



## Medicaid Advisory Committee Minutes

November 19, 2019

Indiana State Library - History Reference Room 211

### Members Present

Mr. Grant Achenbach, Dr. Leila Alter, Ms. Tabitha Arnett, Rep. Brad Barrett, Senator Jean Breaux, Mr. Matthew Brooks (Co-Chair), Rep. Chris Campbell, Mr. Michael Colby, Ms. Terry Cole, Ms. Elizabeth Eichhorn, Rep. Rita Fleming, Ms. Rachel Halleck, Mr. Shane Hatchett, Mr. Herb Hunter, Rep. Mike Karickhoff, Mr. Rodney King, Rep. Cindy Kirchhofer, Ms. Barbara McNutt, Mr. Gary Miller, Mr. Michael O'Brien, Senator John Ruckelshaus, Rep. Robin Shackelford, Ms. Allison Taylor (Co-Chair), and Ms. Kimberly Williams.

### I. Call to Order/Opening Comments

MAC Co-Chair Matthew Brooks called the meeting to order at 10:05 a.m. and welcomed members and guests. He advised attendees that the MAC is a statutorily required meeting. Co-Chair Brooks briefly reviewed the meeting agenda and recognized Rep. Kirchhofer for her efforts in the legislation that expanded the membership of the MAC.

### II. Approval of August Minutes

Co-Chair Brooks presented the minutes of the August 22, 2019, meeting for approval. Mr. Hunter moved for approval. Rep. Shackelford seconded. The minutes were unanimously approved.

### III. Medicaid Director's Update

Medicaid Director and MAC Co-Chair Allison Taylor expressed appreciation for the large number of guests in attendance. She clarified that this meeting was the regular quarterly MAC meeting and that the afternoon meeting at 2 p.m. was a federally-required HIP waiver renewal public hearing during which a court reporter would record public comments. Senator Breaux asked why this hearing was being conducted on Organization Day. Co-Chair Taylor indicated that another public hearing meeting would occur on November 20, 2019 at 10 a.m. for public comment.

Co-Chair Taylor presented MAC members with the updated MAC handbook and member list and asked MAC members to review their contact information and report any changes to the OMPP office. Co-Chair Taylor indicated the updated materials would be made available on the MAC website.

She then introduced the new *Guide to Indiana Medicaid* providing MAC members with basic reference information about Indiana Medicaid programs, waivers, and frequently used acronyms. She invited MAC members to review and provide feedback. Co-Chair Brooks thanked Co-Chair Taylor for her team's efforts in updating all of the reference materials.



**IV. MAC Updates**

Co-Chair Taylor presented the proposed meeting dates for 2020 and MAC members approved.

**V. Rules**

Ms. Chelsea Princell, Staff Attorney for FSSA, notified MAC members that no rules are far enough in the process to present at this time. She indicated there should be some for the February 2020 meeting. Senator Breaux requested time be set aside during the February 2020 meeting for Ms. Princell to make a formal presentation about the rule promulgation process.

**VI. FSSA Updates****A. Reporting of Medicaid Prior Authorization Denials by Medicaid MCEs, Excluding Pharmacies [HEA 1548, Section 3. IC 12-15-33-9.5(a)(2)]**

Co-Chair Taylor introduced Meredith Edwards, Director of OMPP's Quality and Outcomes Section. Ms. Edwards presented a PowerPoint presentation about Medicaid prior authorization (PA) denials.

PA is the request for a specific set of services within a specific time period. Each managed care health plan (MCE) determines the services that need prior authorization. Examples include: MRI, PET scans, echocardiogram, bariatric surgery, home health, rehabilitation services, expensive DME, orthotics and prosthetics over certain cost limits and pain management programs. Health plans may include services on a PA list to ensure members are getting the most appropriate treatment, to prevent fraud, and to find and direct members to care management sooner. MCEs first review the PA for completeness. If incomplete or illegible, the MCE returns to the provider for revision. If complete, the MCE conducts a clinical review to determine medical necessity. If a reviewer determines the service is not medically necessary, the PA is directed to a physician for review.

PAs can be denied for a variety of reasons including: the service is not medically necessary, no clinical information supplied, late notification, non-covered benefits, member is not with the health plan, missing/incomplete information, and selection of out of network provider when an in network provider is available. The majority (83%) of denials are due to questions of medical necessity; 27% due to administrative incompleteness. Providers may appeal denials through the MCE (reviewed by a different physician than who reviewed the initial request), reconsideration and peer-to-peer.

Ms. Edwards invited questions from MAC members.

