



Nursing Facility Reimbursement Topics Indiana PathWays for Aging Program

Indiana Family and Social Services Administration
March 5, 2024

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Why Reform Indiana's LTSS System?



Choice: Hoosiers want to age at home



- 75% of people over 50 prefer to age in their own home – but only 45% of Hoosiers who qualify for Medicaid are aging at home*
- The risk of contracting COVID and impact of potential isolation drives an even increased desire to avoid institutional settings

Cost: Developing long-term sustainability



- Indiana has about 2% of the U.S. population, but over 3% of nursing facilities
- LTSS members are 4% of Medicaid enrollment, yet 28% of spend - only ~ 19% of LTSS spend goes to home and community-based services (HCBS)
- For next ten years, population projections show 28% increase in Hoosiers age 65+ and 45% increase in Hoosiers age 75+

Quality: Hoosiers deserve the best care



- AARP's LTSS Scorecard ranked Indiana 44th in the nation
- LTSS is uncoordinated and lacks cultural competency
- Payment for LTSS services is poorly linked to quality measures and not linked to outcomes

From 2010 to 2030 the proportion of Hoosiers over 65 will grow from 13% to 20%. Indiana's disjointed system must be reformed to meet growing demand and to ensure Choice, drive Quality and manage Cost.

Our payment design should support these goals

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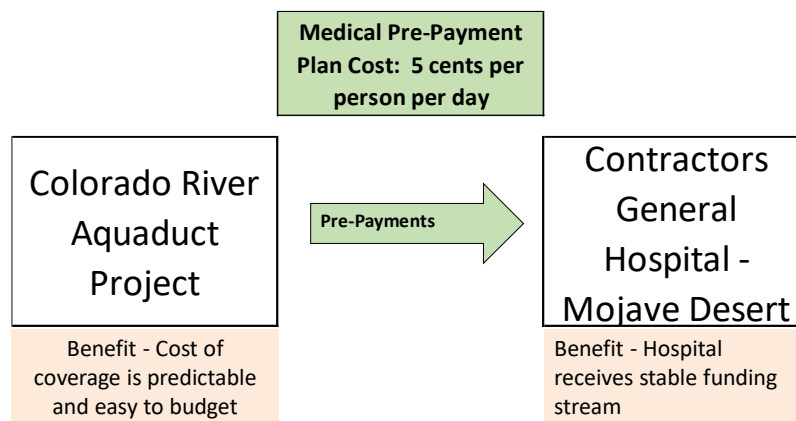
AGENDA



- Managed Care - Capitation
- Health Plan Readiness / Provider Readiness
- Supplemental (UPL) Program
- Nursing Facility Rate Timing

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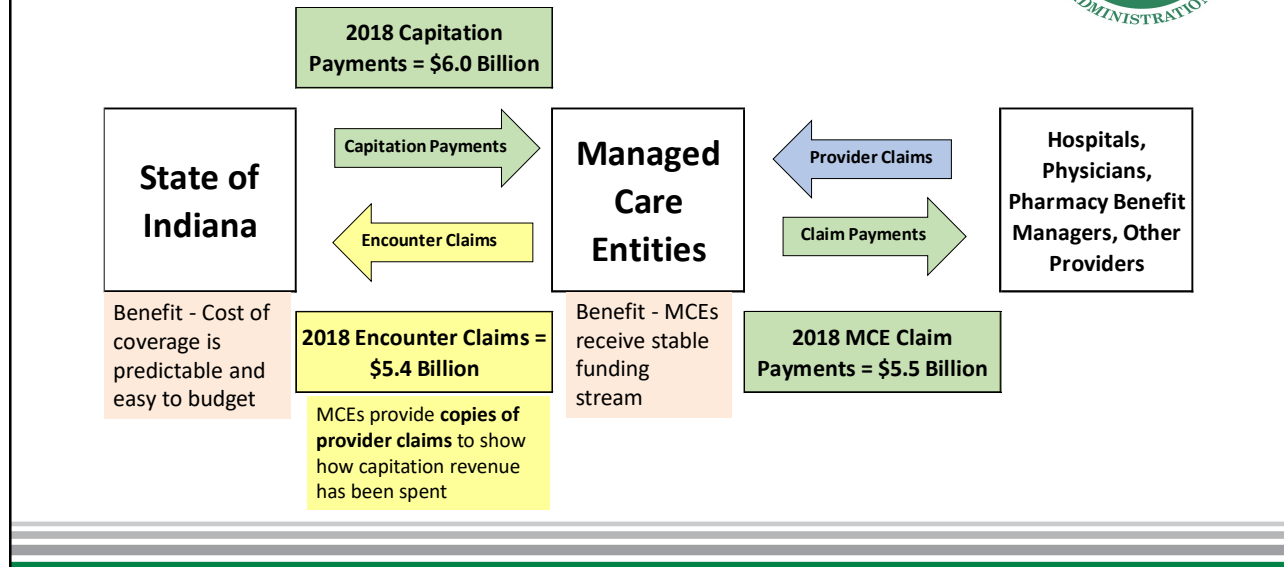
Risk Transfer / Capitated Payment Historical Example - Mojave Desert - 1933



