

## **OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES ADMINISTRATION**

### **NOTICE OF PUBLIC COMMENT PERIOD FOR CONTINUATION OF THE CURRENT HEALTHY INDIANA PLAN (HIP) PAYMENT POLICY**

Pursuant to 42 CFR § 431.408(a), notice is hereby given that the Indiana Family and Social Services Administration (FSSA) will provide the public the opportunity to review and provide input on an emergency Section 1115 Waiver amendment approved by the Centers for Medicare and Medicaid Services (CMS) on July 26, 2022 that allows for continuation of the current Healthy Indiana Plan (HIP) payment policy through December 31, 2023. This notice provides details about the waiver amendment approval and serves to open the 30-day public comment period, which closes on September 2<sup>nd</sup>.

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 verbal comments. Hearings will be held at the following dates, times, and locations:

1. Medicaid Advisory Committee Meeting Day 2 on August 24, 2022 at 1 PM. Accessible at FSSA's YouTube site: <https://www.youtube.com/channel/UCVVvNG3e1fW4gf8ZZYoZNVg>
2. In person and virtual public hearing August 29, 2022, 10 AM – noon. Indiana Government Center South Auditorium, 302 W. Washington Street, Indianapolis, IN, 46204. This hearing will also be accessible at FSSA's YouTube site: <https://www.youtube.com/channel/UCVVvNG3e1fW4gf8ZZYoZNVg>

The FSSA will consider all the written and verbal public comments received, summarize them, and submit them to CMS.

### **AMMENDMENT SUMMARY AND OBJECTIVES**

HIP has been a feature of Indiana's Medicaid program since 2008. The current waiver provides authority for HIP to operate through December 31, 2030. Based on statutory mandate, the HIP program has always paid providers at Medicare or 130 percent of Medicaid rates. The final managed care rule published in November of 2020 disallowed the payment of disparate rates among managed care programs. As a result, FSSA submitted an emergency section 1115 waiver amendment and received approval on July 26, 2022 to continue paying HIP providers at the current Medicare or 130% Medicaid rates through December 31, 2023. The emergency approval allows FSSA adequate time to align and equalize physician and ancillary services rates among Medicaid fee-for-service (FFS), Hoosier Healthwise, Hoosier Care Connect, and HIP, and to comply with the final federal managed care rule.

### **BENEFICIARIES & ELIGIBILITY**

All current HIP eligibility limits and requirements will remain unchanged. HIP continues to target non-disabled adults between the ages of 19 and 64 with a household income less than 133 percent of the federal poverty level (FPL) with a 5 percent of income disregard, including individuals eligible for the adult group, low-income parents and caretakers eligible under Section 1931 of the Social Security Act (Section 1931), pregnant women with income within the HIP limit, and individuals eligible for transitional medical assistance. Additionally, all Medicaid enrollees ages 21-64, eligible for full Medicaid benefits, and with a Serious Mental Illness (SMI) or substance use disorder (SUD) diagnosis will remain eligible for short term stays in institutions for mental disease (IMDs).

## **ENROLLMENT & FISCAL PROJECTIONS**

The state projects that the total aggregate annual expenditures under this section 1115 demonstration is \$5.0B, which is the projected value of HIP capitation rates paid for calendar year 2021. This expenditure is inclusive of the differential HIP rates.

HIP enrollment increases during the COVID-19 public health emergency (PHE) have been disproportionately high compared to enrollment increases in other Medicaid programs. As of June 2022, 27 months after the PHE declaration, HIP covered 741,000 individuals, an enrollment increase of 75 percent compared to the month before the start of the public health emergency (February 2020). The increased enrollment in HIP accounts for over half of the enrollment increase observed in Indiana Medicaid during the federal COVID-19 public health emergency.

The approved waiver amendment will preserve the existing HIP rates through December 31, 2023. By January 1, 2024, OMPP intends to have equalized rates among HIP, Hoosier Healthwise, Hoosier Care Connect, and FFS. In general, this will mean that physician and ancillary rates decrease in HIP and increase in other programs.

## **BUDGET NEUTRALITY**

HIP has operated under hypothetical budget neutrality since incorporating the Medicaid expansion population in 2015. The approved waiver amendment does not make changes to Budget Neutrality and CMS noted in the approval that no budget neutrality projections are required for this COVID-19 emergency waiver amendment. This amendment does not impact the HIP Budget Neutrality model documented in the current approval.

## **BENEFITS, COST SHARING, AND DELIVERY SYSTEM**

This Section 1115 Waiver Amendment to HIP does not include any changes to the current benefits, cost sharing, or delivery system. All HIP members will continue to receive a comprehensive benefit package through their Managed Care Entity, consistent with private market plans and compliant with all mandated essential health benefits as required by the Patient Protection and Affordable Care Act (ACA). Enrollees receiving services under the SUD and requested SMI component of the waiver extension will continue to receive services through their current delivery system.

## **HYPOTHESES & EVALUATION**

The primary goal of the approved demonstration amendment is to preserve member access to providers during the rate equalization transition period. In alignment with CMS guidance on evaluation of the COVID-19 Waiver Amendment, FSSA will develop hypotheses to evaluate the amendment.

As part of the approval, FSSA is required to develop an Evaluation Design and a Final Report, which will consolidate the monitoring and evaluation requirements for this demonstration amendment. The draft Evaluation Design will document the hypotheses to be tested as part of the evaluation of this demonstration amendment. Once approved, in accordance with 42 CFR 431.424(e), the FSSA is required to post the Evaluation Design to its Medicaid agency website within 30 calendar days of CMS approval.

The draft Final Report will be due to CMS no later than 18 months after the expiration of this expenditure authority. Likewise, per the HIP section 1115 demonstration STCs, specifically, Section XV STC #10 on Public Access pertaining to demonstration deliverables, the state shall post the CMS-approved Final Report to its website within 30 calendar days of CMS approval.

## **WAIVER & EXPENDITURE AUTHORITY**

The waiver amendment approved on July 26, 2022, provides emergency authority as follows:

- **Expenditure Authority** – The approved waiver amendment provides expenditure authority allowing the state and its managed care organizations to vary reimbursement rates for physician and ancillary services in HIP in comparison to other Medicaid managed care programs to maintain provider capacity during the public health emergency. This expenditure authority is effective January 1, 2021 and applies for the full duration of rating periods that begin or end during the COVID-19 public health emergency and up to six months post COVID public health emergency but will not extend beyond December 31, 2023.

## **REVIEW OF DOCUMENTS & SUBMISSION OF COMMENTS**

All information regarding the approved waiver amendment, including the public notice, the HIP Waiver amendment, the approval letter, and other documentation regarding the amendment are available for public review at the FSSA, Office of General Counsel, 402 W. Washington Street, Room W451, Indianapolis, Indiana 46204. The full Public Notice is available to be viewed online at <https://www.in.gov/fssa/hip/newsroom/public-notices/> and HIP Waiver documents are also available to be viewed online at <https://www.in.gov/fssa/hip/about-hip/hip-documents-and-resources/>.

Written comments may be sent to the FSSA via mail at 402 West Washington Street, Room W374, Indianapolis, Indiana 46204, Attention: Attention: Lynne Mong or via electronic mail at [Spacomment@fssa.IN.gov](mailto:Spacomment@fssa.IN.gov) through **September 2<sup>nd</sup>, 2022 at 5:00pm**.