

## **Indiana Medicaid Access to Durable Medical Equipment**

**September 16<sup>th</sup>, 2019**

### **Background**

DMEPOS (Durable Medical Equipment, Prosthetics, Orthotics, and Supplies) often referred to as “DME” or Home Medical Equipment (“HME”) enables Indiana Medicaid beneficiaries to lead safe, independent lives in their homes, without the high cost of institutional care. Great Lakes Home Medical Services Association (Great Lakes) and Indiana Medicaid have a long-standing positive and productive working relationship, with a mutual understanding that the products we provide lower overall healthcare costs while providing improved patient outcomes, and satisfied beneficiaries.

Over the past few years, our industry has been decimated by the Centers for Medicare and Medicaid Services (CMS) Competitive Bidding Program (CB), to include drastic rate cuts (as much as 65%), as well as unfair audit programs. CMS now readily admits that CB is unsustainable and has suspended and overhauled the program. Unfortunately, it won’t be re-launched until 2021. With approximately 40% fewer DME providers throughout the U.S., access to DME has become problematic for far too many – especially in rural areas.

Great Lakes, American Association for Homecare, and The VGM Group as HME Industry stakeholders representing HME providers across Indiana share the goal of providing quality, timely HME to IN Medicaid beneficiaries. However recent changes being proposed by Indiana FSSA are threatening Medicaid beneficiaries’ ability to obtain medically necessary HME and related services. It is also important to understand that these changes and timeframes established by the Department do not meet state legislative or Centers for Medicare and Medicaid Services (CMS) guidelines.

### **Key Concerns**

Recent federal legislation has limited the federal portion of funding that states receive to administer care to Medicaid beneficiaries for items/services furnished on or after 1/1/18. **However, there is no federal requirement for states to limit Medicaid payment rates to Medicare rates.** In fact, the Social Security Act directs states to set adequate payments to ensure enough suppliers exist to provide care and services for the Medicaid population. FSSA’s response to this legislation have raised the following concerns:

1. Indiana Medicaid is required based on IC 12-15-35-50 to provide a thirty (30) day public notice of any changes including payment rates, prior authorization, and medical policies. The bulletin publicizing these changes did not occur until September 3, 2019 with an effective date of October 1, 2019. The Great Lakes Association met with members of Indiana FSSA in August and these changes were not discussed at this time for stakeholder input to ensure appropriate access to care for Medicaid beneficiaries.
2. State Plan Amendment (SPA) 19-003 has been submitted to CMS but has not been approved. Implementation of these changes without approval from CMS puts Indiana FSSA out of compliance with CMS guidelines which could impact federal funding.
3. An appropriate study and stakeholder feedback was not completed by the state and providers have reported that they will be unable to continue to provide the care needed by the Indiana Medicaid beneficiaries. The Access Monitoring Review Plan that is in DRAFT format for submission on October 1, 2019 that I am attaching here does not address Durable Medical Equipment which is covered under the home health benefit and therefore should be included in this study.
4. AAHomecare has worked with many other states across the country and CMS to ensure compliance by the states with the Cures 21<sup>st</sup> century legislation limiting the federal match for a limited portion of items under the HME fee schedule. We have offered to work with FSSA to implement the same process to ensure access to care for beneficiaries and to ensure limited budget impact to the state. In recent reconciliation to comply with this mandate, if FSSA had to reimburse any federal matching funds to CMS, AAHomecare would likely be able to limit this payback with CMS approved reconciliation methods. Without working with this stakeholder group, the state may be refunding unnecessary dollars to the federal government.

Despite efforts by Great Lakes to engage FSSA on these issues, feedback was provided that a delay in these changes was not possible and would be implemented on 10/1/19.

## **Solution**

Great Lakes, AAHomecare, and The VGM Group request an immediate delay in any rate changes until a thorough study is completed to determine how these changes will impact access to care for Indiana Medicaid beneficiaries. To be in compliance with CMS, these steps must be performed in an adequate manner.