Eric Holcomb, Governor
State of Indiana

Office of Medicaid Policy and Planning
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INDIANAPOLIS, IN 46204-2739

Medicaid Advisory Committee Minutes

August 23, 2022
Virtual meeting via Zoom

Members Present
Dr. Leila Alter, Ms. Tabitha Arnett, Dr. Sarah Bosslet, Senator Jean Breaux, Ms. Julia Camara, Rep. Chris Campbell, Rep. Ed Clere, Mr. Michael Colby, Ms. Terry Cole (Co-Chair), Ms. Danielle Coulter, Ms. Elizabeth Eichhorn, Ms. Zoe Frantz, Senator Michael Griffin, Mr. Herb Hunter, Ms. Rachel Johnson-Yates, Rep. Mike Karickhoff, Mr. Rodney King, Ms. Barbara McNutt, Mr. Gary Miller, Mr. Evan Reinhardt, Rep. Robin Shackleford, Ms. Katy Stafford-Cunningham, and Ms. Allison Taylor (Co-Chair). Mr. Jake Torrie represented Luke McNamee/Indiana State Medical Association.

I. Call to Order

Terry Cole, Indiana Hospital Association and MAC Co-Chair, called the meeting to order at 10:02 a.m.

II. Approval of February 2022 Minutes

Ms. Cole invited a motion to approve the May 25, 2022 meeting minutes. Mr. Herb Hunter moved to approve. Ms. Tabitha Arnett seconded. The minutes were approved with no changes.

III. MAC Updates

Ms. Allison Taylor, MAC Co-Chair, reminded members of the next regular meeting scheduled for November 30, 2022, 10 a.m.-noon. She also reminded members of the special meeting and public hearing on the Healthy Indiana Plan scheduled for August 24, indicating more details would be provided later in today's meeting.

Ms. Taylor introduced Ms. Leslie Lugo, OMPP Director of Pharmacy. Ms. Lugo provided a quick announcement regarding a statewide uniform preferred drug list with an effective date of July 1, 2023, that will result in all managed care entities following the same drug list, fee-for-service, managed by OMPP and OptumRx. The DUR Board and Therapeutics Committee will continue to function as they have. There will be a 90-day transition period for members. OMPP will release a bulletin on August 30 and will send letters to stakeholders concerning the change. A project management team will assist OMPP with this improvement and more information will be forthcoming.

Ms. Camara, Indiana Primary Health Care Association, asked how the 340B drug program will be impacted. Ms. Lugo responded there should be no impact.

IV. Rules

Ms. Taylor introduced Ms. Angka Hinshaw, FSSA staff attorney who had no rules to present.

V. FSSA Updates

1. *LTSS reform updates*

Ms. Taylor shared a brief overview of the non-MLTSS aspects of the larger LTSS reform project (slides 2-3). The MLTSS RFP was released on June 30, 2022, following months of work by multiple stakeholders. The team has spent a lot of time on the program design as we reimagine the way Indiana serves aging Hoosiers.

(slide 4) Dr. Tim McFarlane, FSSA chief data officer, is the lead for the project's key result #4 (data), and explained the objective of his team is to create an integrated LTSS data system linking individuals, providers, facilities and the state. The team researched other states' experiences to ensure Indiana follows best practices. By integrating Indiana's current siloed and fragmented systems, we will have a more complete picture allowing for better metrics which will result in better clinical outcomes and quality of care for Hoosiers. The team created a nimble cloud-based environment to integrate LTSS data and developed 72 metrics in a robust surveillance plan.

(slide 5) Ms. Peggy Welch, FSSA chief advocacy officer, is the lead for the key result #5 (direct service workforce), and explained the objective of this team is to create and implement a person-centered, statewide plan—the Indiana Direct Service Workforce (DSW) Plan—to improve the recruitment, training, support and retention of direct service workers in home and community-based settings. This is for entry-level workers up to LPN level. In January 2022, FSSA began a partnership with the Bowen Center to develop Indiana's DSW plan with the goal of being the best in the country. The plan should be released at the end of September. Through this initiative, Indiana created the first Direct Service Worker Advisory Board which hears ideas first and provides valuable feedback in the development of the plan. Indiana is one of three states that has this type of board. The team has engaged may stakeholders and conducted a 6-hour brainstorming workshop on July 26. At the recent HCBS conference in Washington, DC, Indiana was recognized for its work in this area.

Senator Jean Breaux asked about shortages in the LPN space. Ms. Welch indicated there is a need for LPNs and RNs. This effort is narrowly focused on entry-level people up to LPNs because there has not been an emphasis on this group.