This Medical Pre-Payment arrangement evolved to become Kaiser Permanente, which currently covers 12.3M members in eight states

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Risk Transfer /Capitated Payment Current Example - Indiana Medicaid - 2018



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REIMBURSEMENT CHANGES



- Prospective Rate Setting - Rates Set in advance of the effective period (no planned retroactive adjustments)
- Compliance with Managed Care Requirements as well as State Plan Requirements
- More focus on current period data
- Alternate method for collection of QAF payments

Areas where Nursing Facility assistance is needed



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Health Plan Readiness / Provider Readiness

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PATHWAYS HEALTH PLAN READINESS

- On Site Meetings being held March 26 - March 28 to Review Health Plan Systems / Claims Readiness
- Looking to verify that Health Plans will accept claims in a common format
- Test Claims Include:
 - Medicaid Nursing Facility Claims
 - Medicare Primary, but Medicaid pays after 20 days
 - Claim where PA denied
 - Medicaid Primary with Medicare Episode
 - Crossover Claims (both FFS and D-SNP)

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PROVIDER READINESS - SENATE BILL 132



- Advanced Claims Testing - Testing windows planned for April, May and June would allow providers to submit claims to MCEs to test payments
- Providers that participate in claims training and advanced claims testing would be eligible for **temporary emergency financial assistance** in the event of a claim related disruption in cash flow
- Financial assistance would be in the form of advanced payments from MCEs that would later be recouped as Accounts Receivable

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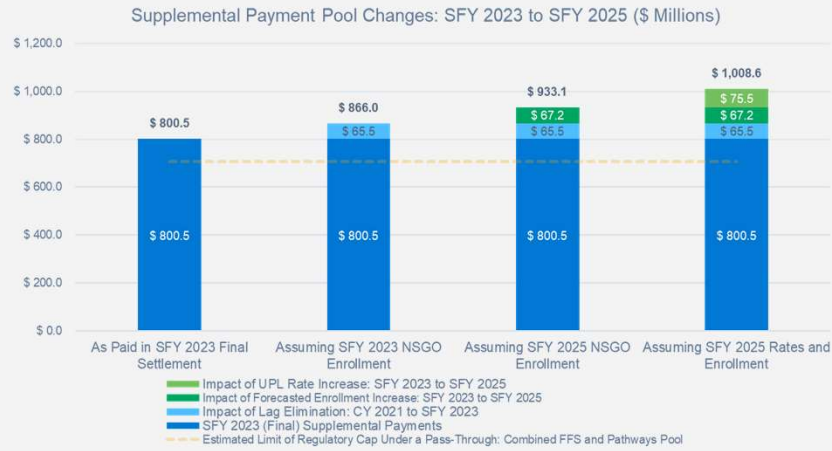


Nursing Facility Supplemental (UPL) Program

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Supplemental Payment Changes by Source: SFY 2023 to SFY 2025 (Update)

Enrollment lag elimination, forecasted enrollment increases, and a widening Medicare-Medicaid rate gap all material