Representative Shackelford asked about prior authorizations (PA) for prescription drugs since the legislature had just conducted an interim study committee. Ms. Edwards responded that the Office can provide a list of PA drugs noting typically only high cost drugs require a PA. Representative Shackelford asked if MCEs use an electronic PA system. Ms. Edwards responded not all prior authorizations are electronic, but all authorizations are reported to OMPP. Representative Shackelford asked if peer-to-peer requests for providers can be done

through an appeal. Ms. Edwards responded that these requests are mostly done through appeals. Representative Shackelford referred to page nine of the PowerPoint and questioned the gap in percentages between Anthem and MHS. Ms. Edwards responded that that page related to substance abuse which will be discussed later in the presentation.

Senator Brown referenced page two of the PowerPoint asking if the different managed care plans have different PA rates. Ms. Edwards responded that although there is a great similarity among the MCEs, some may require PA on services that others are not, and rate of denials does not indicate outliers. Senator Brown requested a breakout of procedures that are denied and referred to page seven asking whether specialty procedures are reviewed by a different physician. Ms. Edwards replied that generally MCEs do not have specialty physicians on staff. Senator Brown asked whether PA denials could be due to non-specialists having inadequate knowledge to provide an approval. Ms. Edwards indicated that is not a known reason for denials. Senator Brown asked if denials occur because the healthcare provider is not yet credentialed. Ms. Edwards replied that is not a known reason for denials, but the Office will look into it. Senator Brown referred to the implementation of HEA 1007 concerning streamlining the credentialing process. Medicaid Director Taylor stated the Office is committed to the concept of streamlining credentialing, noting OMPP has spent significant time on it, but has yet to find a workable solution. Senator Brown said she is hearing from providers about this issue and that it is the MAC's responsibility to streamline and provide a user-friendly platform. Senator Brown asked if Burns & Associates conducts quality review and oversight. Ms. Edwards responded that Burns and Associates conducted the evaluation of SUD authorizations. Senator Brown referenced page eight noting OMPP had a significant number of denials upheld. She questioned whether the process is administratively cumbersome. Ms. Edwards replied that administrative denials are the result of providers giving incomplete or incorrect information on the form. The MCEs offer providers regular education about the PA process to facilitate authorizations as quickly as possible. The MCEs also made a presentation on best practices during a 2019 MAC meeting to education MAC members. Senator Brown expressed appreciation and asked if OMPP has quality metrics on this data. Medicaid Director Taylor and Ms. Edwards responded OMPP will consider Senator Brown's suggestions as the Office strives for continuous improvement.

Representative Karickhoff indicated more details are needed for the red line on the bar graph and expressed concerned that MCEs may not be providing the best service to members. Director Taylor said OMPP could discuss with him. Dr. Alter stated that she attends the IHCP Seminars three times a year and each MCE gives a presentation which is posted on each MCE's website under "provider education." Ms. Eichhorn asked if the Office could provide a breakdown of provider types so MAC members could discern whether there are different trends for different provider types. She continued this could be a standing agenda item at the regular IHCA meetings she hosts, if the Office is able to get more detail about the specific issues providers are experiencing. Ms. Edwards indicated the MCEs quarterly reporting to OMPP does provide a breakdown.

Representative Shackelford asked for a status update on the project to improve MCE authorization denial letters. Ms. Edwards stated that the project was finishing. Co-Chair Brooks referred to slide ten and stated that a vast majority of the time PAs are approved and asked whether OMPP had ever conducted a return on investment analysis for the cost of prior

authorization processes. Ms. Edwards explained that PA is not just an administrative function, but also a care management and care coordination tool. As MCEs review authorizations for medical necessity, they are also able to determine if a member has a complicated health condition, and refer the member to care management quickly. Otherwise, it would take several months for the MCE to know the member is sick and in need of care coordination. Ms. Cole indicated it would be helpful for the MCE to do a full review at the beginning of the process to identify all missing and incorrect items on the form and allow a one-time kickback to the provider rather than the “back and forth” process that currently occurs. Ms. Edwards will discuss this with MCEs. Medicaid Director Taylor asked if any state partners have a better process. Ms. Cole said one MCE is working on a process to address claim-related issues and suggested the concept might be similar for PAs.

Mr. Miller expressed concern that this has been a six-year process and he would like to see oversight for a uniform process, asking if there is a provider group that can assist with questions about denials. Ms. Edwards responded that most MCEs have very similar processes, although there are some minor differences, such as what is on their prior authorization lists. Medicaid Director Taylor responded that the Office is currently having multiple conversations about this issue, including with Mr. Miller’s industry. Ms. Cole stated that her team is currently documenting each MCE’s authorization processes and will share once it is finished.

