

Healthy Indiana Plan (HIP) Rate Equalization Update

Provider Presentation

Indiana Family and Social Services Administration
Office of Medicaid Policy and Planning
October 24, 2023



HIP Rate Equalization

- Healthy Indian Plan (HIP) History
- Indiana Medicaid Big picture – CMS Concerns with HIP Rates
 - Provider types impacted by new Federal Regulation
 - Physician / Professional Services
 - Ancillary Services
- Impact to Provider Reimbursement
- Key Points / Next Steps



HIP HISTORY

- 2008: IN established HIP pilot program, predating Affordable Care Act (ACA)
 - IN statute required payment at Medicare Rates
- 2015: IN expanded Medicaid under the ACA (>300K newly eligible Hoosiers)
 - IN statute requires continued payment at Medicare rates for services delivered under HIP
 - State share of HIP rates funded by hospital assessment fees (HAF) and cigarette tax revenues
- 2017: IN equalizes reimbursement related to hospital facility fees
 - Inpatient and outpatient payments equal across all programs (HIP/HHW/HCC/FFS)
- 2020: HIP receives 10-year renewal
 - HIP continues to pay at Medicare rates

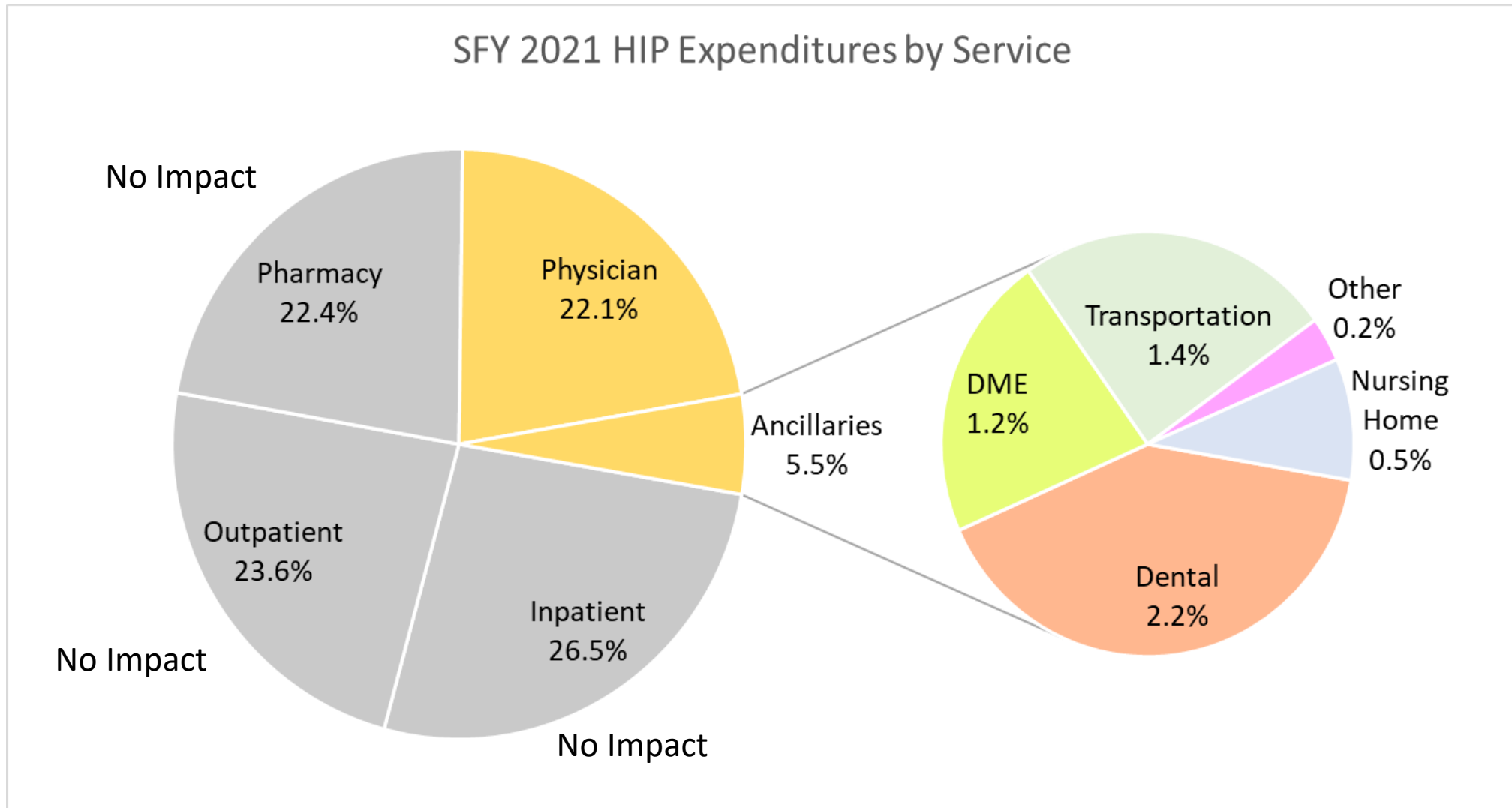


Indiana Medicaid – Big Picture

~ 2.0 Million Hoosiers on Medicaid ~1.65 million managed care; ~330,000 fee-for-service				
MEDICAID SUMMARY	Hoosier Care Connect	Hoosier Healthwise	Healthy Indiana Plan	Fee for Service
Populations	Aged, Blind and Disabled (Not Medicare Eligible or LTSS)	Children Pregnant Women	Expansion Adults Pregnant Women Low Income Caretakers	LTSS (Institutional and Waiver), PACE, Dual Eligible
Members	100K	800K	740K	330K
Health Plans	Anthem, MHS, United	Anthem, CareSource, MDwise, MHS	Anthem, CareSource, MDwise, MHS	N/A
Physician/Ancillary Provider Reimbursement	Medicaid Rate	Medicaid Rate	Medicare Rate (130% of Medicaid if there is not a Medicare Rate)	Medicaid Rate

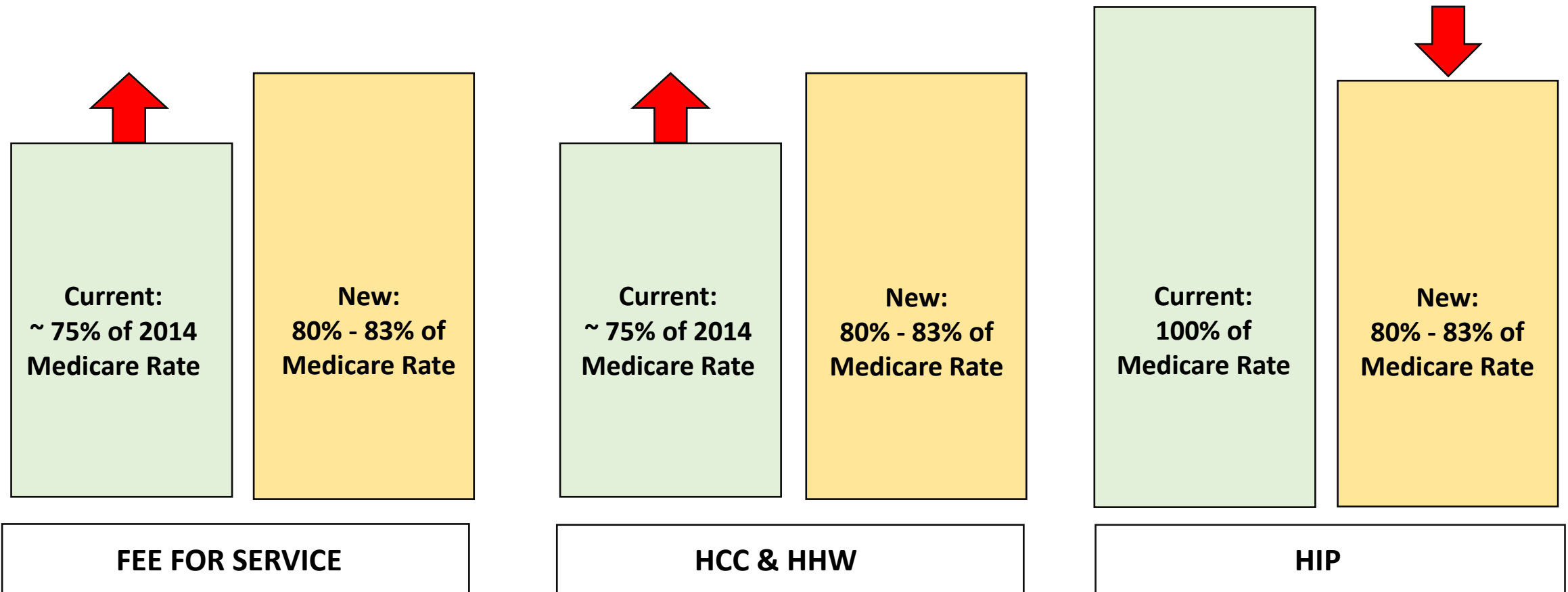
FEDERAL REGULATIONS NOW REQUIRE UNIFORM REIMBURSEMENT ACROSS MANAGED CARE PROGRAMS ⁴