(slide 6) Mr. Andrew Bean, OMPP Medicaid & Medicare coordination manager, explained the effort to increase the coordination for dual eligible individuals (those who receive both Medicaid and Medicare), who are a key population impacted by LTSS reform, with the goal of improving quality of care and health outcomes. FSSA estimates 70-80% of the MLTSS population will be dual eligible so it is important to have good coordination between both government healthcare systems. Indiana has increased the number of Dual Eligible Special Needs Plans (DSNPs) operating in the state from 5 to 9 in 2022 and has developed new DSNP contract requirements focused on care coordination, data sharing, social determinants of health, and stakeholder collaboration. Using Medicare data effectively is a focus of this effort as well as also building

sustainable partnerships with Area Agencies on Aging (AAAs), the Indiana State Health Insurance Assistance Program (SHIP) and Indiana's DSNP partners.

Ms. Cole asked whether Indiana anticipates an increase in the number of dual eligible members since there more DSNPs. Mr. Bean and Ms. Taylor responded that there will not be an increase in the volume of members. There has been growth in the number of Medicare Advantage DSNP plans.

(slide 7) Ms. Kathleen Leonard, OMPP Director of reimbursement and actuarial services, explained the finance objective of LTSS is to strategically transition current fee-for-service LTSS reimbursement structures to drive quality, alignment, transparency, person-centeredness, and sustainability, and to provide forward compatibility with managed care. The goal is to simplify the currently complicated programs to ensure members receive services and providers are paid for services rendered. Nursing facility reimbursement is a current focus and FSSA is working with a formalized steering committee composed of IHCA, Leading Age, HOPE, and IHA to address base rates and the quality assessment fee, upper payment limit, and quality metrics. Balancing the LTSS reimbursement continuum to bring equity between providers in nursing facilities and in the community and updating rates on a timely basis are being discussed. The steering committee is meeting regularly over the next 6-8 weeks to finalize the details. The committee is focusing special attention on supporting a robust workforce, creating administrative simplification, designing for underserved areas and special populations, providing ample runway for making changes, and balancing the LTSS reimbursement continuum.

Mr. Colby asks whether MDS data is still used in setting institutional payment rates. Ms. Leonard replied that MDS is still being used to set acuity.

(slide 8) Ms. Taylor outlined the three goals guiding MLTSS/LTSS reform: personal-centered services and supports, ensuring smooth transitions, and access to services (participant choice). These priorities will endure year-over-year to build on initial investments.

(slide 9) Ms. Taylor discussed how the quality framework is helping inform key result #3 (value based purchasing) with the objective of linking provider payments to member outcomes. FSSA is early in this process and is currently evaluating CMS' HCBS quality measures document released in July 2022 to inform decision-making. FSSA's goal is to build the infrastructure that allows us to pay for person-centered outcomes.

(slide 10) Ms. Darcy Tower, OMPP Director of Provider Experience, outlined efforts to expand the current self-direction model through the 1915j waiver to give aged and disabled waiver participants more decision-making authority over their personal care services, (i.e. who provides their services and how they are provided). Indiana's self-direction program is small and has been underutilized in comparison with other states. FSSA is working with CMS and Applied Self Direction and is also participating in a statewide learning collaborative through NCAPPS to get technical assistance and ideas of best practices to help us grow the program. We are working on our 1915j waiver design to ensure it meets the needs of those using it. We expect to post draft language for public comment in October 2023 prior to sending to CMS.

(slide 11) Ms. Taylor outlined the expedited waiver eligibility (key result #1) program whose objective is to ensure Hoosiers have access to home and community-based services within 72 hours. During the pandemic, Indiana received CMS approval for a pilot which began on October 13, 2020, and to date we have approved more than 4,100 applications. We are currently operating the program under federal PHE authority and can continue for up to six months after the PHE ends. We are actively working with CMS to develop a sustainable long-term program.

Ms. Elizabeth Eichhorn asks whether CMS is still asking questions concerning conflict of interest if a facility is involved in the eligibility process. Ms. Taylor indicated FSSA would report out when it has more perspective from CMS.

Ms. Taylor invited questions. There were none.

