

In accordance with 42 CFR § 431.408(a), the Indiana Family and Social Services Administrations (FSSA), Office of Medicaid Policy and Planning (OMPP), is providing public notice of its intent to submit an application to the Centers for Medicare and Medicaid Services (CMS) under § 1115 of the Social Security Act seeking a five-year extension of the substance use disorder (SUD) and serious mental illness (SMI) provisions of the Healthy Indiana Plan 2.0 (HIP 2.0) Demonstration. Collectively, these provisions will be referred to as the SUD/SMI 1115. The current Demonstration is authorized through December 31, 2025. The complete application and applicable attachments are available at [www.in.gov/fssa/hip/newsroom/public-notices/](http://www.in.gov/fssa/hip/newsroom/public-notices/).

In addition to the 30-day public comment period in which the public will be able to provide written comments to the FSSA via US postal service or electronic mail, the FSSA will host two public hearings in which the public may provide written or verbal comments about the Demonstration Extension. Hearings will be held at the following dates, times, and locations:

**(1) Friday, November 15, 2024**

Indiana State Government Center South  
Conference Room 1 – Wabash Hall  
302 West Washington St.  
Indianapolis, IN 46204  
11:00 a.m. – 12:00 p.m. EST  
Virtual attendees join at this link:  
<https://www.zoomgov.com/j/1601476897?pwd=9PTMPdA89RTuQ9r8OXvWiLbfkPHY5U.1>

**(2) Wednesday, November 20**

10:00 a.m. EST  
Medicaid Advisory Committee  
Indiana State Library – History Reference Room 211  
315 W Ohio St.  
Indianapolis, IN 46202

Prior to finalizing the proposed extension, the FSSA OMPP will consider all the written and verbal public comments received. The comments will be summarized and addressed in the final version to be submitted to CMS.

This notice provides details about the Demonstration Extension and serves to open the 30-day public comment period. The comment period closes on November 29, 2024.

[Extension Proposal Summary, Goals, and Objectives](#)

The State seeks this extension to allow Indiana to continue expanded services for individuals with SUD, including coverage for services in inpatient and residential settings to include settings that are within the definition of an Institution for Mental Diseases (IMD), initially approved by CMS on February 1, 2018, and to continue the authority to reimburse for acute inpatient stays in an IMD for individuals with an SMI, initially approved by CMS on December 20, 2019.

Additionally, the State will seek new authority under this submission to provide coverage to Indiana residents who are former foster care youth under age 26 who turned 18 years of age before January 1, 2023, and were in foster care under the responsibility of another state when they turned 18 and were enrolled in Medicaid at that time (Former Foster Youth). The State is seeking a July 1, 2025 effective date for the Former Foster Youth authority.

Indiana seeks to achieve the following goals for the SUD component of the SUD/SMI 1115:

1. Increased rates of identification, initiation, and engagement in treatment;
2. Increased adherence to and retention in treatment;
3. Reductions in overdose deaths, particularly those due to opioids;
4. Reduced utilization of emergency department and inpatient hospital settings for treatment where the utilization is preventable or medically inappropriate through improved access to other continuum of care services;
5. Fewer readmissions to the same or higher level of care where the readmission is preventable or medically inappropriate; and
6. Improved access to care for physical health conditions among beneficiaries.

Indiana seeks to achieve the following goals for the SMI component of the SUD/SMI 1115:

1. Reduced utilization and length of stay in emergency departments (EDs) among Medicaid beneficiaries with SMI while awaiting mental health treatment in specialized settings;
2. Reduced preventable readmissions to acute care hospitals and residential settings;
3. Improved availability of crisis stabilization services, including services made available through call centers and mobile crisis units, intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings throughout the state;
4. Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI, including through increased integration of primary and behavioral health care; and
5. Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

Further, for the new Former Foster Youth component of the Demonstration, the State's goals are:

1. Maintaining overall coverage of Former Foster Youth in Indiana.
2. Improving health outcomes for this population.

### Demonstration Eligibility

Under this Demonstration extension request, former foster care youth under age 26 who turned 18 years of age before January 1, 2023, who were in foster care under the responsibility of another state when they turned 18, and were enrolled in Medicaid at that time will become eligible for Medicaid benefits.