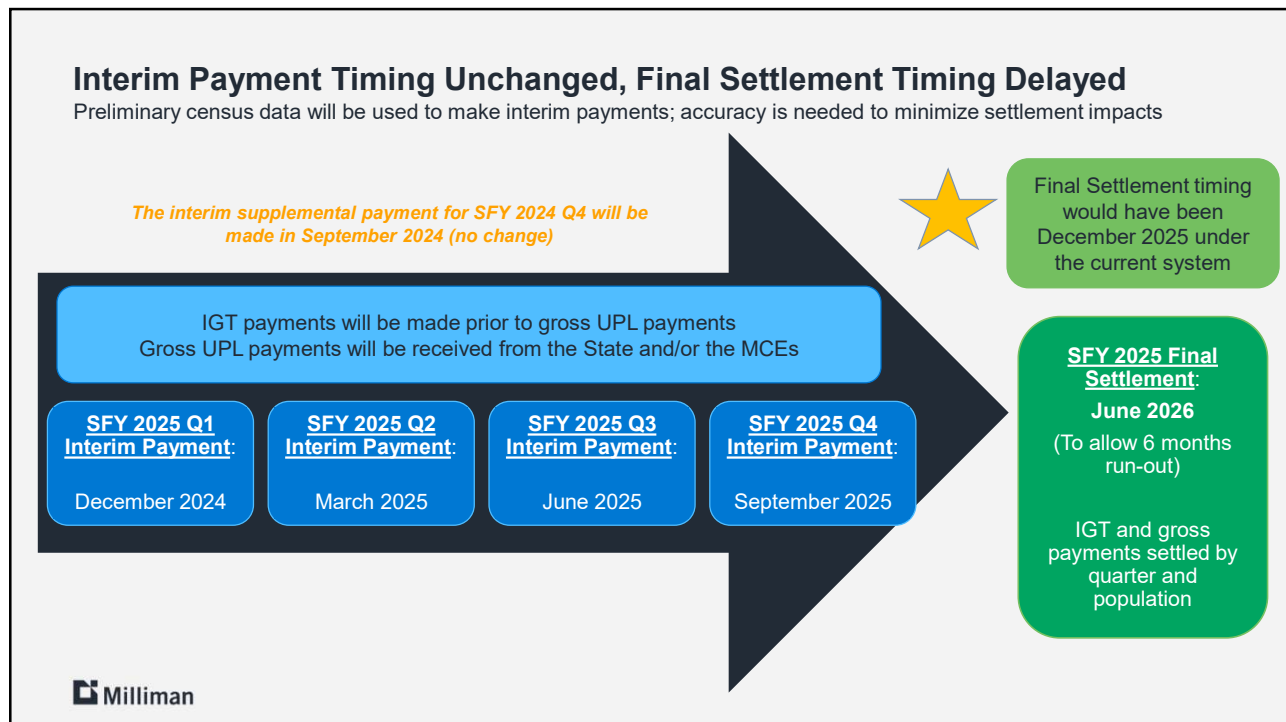
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Proposed Transitional Blends: SFYs 2025 -2028

SFY 2025		SFY 2026		SFY 2027		SFY 2028	
Jul - Dec	Jan - Jun	Jul - Dec	Jan - Jun	Jul - Dec	Jan - Jun	Jul - Dec	Jan - Jun
PROPOSED BASE RATE TRANSITIONAL BLENDS							
LEGACY METHODOLOGY 100%	83%	67%	50%	33%	17%	100%	NEW METHODOLOGY 100%
	17%	33%	50%	67%	83%		
PROPOSED SUPPLEMENTAL PAYMENT TRANSITIONAL BLENDS							
LEGACY METHODOLOGY 79.3% (managed care)*, 90% (fee-for-service)		60%		30%		100% NEW METHODOLOGY	
20.7% (MC)*, 10% (FFS)		40%		70%			

*Note: The July 2023 recommended split (90%/10%) was updated for managed care for SFY 2025. No other changes were made to the July 2023 proposed transition plan..

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Rate Updates / Releases

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RATE UPDATES / RELEASES



- 7/1/24 Rates - Target release data of 5/15/24
- Future rates to be updated every six months with release being 45 days prior to effective date
- Rates for 7/1/23 through 6/30 24
 - These will be last set of rates with retroactive adjustments
 - Rate changes (SCU / Vent member-based add-ons, NEMT add-ons have been approved by CMS
 - Systems changes to CoreMMIS are in process
 - Schedule for rate updates will be released as soon as available

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Questions

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