

August 28, 2013

Dear Members of the Aged, Blind and Disabled Task Force,

Thank you for allowing AARP the opportunity to provide public comment on using a managed care model to serve Indiana's aged, blind, and disabled Medicaid population. We appreciate the Task Force taking the time to listen and evaluate our viewpoint, as we are committed to assisting in the assessment of this approach before a report is delivered to the Indiana General Assembly.

AARP believes that there are potential advantages, as well as concerns associated with moving Indiana's Medicaid members with long-term services and supports (LTSS) needs to managed care.

In theory, managed care has the potential to:

1. Provide an opportunity to create incentives and payment structures that promote high quality care while avoiding the incentive to deny access;
2. Encourage organizations to serve more clients in home and community-based settings;
3. Increase coordination of care and improve health outcomes; and
4. Show potential cost savings.

However, although there are potential advantages to managed care, there are still many unanswered questions and concerns, particularly related to how managed care would function in Indiana. FSSA has made significant progress in recent years in "holding the line" on the number of Medicaid members served in nursing homes, expanding the use of home and community-based service (HCBS) options and eliminating the waiting list for HCBS waivers, and developing a strong value-based purchasing model to incent nursing home quality. AARP has been involved with and supportive of all these efforts. We are concerned about what will happen to these critical, positive initiatives under a managed care approach.

Additionally, AARP believes that one of the strengths of Indiana's current long-term care system is the single point of entry provided by the statewide network of non-profit Area Agencies on Aging, which provide non-biased, community-based, face-to-face options counseling and services. It is unclear what the role of the Area Agencies would be under a managed care system, but AARP believes that any disruption to the current single point of entry system and the role of the Area Agencies on Aging would be harmful and disruptive to Indiana's long-term care consumers.

Additional concerns and recommendations about moving to a managed care system for the aged, blind and disabled population include:

1. Eligible members should be able to make reasonable choices about the type of coverage they prefer—either fee-for-service or managed care. Indiana should not mandatorily enroll members in managed care. In the event managed care is mandated, the State must ensure that choice of health plan and providers is offered.
2. Incentives must be properly designed to ensure that managed care organizations (MCOs) do not push clients toward least-expensive options or restrict services, instead of providing the highest-quality care.
3. MCOs must be able to demonstrate they can provide the full range of services and have adequate provider networks prior to enrolling members to avoid confusion and disruption in the transition of care.
4. Due to the complex needs of this population, an ombudsman office would be needed to represent this population in order to ensure that the needs of members are met.
5. Transitioning from the current fee-for-service model to a managed care model could be confusing and disruptive to some members due to change of providers, care plans, etc.
6. The State will need both personnel with expertise in managing ABD managed care contracts and financial resources to monitor the compliance of the MCOs, and take corrective actions when needed.
7. Any managed care approach should be thoroughly and thoughtfully coordinated with the Balancing Incentives Payment Program, Money Follows the Person program, and other existing HCBS initiatives.
8. Contract provisions are needed to prevent MCOs from disenrolling the most expensive enrollees from their plans.
9. It is critically important that robust consumer protections be included as part of any managed care approach, including:
 - a. Member rights and responsibilities are established and honored;
 - b. Safeguards to prevent abuse, neglect and exploitation, and critical incident management systems are established;
 - c. A process of fair hearings and continuation of services pending appeal is established.
10. Managed care models for the ABD population should offer, promote, and support consumer-directed care.
11. Care coordination should include knowledge of community supports, a reasonable ratio of care coordinators to beneficiaries, standards for frequency of client contact, and specific and adequate reimbursement.
12. The State must ensure that education, one-on-one counseling on health care options, conflict-free one-on-one counseling for all in need of LTSS, and relevant materials on participating plans, providers, and community supports are offered to beneficiaries before enrollment in managed care. This information should be easy-to-understand and culturally and linguistically appropriate, and beneficiary materials must include objective performance information for all participating plans and providers within their networks to enable fair comparisons of plans and

providers. The State should also ensure that consumers receive full information about all providers who participate in each plan's network.

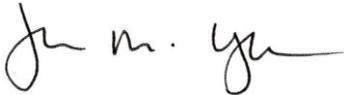
13. The State should make information on plan performance and other key measures available to the public in a user-friendly manner. Data collection and reporting across plans should ensure accurate comparisons.
14. As managed care for the ABD population is relatively new and there are few managed care organizations with experience in this area, the State must consider the performance of potential managed care contractors on standardized quality measures before entering into contracts with them.

In summary, AARP believes that despite the theoretical advantages that might be achievable through moving to managed care for the aged, blind and disabled population, there are many issues and concerns that must be thoughtfully studied and addressed before making major changes to the way care is provided for this vulnerable population.

AARP looks forward to continued work with the Aged, Blind and Disabled Task Force and other interested parties on this critical issue.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "June M. Lyle". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

June M. Lyle
State Director