There are no other eligibility changes related to this Demonstration extension application. Standards and methodologies for eligibility remain set forth under the State Plan. All enrollees eligible for a mandatory or optional eligibility group approved for full Medicaid coverage, and between the ages of 21 through 64,

will be eligible for the SUD and SMI benefits authorized through the Demonstration. Only the eligibility groups outlined in Table 1 below will continue to be ineligible for SUD or SMI services under the Demonstration as they receive limited Medicaid benefits only.

*Table 1. Eligibility Groups Excluded from SUD/SME Demonstration*

Eligibility Group Name	Social Security Act and CFR Citations
Limited Services Available to Certain Aliens	42 CFR §435.139
Qualified Medicare Beneficiaries (QMB)	§1902(a)(10)(E)(i) §1905(p)
Specified Low Income Medicare Beneficiaries (SLMB)	§1902(a)(10)(E)(iii)
Qualified Individual (QI) Program	§1902(a)(10)(E)(iv)
Qualified Disabled Working Individual (QDWI) Program	§1902(a)(10)(E)(ii) §1905(s)
Family Planning	1902(a)(10)(A)(ii)(XXI)

Enrollment and Fiscal Projections

The SUD/SMI 1115 will not impact annual enrollment as no changes to Medicaid eligibility criteria are being implemented. Tables 2 and 3 provide historic and projected expenditures.

*Table 2. SMI/SUD Historic Expenditures and Enrollment by Demonstration Year (DY)*

	DY 7 2021	DY 8 2022	DY 9 2023	DY 10 2024	DY 11 2025	TOTAL
<b>SUD</b>						
<b>Expenditures</b>	\$46,995,425	\$47,282,382	\$65,250,328	\$78,614,016	\$86,589,408	<b>\$324,731,559</b>
<b>Member Months</b>	29,192	36,774	41,943	41,304	43,369	
<b>SMI FFS</b>						
<b>Expenditures</b>	\$11,282,470	\$14,011,932	\$21,837,187	\$28,150,543	\$30,917,742	<b>\$106,199,874</b>
<b>Member Months</b>	1,933	1,906	2,324	2,753	2,891	
<b>SMI Managed Care</b>						
<b>Expenditures</b>	\$1,889,090	\$3,266,435	\$3,515,180	\$3,937,435	\$4,324,484	<b>\$16,932,624</b>
<b>Member Months</b>	2,659	3,158	3,192	3,356	3,524	

*Table 3. SMI/SUD Projected Expenditures and Enrollment by Demonstration Year (DY)*

	DY 12 2026	DY 13 2027	DY 14 2028	DY 15 2029	DY 16 2030	TOTAL
<b>SUD</b>						
<b>Expenditures</b>	\$157,137,134	\$173,243,905	\$191,001,280	\$210,578,885	\$232,163,138	\$964,124,342
<b>Member Months</b>	45,538	47,815	50,205	52,715	55,351	
<b>SMI FFS</b>						

	DY 12 2026	DY 13 2027	DY 14 2028	DY 15 2029	DY 16 2030	TOTAL
<b>Expenditures</b>	\$30,717,686	\$33,866,243	\$37,337,527	\$41,164,638	\$45,384,017	\$188,470,111
<b>Member Months</b>	3,035	3,187	3,347	3,514	3,690	
<b>SMI Managed Care</b>						
<b>Expenditures</b>	\$4,846,627	\$5,343,422	\$5,891,118	\$6,494,960	\$7,160,693	\$29,736,820
<b>Member Months</b>	3,700	3,885	4,079	4,283	4,497	

The former foster youth population enrolled in the Demonstration is anticipated to decline each year as eligible members gradually attain age 26 and age out of the program. The last cohort of former foster youth who attained age 18 during calendar year (CY) 2022 will attain age 26 during CY 2030. The declining enrollment is projected starting with actual CY 2023 enrollment and reduced by one-eighth each year.

