

## **Summary of Proposed Improvements in “HIP 2.1” Application**

- **Expand incentives program through MCEs**

Indiana’s Medicaid Managed Care Entities (MCEs) currently offer incentives in the form of small monetary bonuses, gift cards, etc. to enrollees for participating in certain activities (health needs assessments, preventive exams, prenatal care, etc.). The State plans to increase participation in these financial incentive programs and refocus them on four key areas:

1. Tobacco cessation
2. Substance use disorder treatment
3. Chronic disease management
4. Employment related incentives

There would be an emphasis on outcomes-based rewards, and the amounts could be as much as \$200 per initiative (capped at \$300 per member annually). Withholds and bonuses in the MCE’s contracts with the State would also be aligned with these four strategic areas.

- **Require tobacco-user premium surcharge**

The application highlights a recent CDC report which found that over 48 percent of adult Medicaid beneficiaries in Indiana use tobacco. The waiver seeks to build on Indiana Medicaid’s recently-expanded tobacco cessation coverage and the proposed enhanced MCE incentive programs by creating a tobacco-user surcharge for HIP Plus enrollees. The cost-sharing for tobacco users in HIP Plus would increase from 2 percent of monthly income to 3 percent. The higher payments would not begin in the first year of coverage, giving the individual a chance to utilize the cessation benefits.

- **Limited chiropractic benefit in HIP Plus**

A limited chiropractic benefit will be added to the HIP Plus plan—no more than one visit per day or six visits per year. This differs from the legislative proposal advanced unsuccessfully in the 2016 session, which would have mandated that the State add spinal manipulation coverage throughout HIP 2.0 and without restrictions.

- **Reestablish an open enrollment period**

The program would again have an “open enrollment” period similar to what existed in “HIP 1.0”, but with a six-month lockout for failure to complete a redetermination process instead of one year. This policy would not apply to enrollees who are medically frail, pregnant, low-income parents and caretakers and others.

- **Facilitate enrollment in HIP Maternity coverage for pregnant women**

Currently, HIP enrollees who become pregnant can remain in HIP 2.0 or transfer to Hoosier Healthwise. However, pregnant women in other situations may be required to only be in Hoosier Healthwise, although the maternity coverage is identical in HIP 2.0 and there is no cost sharing. The State would like to create better program continuity by allowing women to stay in HIP Maternity coverage.

- **Various updates to the 2015 Special Terms and Conditions**

These updates include: (1) Eliminate the prior claims payment program; (2) continue the waiver allowing copayments for inappropriate ED use; (3) continue the waiver of non-emergency transportation coverage; (4) carve hepatitis C drugs into fee-for-service to align with other Indiana Medicaid managed care programs and (5) increase continuity by reenrolling members with the same MCE within a 12-month period and maintaining the same POWER account.

- **Enhancements to HIP Employer Link**

HIP Link is the component of HIP 2.0 which allows up to \$4,000 to be used to enroll in a member’s qualified employer health plan. Few are enrolled in this program today, but this proposed change would allow the option for a HIP Link participant’s Medicaid-eligible family members to receive premium assistance toward family coverage through that same commercial plan. Medicaid benefits not provided in that plan for these family members would be “wrapped around” through Medicaid and relevant cost-sharing limits would apply.

- **Substance Use Disorder**

A significant element of this application is the explicit inclusion of “*a robust SUD (substance abuse disorder) benefit that not only adds critical short-term inpatient and residential services, but also builds out sufficient recovery support services to maintain individuals in treatment at all stages of SUD recovery consistent with evidence-based practices*”. In addition, the State seeks to waive existing restrictions on Medicaid payment for inpatient services to IMD providers, which are defined as freestanding psychiatric hospitals with greater than 16 beds for adults between 21 and 64 years of age. IHA asked the State to pursue this waiver as part of our HIP 2.0 Term Sheet, and we are pleased to see this included. Some of the components include:

- **Broad Eligibility:** Nearly all eligibility categories of Indiana Medicaid will be eligible for these services.
- **Enhanced Benefits:** The current SUD benefit will be expanded to “*provide the full continuum of evidence-based best practice care, allowing individuals to step down treatment in the best manner possible to prevent relapse and increase the long-term success*”.
- **Detoxification:** Following the legislation enacted in the 2016 legislative session which required Medicaid coverage for inpatient detoxification services for opioid or alcohol dependence treatment, the State seeks to add residential detoxification and SUD treatment services as a covered benefit.
- **IMD Exclusion:** This application seeks to build on the federal rule finalized earlier this year which allowed managed care reimbursement to IMDs for inpatient stays up to 15 days. It would allow payment in fee-for-service Medicaid and also cover stays up to 30 days.

**Intensive Outpatient Treatment:** “Addiction Recovery Management Services” would be added as a Medicaid benefit outside of the Medicaid Rehabilitation Option, providing reimbursement for recovery education, peer recovery support services, housing support services, recovery focused case management and relapse prevention services.