the proposed 4% Medicaid provider reimbursement rate reduction?

Answer: It was explained that the proposed reduction resulted from state budget constraints and increasing Medicaid costs. Although additional funding was identified to prevent the reduction this year, the funding solution is temporary, highlighting the need for long-term funding strategies.

Question: How does the Kentucky Medicaid Works (Medicaid Buy-In) program support employment?

Response: An update was provided on the Project NEON workgroup, which is reviewing opportunities to strengthen the Kentucky Medicaid Works (Medicaid Buy-In) program to better support employment while allowing eligible individuals with disabilities to maintain Medicaid coverage.

Question: How can misconceptions between Employment First and Medicaid work requirements be addressed?

Response: Members discussed concerns that some families incorrectly believe Employment First requires individuals with disabilities to work to maintain Medicaid services. The committee supported the development of clear informational materials to distinguish Employment First from Medicaid work requirements and reduce confusion.

Members provided additional discussion that emphasized the importance of developing sustainable funding solutions through collaboration among state agencies, policymakers, and the disability community to support employment-related Medicaid services.

KYOCR Pre–Employment Transition Services Policy

Jonathan White, Assistant Director of Field Services with the Office of Vocational Rehabilitation (OVR), provided a comprehensive overview of Kentucky's Pre-Employment Transition Services (Pre-ETS). It was explained that Pre-ETS are the first step in OVR's continuum of services and are designed to introduce students with disabilities to employment before they apply for vocational rehabilitation services. He also reviewed Kentucky's current Pre-ETS service delivery model and recent program updates.

Key topics included:

- The five required Pre-ETS service categories: job exploration counseling, work-based learning experiences, counseling on postsecondary education opportunities, workplace readiness training, and instruction in self-advocacy.
- Creation of the Transition Services Branch and six Pre-ETS Coordinator positions (one assigned to each OVR region and one in the Frankfort office) to oversee the administration and delivery of Pre-ETS services, including referrals, service approvals, and program monitoring.
- The coordinators review referrals, verify required documentation, approve students for services, and monitor service hours and provider notes. Their caseloads range from approximately 1,000 to 3,000 students, depending on the region.
- Potentially eligible students may receive up to 15 hours of Pre-ETS services per quarter and 120 lifetime hours before applying for OVR services.
- Ongoing efforts to strengthen program monitoring through follow-up with students, parents, teachers, and service providers.

Committee Questions and Answers:

Question: Why were the Pre-ETS reimbursement rates revised?

Answer: It was explained that the revisions followed a 2021 Rehabilitation Services Administration (RSA) monitoring review, during which RSA required OVR to establish a formal methodology for determining reimbursement rates. OVR reviewed reimbursement practices in other states and comparable professions to develop a structured methodology for determining reimbursement rates. It was clarified that RSA did not establish the

reimbursement rates but required OVR to develop and document the methodology used to determine them.

Question: Why are potentially eligible students limited to 15 hours per quarter and 120 lifetime hours?

Answer: It was explained that the limits encourage students to apply for OVR services and meet with a VR counselor to determine whether additional Pre-ETS services are needed based on their individual circumstances. The limits also encourage students to transition into individualized vocational rehabilitation services when appropriate.

Question: Can students receive additional Pre-ETS services while OVR remains under an Order of Selection?

Answer: It was clarified that students who apply for OVR services and meet with a VR counselor may be approved for additional Pre-ETS services beyond the established limits, even while waiting for other vocational rehabilitation services under the Order of Selection.

Committee Discussion and Consideration of Annual Report Recommendation

Committee Chair Andrew Johnson opened the discussion on potential recommendations for inclusion in the Employment First Council Annual Report. The Executive Committee began planning the Annual Report during its July 21, 2026, meeting and encouraged committee members to identify topics for consideration as potential recommendations.

The committee discussed several potential recommendation topics and agreed that additional discussion would be needed before finalizing any recommendations.

Key discussion points included:

- Concerns that Employment First is being confused with Medicaid work requirements, resulting in misconceptions that individuals with disabilities must work to maintain Medicaid waiver services. Members discussed the need to develop clear informational materials to distinguish Employment First from Medicaid work requirements.
- The importance of supporting stable and sustainable funding for employment-related Medicaid services across disability populations.

- Discussion of the Kentucky Medicaid Works (Medicaid Buy-In) workgroup and consideration of whether its efforts should be reflected in future Annual Report recommendations.
- The importance of ensuring that future recommendations reflect a cross-disability perspective and consider all employment-related Medicaid funding mechanisms.
- Consideration of whether concerns related to Pre-Employment Transition Services (Pre-ETS) should be addressed through Employment First Council recommendations or through Office of Vocational Rehabilitation (OVR) administrative processes.

Identify the Next Steps for Annual Report Recommendations

- Members were encouraged to submit recommendation ideas to Andrew Johnson for consideration.
- The committee agreed to continue refining potential recommendations prior to the next scheduled meeting and determine whether an interim meeting would be needed to support Annual Report development.

Action Items

- KYOVR Administrator Nanci Howard will distribute the draft Kentucky Medicaid Works (Medicaid Buy-In) white paper to committee members for review.
- Nanci Howard will share the committee membership list with Employment First Council Vice Chair Jeff White to facilitate distribution of invitations to the Impact of Wages on Benefits Team meeting.
- Katie Wolf Whaley will draft informational materials to clarify the distinction between Employment First and Medicaid work requirements for committee review.
- Alisha Clark will determine whether the Cabinet has a disability-specific resource or one-page summary regarding Medicaid work requirements that can be shared with the committee.
- Committee members will submit ideas for Annual Report recommendations to Committee Chair Andrew Johnson for compilation and future discussion.
- Committee Chair Andrew Johnson will determine whether an interim committee meeting is needed to continue developing Annual Report recommendations before the next scheduled meeting.

Public Comments

None.

Adjournment

Employment First Committee Chair Andrew Johnson thanked everyone for their contribution and adjourned the meeting.

Next Meeting Date

September 10, 2026

9:00 am- 10:00am (EST)