Provider Types Impacted by Reimbursement Rate Changes



HIP Rate Equalization Project – Initial Approach

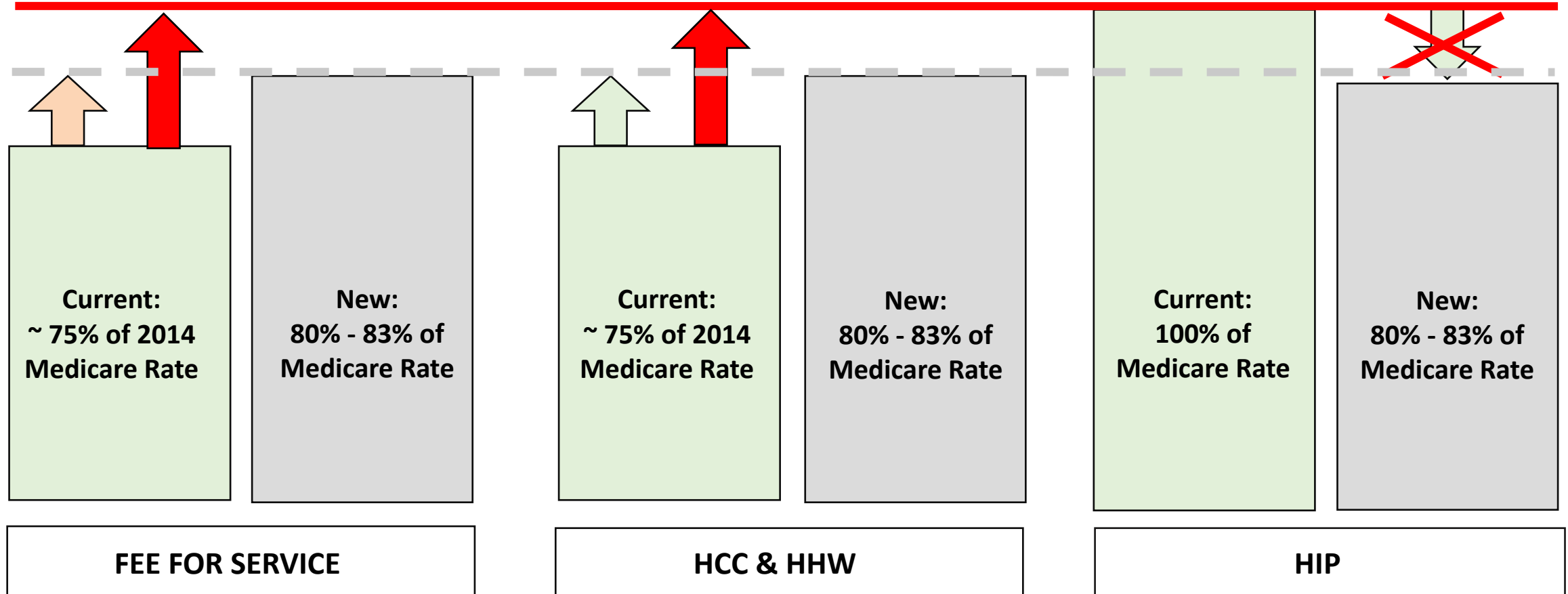
Physician/ Professional Reimbursement Rate Changes
Excluding Maternity and Behavioral Health Services