*Table 4. Former Foster Youth Historic Expenditures and Enrollment*

	2019	2020	2021	2022	2023	TOTAL
<b>Fee-for-Service</b>						
<b>Expenditures</b>	\$79,873	\$192,011	\$423,255	\$360,083	\$218,532	<b>\$1,273,755</b>
<b>Member Months</b>	273	713	1,178	1,388	693	
<b>Managed Care</b>						
<b>Expenditures</b>	\$12,193	\$51,213	\$173,195	\$144,011	\$68,629	<b>\$449,241</b>
<b>Member Months</b>	37	148	296	328	151	

*Table 5. Projected Former Foster Youth Expenditures and Enrollment*

	2025	2026	2027	2028	2029	2030	TOTAL
<b>Fee-for-Service</b>							
<b>Expenditures</b>	\$180,703	\$158,114	\$132,815	\$104,594	\$73,216	\$38,439	<b>\$687,882</b>
<b>Member Months</b>	520	433	347	260	173	87	
<b>Managed Care</b>							
<b>Expenditures</b>	\$60,723	\$53,133	\$44,633	\$35,149	\$24,605	\$12,920	<b>\$231,162</b>
<b>Member Months</b>	113	94	76	57	38	19	

Benefits

Through this Demonstration extension, all Medicaid enrollees ages 21-64, eligible for full Medicaid benefits, and with an SMI or SUD diagnosis will continue to be eligible for short term stays in an IMD. Former Foster Youth will receive all Medicaid benefits as outlined in the State Plan, which are comprehensive and include doctor visits, prescription drugs, preventive health services, mental health services, inpatient and emergency care, and more.

Cost Sharing

Current cost sharing will remain unchanged by this extension. Only individuals enrolled in the Healthy Indiana Plan have copayments. Former Foster Youth eligible under this Demonstration have no premium or copayment requirement.

Delivery System

This Demonstration extension will not modify current fee-for-service (FFS) and managed care delivery system arrangements. Benefits under the Demonstration will be available to both enrollees in FFS and any of the State’s managed care programs, including: (1) Hoosier Healthwise; (2) Healthy Indiana Plan; (3) Hoosier Care Connect; and (4) PathWays for Aging. Former foster youth eligible under the Demonstration may opt to enroll in Hoosier Care Connect.

Waiver and Expenditure Authority

There are currently no waiver authorities required to operate the Demonstration and the State is not requesting any waivers with this Demonstration Extension. The State is requesting the expenditure authorities outlined in Table 6, below.

Table 6. Expenditure Authority Requests

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?	Newly Requested Expenditure Authority?
<b>Residential and Inpatient Treatment for Individuals with SUD</b>	Expenditures for otherwise covered services furnished to otherwise eligible individuals who are primarily receiving treatment and withdrawal management services for SUD who are short-term residents in facilities that meet the definition of an IMD.	Yes	No
<b>Inpatient Treatment for Individuals with SMI</b>	Expenditures for Medicaid state plan services furnished to eligible individuals who are primarily receiving short-term treatment services for a SMI in facilities that meet the definition of an IMD.	Yes	No
<b>Eligibility for full state plan benefits for former foster care youth who are under age 26, who turned 18 prior to January 1, 2023, who were enrolled in Medicaid in another state when aging out of foster care, and are now applying for Medicaid in Indiana</b>	Expenditures to extend eligibility for full Medicaid state plan benefits to former foster care youth who are under age 26, who turned 18 prior to January 1, 2023, who were in foster care under the responsibility of another state or tribe on the date of attaining 18 years of age, were enrolled in Medicaid on the date of aging out of foster care, and are now applying for Medicaid in Indiana. This will allow the State to align eligibility for these individuals with FFCC eligibility under Section 1002(a) of	No	Yes

Expenditure Authority	Use for Expenditure Authority	Currently Approved Expenditure Authority?	Newly Requested Expenditure Authority?
	the SUPPORT Act.		

Hypotheses and Evaluations

The State proposes to continue the evaluation of the SMI and SUD portions of the Demonstration during the extension term in accordance with the current CMS-approved evaluation plans. Tables 7 and 8 outline the hypotheses and research questions that will continue during the extension term.