2. ***HIP rate equalization – Allison Taylor, Medicaid Director, and Kathleen Leonard, OMPP Director of Reimbursement and Actuarial Services***

(slides 1-5) Ms. Taylor outlined the CMS-mandated changes to Indiana's Healthy Indiana Plan reimbursement. HIP predates the Affordable Care Act and is a uniquely Indiana solution that is statutorily required to pay at Medicare rates. CMS did not like that Indiana paid HIP at Medicare rates and there have been ongoing conversations regarding rate equalization for years. In 2020, Indiana's HIP program was renewed by CMS for 10 years. Also in 2020, CMS released a final rule prohibiting differential rates applying to all states. Although Indiana appealed the decision and was also granted an emergency 1115 waiver on HIP rates allowing the state to continue paying at Medicare rates until December 31, 2023, the state must come into compliance by January 1, 2024.

Indiana must complete required milestones (slide 5) on time in order to maintain FFP for managed care programs. By the end of 2022, Indiana must submit public comment and draft rate methodology to CMS. In 2023, Indiana must provide CMS with draft legislation, revised fee schedules and other documentation detailing the reimbursement changes.

(slide 6) Ms. Kathleen Leonard informed MAC members that Indiana Medicaid now has two million members receiving services, 1.65 million in managed care and 330,000 in fee-for-service. In HIP, physicians and ancillary providers are paid at Medicare rates or at 130% of Medicaid if there is not a Medicare rate. This is the area Indiana must equalize.

Senator Jean Breaux asks why there is overlap with pregnant women between Hoosier Healthwise and HIP. Ms. Leonard respond that some pregnant women are in HIP due to their income. Dr. Leila Alter adds HIP pregnant women (under 138% FPL) while HHW pregnant women (over 138% FPL).

Ms. Tabitha Arnett asks whether Indiana is the only state facing this issue. Ms. Taylor responded that other states corrected their rate imbalances.

(slide 7) Ms. Leonard continued by giving an overview of the approach Indiana will use to equalize rates among the impacted provider types—physicians and ancillary services.

Indiana's goal is sustainability, ensuring an adequate network by reimbursing providers appropriately while also ensuring reimbursement falls within our budget constraints. Representative Clere adds it is important to note how critical reimbursement rates have been to the success of HIP 2.0 and expresses concern about how this mandated equalization could impact future success especially given inflation. He continued that it is important we keep this issue front and center as we move toward budget session. Representative Shackleford hopes Indiana can keep physician rates higher than Medicaid. Ms. Arnett thanks Indiana Medicaid for recognizing the need to minimize provider disruption to ensure Medicaid patients, especially those with comorbidities, have continued access to physicians and the highest level of care.

(slides 8-10) Physicians account for $2 billion of Medicaid spending (22.1%) and our goal is keep the same aggregate spend. So Indiana proposes all physicians across Indiana's programs, both fee for service and managed care, will be reimbursed at 80-83% of the Medicare rate, except maternity services which is set at 100% of Medicare rate.

Ms. Eichhorn asked for clarification regarding the August 16 bulletin that as of Nov. 1, 2022, for nursing facilities all the MCEs have to reimburse with the Medicare rate. Ms. Leonard moved to slide 11 outlining the ancillary services impacted by the HIP rate equalization.

(slides 11-12) Ms. Leonard described proposed rate changes for seven different ancillary services. Rates for nursing facilities, home health and hospice are less impacted by the HIP rate equalization. Their rate changes were part of a separate project. However, their HIP rates will be aligned with the rates for FFS and other managed care programs through the MLTSS program. New dental rates will be set for use in HIP, FFS and other managed care programs. Durable medical equipment rates will be aligned with Medicare as the second phase of DME rate updates. New NEMT rates will be set for use in HIP, FFS and other managed care programs. EMS rates will be aligned with Medicare effective 7/1/2023 due to recent legislation.

To help stakeholders and other understand the process we must undertake, we will be scheduling engagement discussions over the next few months. Today's MAC meeting is a starting point to stage for those discussions.

(slide 13) Ms. Taylor indicated the compliance plan is open for public comment through September 2, 2022 at 5 p.m. The first public hearing is tomorrow, August 24, at 1 p.m. via FSSA's YouTube channel. You can join the virtual meeting and request to make comment. There is a second public hearing on August 29 at 10 a.m. This meeting is in-person with a virtual option. If you have questions, please contact Lynne Mong, HIP Director. The public comment period closes on September 2, 2022.

In September, we plan to have discussions with providers and associations. In January 2023, we'll provide notice to nursing facilities in alignment with legislative requirements. In June 2023, we'll provide advanced notice to MCEs. And in October 2023, we'll release a provider bulletin outlining the new rates effective January 2024.

Ms. Taylor invited questions.