HIP Rate Equalization Project - **Final**

Physician/ Professional Reimbursement Rate Changes *Excluding Maternity and Behavioral Health Services*

BUDGET UPDATE
All Physician/ Professional Services to be Paid at 100% of Medicare



HIP Rate Equalization

Ancillary Services that are Primarily Fee for Service

NURSING FACILITIES

\$1.9B Spend
99% FFS / 1% MC

**Rates for HIP will be aligned
with the Rates for FFS and
other Managed Care Programs**

HOME HEALTH

\$396M Spend
96% FFS / 4% MC

HOSPICE

\$143M Spend
94% FFS / 6% MC

HIP Rate Equalization

Additional Ancillary Services

New Dental rates will be set for use in HIP, FFS and other Managed Care Programs

DME 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 7/1/23 due to recent legislation

DENTAL
\$313M Spend
11% FFS / 89% MC

DME
\$226M Spend
42% FFS / 58% MCE

NEMT
\$85M Spend
27% FFS / 73% MC

EMS
\$89M Spend
20% FFS / 80% MC

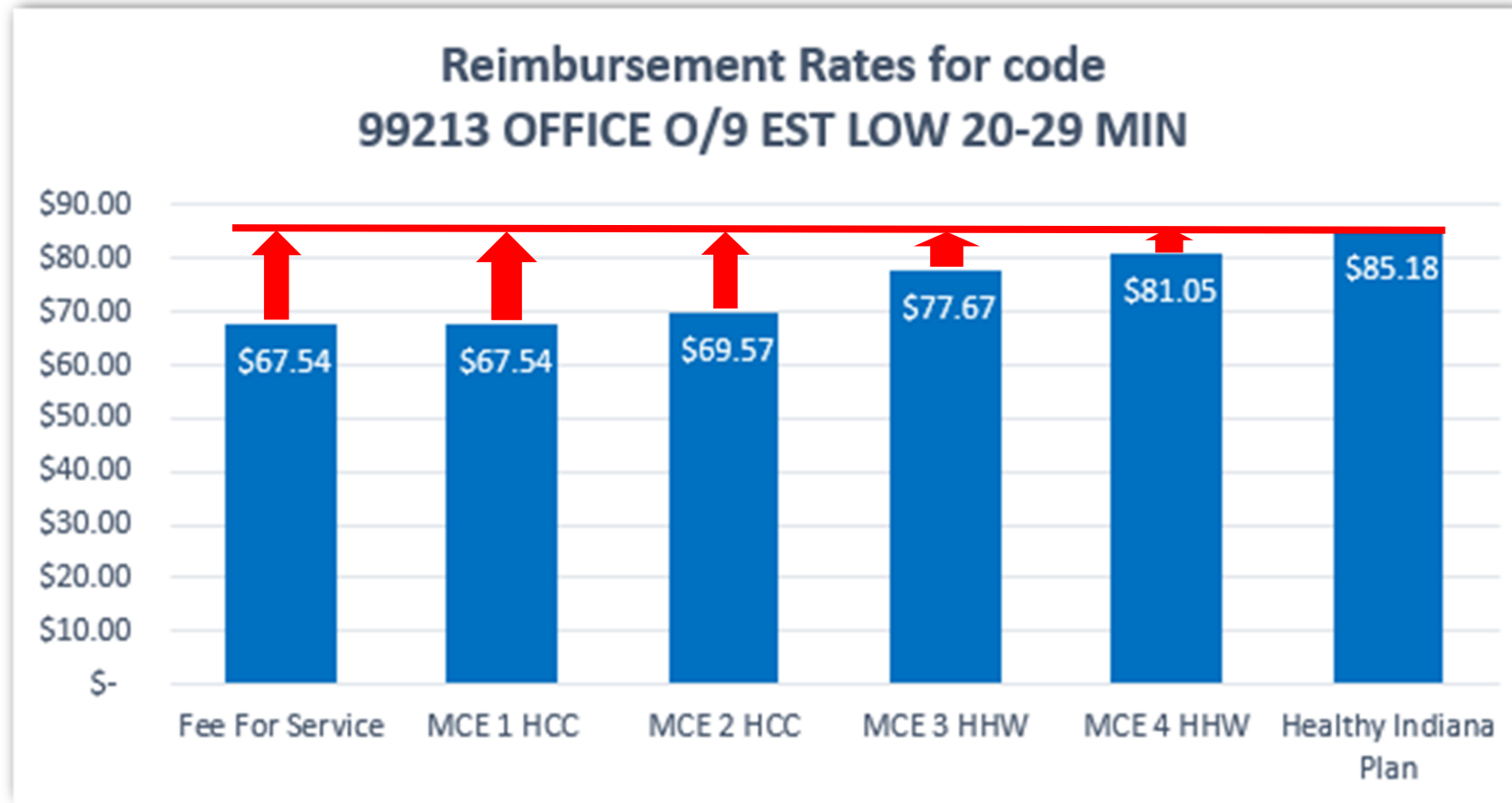
Impact to Physician Reimbursement

- The average reimbursement **increase** for physician services are listed below
 - Office Visits average **increase** is 26%*
 - Maternity Services average **increase** is 48%*
 - Surgical Procedures average **increase** is 28%*
 - Behavioral Health Services average **increase** is 28%*
 - Vision Services average **increase** is 23%
 - Audiology Services average **increase** is 41%.
 - Radiology Services average **increase** is 6%
 - Anesthesia Services average **increase** is 53%
- For HIP members the 2024 reimbursement will remain the same as what was paid in 2023