Table 7: SUD Evaluation Components

Hypotheses	Primary Research Question	Analytic Approach
The demonstration will decrease the rate of overdose deaths in Indiana since prior to the initial demonstration period.	Is the rate of drug overdose deaths in Indiana impacted by the demonstration?	<ul style="list-style-type: none"> <li>• Chi-square</li> <li>• Desk reviews</li> </ul>
The demonstration will increase the percentage of Medicaid beneficiaries who initiate and engage in treatment for OUD and other SUDs since the initial demonstration period.	Does the demonstration increase the percentage of beneficiaries who initiate and engage in treatment for OUD and other SUDs?	<ul style="list-style-type: none"> <li>• Chi-square</li> <li>• Interrupted Time Series</li> <li>• Desk reviews</li> <li>• Facilitated interviews</li> </ul>
The demonstration will decrease the rate of emergency department visits among Medicaid beneficiaries with SUD since the initial demonstration period.	Does the demonstration decrease the rate of emergency department visits among Medicaid beneficiaries with SUD?	<ul style="list-style-type: none"> <li>• Interrupted Time Series</li> <li>• Desk reviews</li> </ul>
The demonstration will decrease the rate of hospital readmissions among Medicaid beneficiaries with SUD since prior to the initial demonstration period.	Does the demonstration decrease the rate of hospital readmissions among Medicaid beneficiaries with SUD?	<ul style="list-style-type: none"> <li>• Chi-square</li> <li>• Desk reviews</li> </ul>
The demonstration will increase the percentage of Medicaid beneficiaries who receive care for comorbid conditions since prior to the initial demonstration period.	Does the demonstration increase the percentage of Medicaid beneficiaries with SUD who receive care for comorbid conditions?	<ul style="list-style-type: none"> <li>• Interrupted Time Series</li> <li>• Desk reviews</li> </ul>

The demonstration will improve access to community-based services	Does the demonstration increase the level of access	<ul style="list-style-type: none"> <li>Onsite reviews</li> </ul>
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Hypotheses	Primary Research Question	Analytic Approach
for SUD treatment since the initial demonstration period.	to community-based SUD treatment for Medicaid beneficiaries with SUD?	<ul style="list-style-type: none"> <li>Desk reviews</li> <li>Facilitated interviews</li> </ul>
Care coordination and transitions between ASAM levels of care will improve during the demonstration period.	Does the demonstration improve transitions between ASAM levels of care?	<ul style="list-style-type: none"> <li>Onsite reviews</li> <li>Desk reviews</li> <li>Facilitated interviews</li> </ul>
The demonstration will further rebalance Medicaid expenditures for treatment of SUD more toward community-based care since the initial demonstration period.	Does the demonstration rebalance Medicaid expenditures for SUD treatment away from institutional toward community-based care?	<ul style="list-style-type: none"> <li>Interrupted Time Series</li> <li>Desk reviews</li> </ul>

Table 8: SMI Evaluation Components

Hypotheses	Primary Research Question	Analytic Approach
The SMI demonstration will result in reductions in utilization and length of stay in EDs among Medicaid beneficiaries with SMI while awaiting mental health treatment.	Does the SMI demonstration result in reductions in utilization and length of stay in EDs among Medicaid beneficiaries with SMI while awaiting mental health treatment?	<ul style="list-style-type: none"> <li>Quantitative Analysis using Member Eligibility, Application, and Enrollment Data and Claims/Encounter Data</li> <li>Qualitative Analysis - Key Informant Interviews</li> </ul>