Questions/Comments

Q: Senator Breaux- CMS requires changing the fee schedule. Indiana's perspective is sustainability. Is it realistic to expect there will be offset in the other programs for physicians?
A: Ms. Taylor- This is a first review, not the final recommendation.
A: Ms. Leonard-Different physicians and groups will have varied impacts. The 80-83% level was picked because that is the level for full spend. Our goal is to give providers the tools they need for 2024 and ensure adequate access. There aren't a lot of physicians who are HIP only. They tend to have patients in other programs, too.
Q: Senator Breaux-Is there an average about the potential loss for a HIP provider who goes from 100 to 80%?
A: Ms. Leonard-100 to 83 is a 17% reduction in HIP revenue and we would have to see about any offsets. There are no adjustments to maternity.
Q: Senator Breaux-Which HIP services and physicians will be most impacted? Can you address shortages that will result when the reductions are made?
A: Ms. Leonard-We have to slice the data in multiple ways to see if there are any physician categories more impacted than others.
A: Ms. Taylor-This is a strawman aggregate spend. Once the equalization methodology is finalized, it can be applied to the footprint to determine impact. We expect to receive feedback about what the levels should be.

Q: Dr. Alter-Dental providers for FFS, HHW and HCC have not received a significant rate adjustment since 1999.
A: Ms. Leonard-Dental providers are overdue for an adjustment. However, an overall rate increase is not part of the HIP equalization. We would have to recommend rate adjustments for dental providers and it would have to go through budget.
A: Ms. Taylor-We want those investments to be dealt with separately.

Q: Ms. Eichhorn-Is there a proposed rate change yet for nursing facilities that will be announced in January 2023?
A: Ms. Leonard-In January 2023, a notice will go to nursing facilities regarding rate changes in alignment with legislative requirement. We believe it will be a $6 or $7 million reduction that will be leveraged for the MLTSS process. Our goal is keep all provider types "whole."
A: Ms. Taylor-We have to follow the statutory requirement to give nursing facilities one year notice regarding rate changes.

VI. Comments

Ms. Taylor reminded MAC members that today's presentations must go through ADA compliance before being posted to the MAC website. This can take several days. The MAC recording from FSSA's YouTube channel will be available after the meeting.

Additional reminder about the August 24 and August 29 public hearings on FSSA's YouTube channel. See the MAC website and HIP website for details.

Future MAC topics: PHE return to normal operations and automated opportunities to enhance communications to Medicaid members.

Ms. Taylor invited additional questions.

Q: Ms. Cole – Can we have an NEMT update at an upcoming MAC meeting?
A: Ms. Taylor – There is a separate NEMT commission that meets. We'd be happy to do something during the MAC.

Q: Ms. Cole – As part of PHE return to normal operations and with HIP rate equalization, is there a discussion or thought to continue the elimination of the power account requirements? That is one of the items that raises concerns from an administrative and member enrollment perspective. It would be interesting to see what real impact the power account makes.
A: Ms. Taylor – We just had our annual performance meeting and are digesting the data so we don't have an answer right now. We haven't had churn during the pandemic, but also have to think about sustainability.
A: Senator Breaux – I agree about the power accounts and with an NEMT Commission update.

Q: Ms. Frantz – Have we looked into bringing everything to Medicare rates to advocate for health care for Indiana? What would that cost be if we brought everything to Medicare rates?
A: Ms. Leonard – We have done some prior fiscal views of that. We can look at the numbers and refresh them. Sustainability is always a challenge and it would be pretty expensive to go that route. However, it would be good to have that number.
A: Ms. Taylor – It's in the hundreds of millions.

Q: R. Coleman (from YouTube) – Have you looked at rate activities in other nearby states? Will you share the comparisons? (Senator Breaux and Dr. Bosslet agree with the question.)
A: Ms. Taylor – That is part of rate-setting for reimbursements.
A: Ms. Leonard – We look at other states more when we don't have Medicare rates. Indiana is tying rates to Medicare. But we can look at how other states reimburse relative to Medicare.

Q: Representative Campbell – We really need to look at some of these reimbursements that have not been updated in years. Audiologists are an example. They won't dispense

Medicaid hearing aides because of the rates. So consumers can get OTC hearing aides that may not work for them.
A: Ms. Taylor – Thank you for drawing attention to that.
A: Ms. Leonard – We will have to see if hearing aides are impacted by the updates to DME rates.

VII. Closing Comments

Ms. Taylor indicated today's presentations will be on the MAC website in a few days.

She reminded MAC members of the next regular MAC meeting on November 30 and tomorrow's HIP rates public hearing on FSSA's Youtube channel and the August 29 hearing being conducted in person and virtually.

With no further business to conduct, the meeting adjourned at 12:05 p.m.