*Examples of these services are listed on following slides

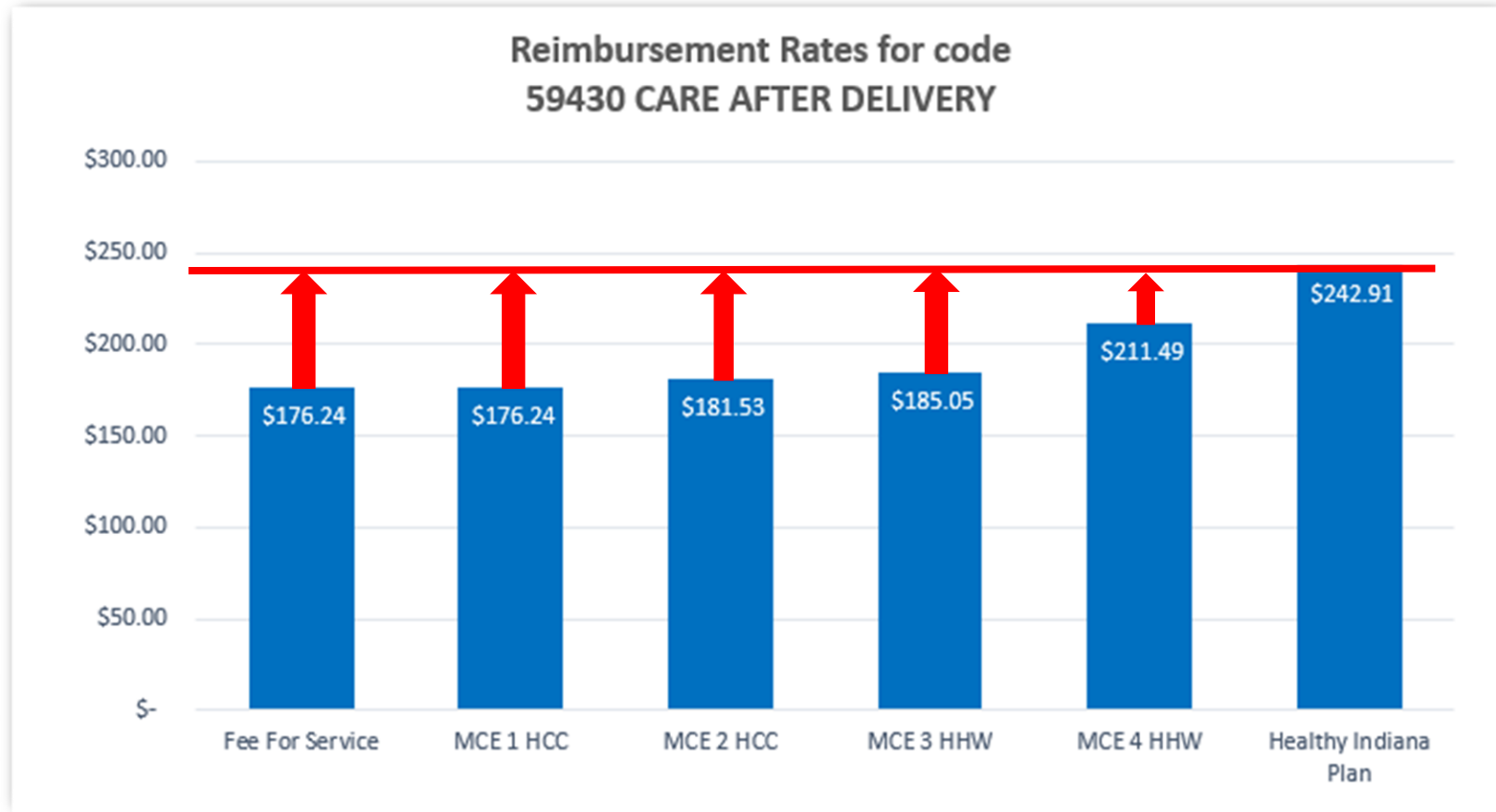


Sample Office Visit



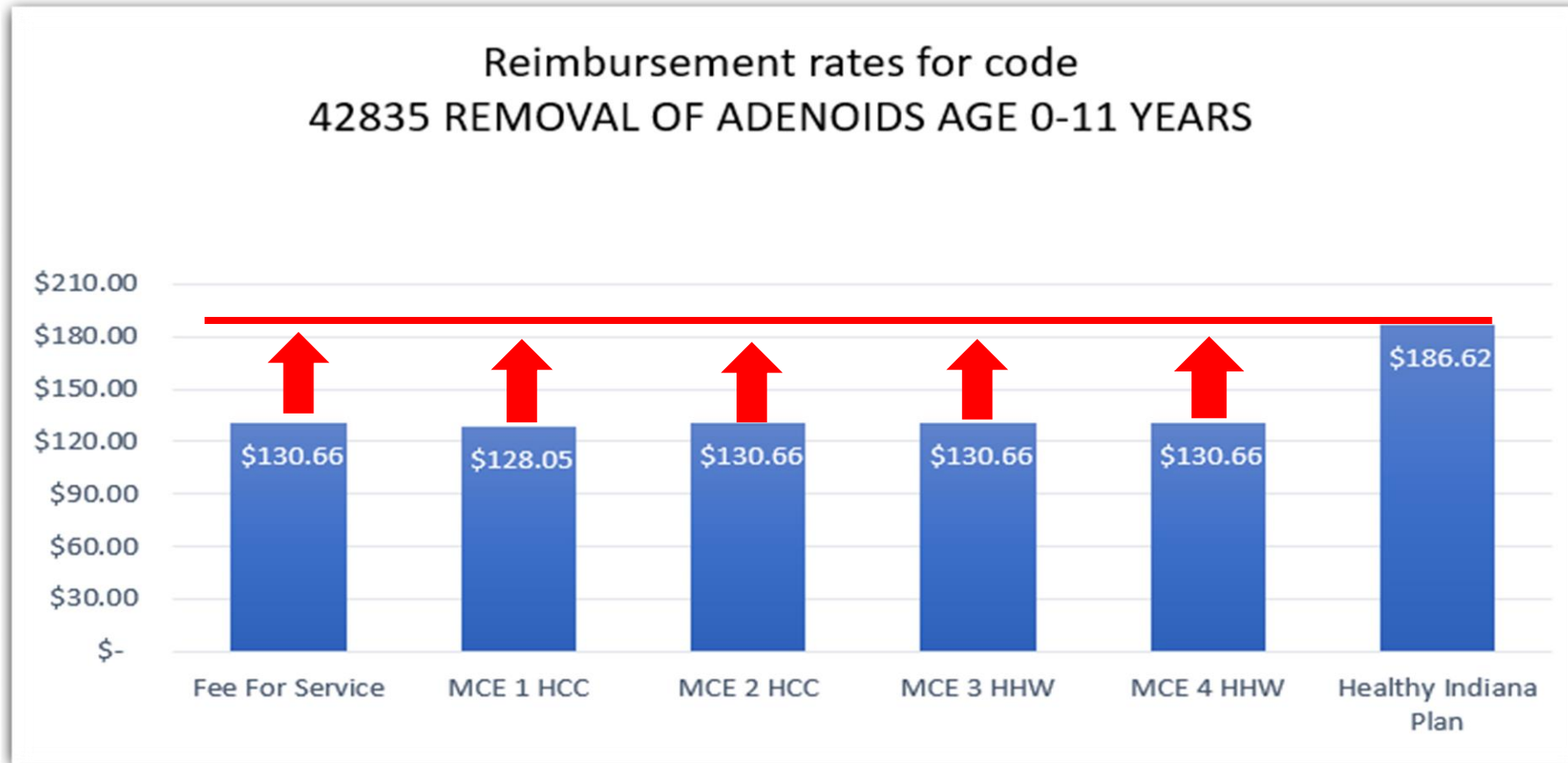
- For FFS, HHW, and HCC members, the Provider Office Visit reimbursement will **increase** by 5%-26%
- The 2024 reimbursement for HIP members will remain the same as 2023