<p>The SMI demonstration will result in reductions in preventable readmissions to acute care hospitals and residential settings.</p>	<p>Does the SMI demonstration result in reductions in preventable readmissions to acute care hospitals and residential settings (including, short-term inpatient and residential admissions to both IMDs and non-IMD acute care hospitals, critical access</p>	<ul style="list-style-type: none"> <li>• Quantitative Analysis using Member Eligibility, Application, and Enrollment Data; Claims/Encounter Data; and State administrative data</li> <li>• Qualitative Analysis - Key Informant Interviews</li> </ul>
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Hypotheses	Primary Research Question	Analytic Approach
	<p>hospitals, and residential settings)?</p>	
<p>The SMI demonstration will result in improved availability of crisis stabilization services throughout the state.</p>	<p>To what extent does the SMI/SED demonstration result in improved availability of crisis outreach and response services (including crisis call centers, mobile crisis units, crisis observation/assessment centers, and coordinated community crisis response teams) throughout the state?</p>	<ul style="list-style-type: none"> <li>• Quantitative Analysis using State administrative data</li> <li>• Qualitative Analysis - Key Informant Interviews</li> </ul>
<p>Access of beneficiaries with SMI to community-based services to address their chronic mental health care needs will improve under the demonstration, including through increased integration of primary and behavioral health care.</p>	<p>Does the demonstration result in improved access of beneficiaries with SMI to community-based services to address their chronic mental health care needs?</p>	<ul style="list-style-type: none"> <li>• Quantitative Analysis using Member Eligibility, Application, and Enrollment Data; Claims/Encounter Data; and State administrative data</li> <li>• Qualitative Analysis - Key Informant Interviews</li> </ul>
<p>The SMI demonstration will result in</p>		<ul style="list-style-type: none"> <li>• Quantitative Analysis using Member Eligibility,</li> </ul>



improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.	Does the SMI demonstration result in improved care coordination for beneficiaries with SMI?	Application, and Enrollment Data and Claims/Encounter Data <ul style="list-style-type: none"> <li>• Qualitative Analysis - Key Informant Interviews</li> </ul>
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Additionally, the impact of the Former Foster Youth component of the Demonstration will be measured through an independent evaluation conducted over the course of Demonstration extension period. The hypotheses under consideration are outlined in Table 9.

Table 9. Former Foster Youth Hypotheses Under Consideration

Evaluation Question	Hypotheses	Measures	Data Sources
<i>Demonstration Goal: Maintain overall coverage of Former Foster Youth in Indiana</i>			
How does the Demonstration population utilize services?	The Demonstration will maintain or improve access to primary and preventive care for Former Foster Youth.	Adults' Access to Preventive/ Ambulatory Health Services (AAP) Acute Hospital Utilization (AHU) Emergency Department Utilization (EDU) Oral Evaluation, Dental Services (OED)	Claims and Encounter Data
<i>Demonstration Goal: Improve health outcomes for Former Foster Youth</i>			
Did health outcomes improve for the Demonstration population?	Enrollees will have improved health outcomes under the Demonstration.	Plan All-Cause Readmissions (PCR) Cervical Cancer Screening (CCS-AD) Number of beneficiaries with appropriate follow-up care for hospitalizations	Claims and Encounter Data

Submission of Comments

This notice and all Demonstration Extension documents are available online at [www.in.gov/fssa/hip/newsroom/public-notices/](http://www.in.gov/fssa/hip/newsroom/public-notices/). To reach all stakeholders, non-electronic copies will also be made available for review at the FSSA, Office of General Counsel, 402 W. Washington Street, Room W451, Indianapolis, Indiana 46204. Paper copies will also be made available at each local Division of Family Resources (DFR) office, which can be located at the addresses found at <https://www.in.gov/fssa/dfrebt-hoosier-works-card/find-my-local-dfr-office/##local>. Additionally, all historical documents associated with the Demonstration are available on the CMS website at <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/81641>. Upon the State's submission of the Demonstration Extension application to CMS, this page will also be updated to permit submission of comments during the federal comment period.

FSSA OMPP will accept written public comments until 5:00 p.m. EST on November 29, 2024. Written comments may be sent via email to: [INMedicaidGA@fssa.IN.gov](mailto:INMedicaidGA@fssa.IN.gov). Please include "SUD/SMI 1115 Extension" in the subject line. Additionally, comments may be mailed to:

Family and Social Services Administration

Office of Medicaid Policy and  
Planning Attention: Madison  
May Gruthusen 402 W.  
Washington St., W374  
Indianapolis, IN 46207-7083

After the comment period has ended, a summary of comments received will be made available at: [www.in.gov/fssa/hip/newsroom/public-notices/](http://www.in.gov/fssa/hip/newsroom/public-notices/).