**B. Reporting of Medicaid Denials Based on: Administrative and Medically Necessary Criteria or Errors or Omissions Made by the MCE [HEA 1548 Section 3. IC 12-15-33-9.5 (a)(3)(A)(B)]**

Ms. Edwards continued her presentation and stated OMPP conducted an audit with the assistance of Burns and Associates regarding substance use disorder (SUD) authorizations and denials. The reviewers found the MCEs were accurately reporting to OMPP concerning the type of authorization, disposition status and turn-around time. Of the denied authorizations reviewed, 85% were due to a question of medical necessity. An Indiana Addiction Specialist reviewed the authorizations and agreed with the MCEs decision in 93 out of 97 cases reviewed.

OMPP determined denial letters for SUD were not as specific as they could have been, lacking detail about what criteria were used to make the decision. As a result, OMPP undertook a project with the MCEs to improve these letters.

Medicaid Director Taylor explained that for 18 months, OMPP has convened an SUD stakeholder workgroup to discuss SUD delivery and best leveraging Medicaid. Although many people are accessing SUD treatment services, coverage for treatment is a relatively new space. Historically, Medicaid has not been able to pay for SUD treatment. Medicaid Director Taylor stated that SUD is a continuum and the workgroup is striving to identify and fill service gaps, noting the importance of supporting providers by looking at the administrative process.

Representative Shackleford questioned the large gap in the number of approved authorizations between certain MCEs. Ms. Edwards responded that this study reviewed a sample of authorizations. Medicaid Director Taylor stated that OMPP has more than 50

slides on this topic posted on the website that Ms. Dodson can send to MAC members and share with the workgroup. Representative Shackelford asked if Anthem has better direction or guidance on this. Ms. Edwards stated that MCEs attend workgroup meetings and OMPP has provided clear direction about this issue and need for solution.

Senator Breaux expressed concern about Anthem's denial rate and asked if that rate covers other PA for non-SUD and if there is a trend. Co-Chair Brooks concurred that this was the question Senator Brown posed earlier. Ms. Edwards indicated that sometimes it appears one MCE is denying more authorizations, but it could be because that MCE has fewer services on its authorization list; for example, only requiring an authorization for a few types of wheelchairs, instead of all.

Representative Fleming questioned how OMPP is addressing opportunistic SUD providers that take advantage of people with SUD, and whether OMPP requires SUD treatment programs to provide evidence-based reporting. Medicaid Director Taylor deferred to Ms. Rachel Halleck, Deputy Director of the Department of Mental Health and Addiction (DMHA). Ms. Halleck stated that DMHA has very regulated, specific instructions for Indiana's addiction providers. As a condition of receiving grant dollars, providers must be certified through DMHA. When DMHA receives complaints, the Department educates the general community to seek out only certified providers. Co-Chair Brooks stated that this issue is occurring across the country.

Representative Karickhoff expressed concern about the differences in denials and asked if each MCE submits the same paperwork to ensure MCEs are not confusing members. Ms. Edwards responded that there is one universal PA form for medical services and one for SUD services; and the online submission may look a bit different than a paper form. The provider may provide as much clinical information as they wish. Dr. Alter stated that Ms. Edwards has information about what Representative Fleming is requesting concerning administrative versus medical denials.

Co-Chair Brooks expressed appreciation for the efforts of OMPP and DMHA to improve the process for SUD patients.

## **VII. Public Comment**

Medicaid Director Taylor invited public comment and reminded attendees that the HIP renewal public comment meetings would occur this afternoon at 2 p.m. in this room and tomorrow at 10 a.m. in IGCS Conference Room 18.

Mr. David Pace, a volunteer with Hoosier Action, expressed his pleasure with the suspension of Gateway to Work regulations. He indicated that based on the organization's research, the check-in requirement is a barrier for people without access to telephones or reliable transportation, and for families who are still working, and causes additional disarray in Medicaid members' already complicated lives. He registered his hope that the change in the work requirement will be permanent.

Ms. Melodie DeMarco, a single mother of two who works as an aesthetician for a small business in Bloomington that does not provide insurance, commented that Medicaid is vital for her

family, but it has become complex and confusing. She said that providing documentation for the Power Account every six months is burdensome and she must submit multiple documents for redetermination. She asked the MAC members why she and others must go through this process and suggested the MAC consider eliminating the Gateway to Work program in favor of increasing the income eligibility.

Co-Chair Brooks and Medicaid Director Taylor thanked Mr. Pace and Ms. DeMarco for their feedback.

#### **VIII. Next Meeting and Conclusion**

Co-Chair Brooks reminded MAC members of the February meeting to be conducted in this same room. Medicaid Director Taylor reminded attendees about the public comment opportunities concerning the HIP extension—today, November 19, at 2 p.m. in this room and tomorrow, November 20 at 10 a.m. in IGCS Room 18. These meetings will also be web accessible. Copies of the extension application are available at [HIP.in.gov](http://HIP.in.gov). Co-Chair Brooks also reminded members about completing ethics training by the November 20 deadline. With no further business to conduct, Co-Chair Brooks adjourned the meeting at 11:34 a.m.