Sample Maternity Service



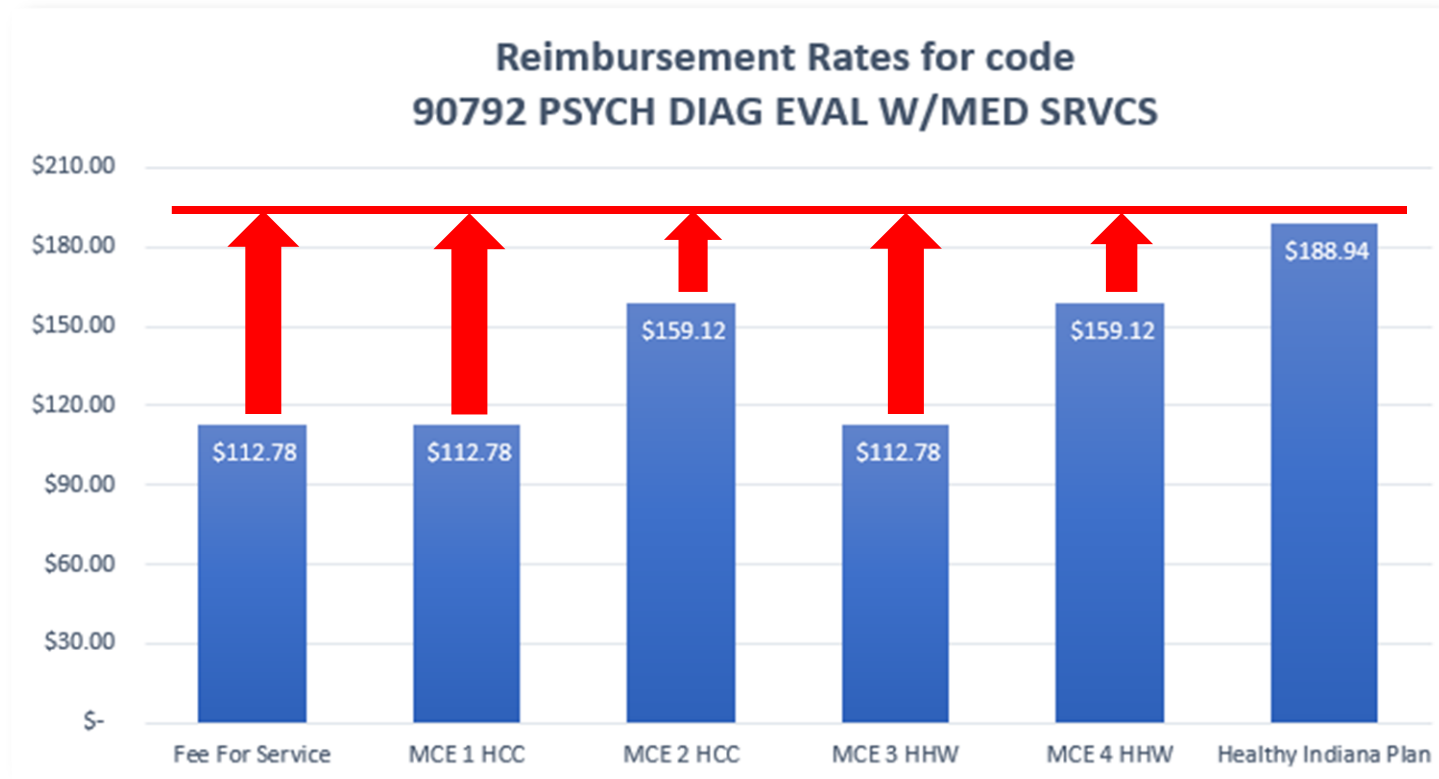
- For FFS, HHW, and HCC members, the provider Maternity reimbursement will **increase** by 15-38%
- The 2024 reimbursement for HIP members will remain the same as 2023

Sample Surgical Procedure



- For FFS, HHW, and HCC members, the Surgical Procedure reimbursement will **increase** by 43%- 46%
- The 2024 reimbursement for HIP members will remain the same as 2023

Sample Behavioral Health Service



- For FFS, HHW, and HCC members, the Behavioral Health reimbursement will **increase** by 19%-68%
- The 2024 reimbursement for HIP members will remain the same as 2023

HIP Rate Equalization - Key Points / Next Steps

- **Minimum Fee Schedule**

- Rates for Physician and Ancillary Services (other than NEMT) will be established as a Minimum Fee Schedule
- Health Plans must pay rates that are equal to or higher than the Minimum Fee Schedule

- **Rate Indexing**

- Rate Reviews will be conducted at least every 4 years
- For years between Rate Reviews, the Minimum Fee schedule will be increased comparable to Medicare rate increases or an inflationary index (if there are no Medicare rates)

- **Provider Bulletin** will be published with additional details and links to new Minimum Fee Schedules



Questions and Answers

