
Indiana Medicaid Managed Care Accountability for Home Medical Equipment Services

**** Legislative Bill Number Pending ****

Background:

Durable Medical Equipment, Prosthetics, Orthotics, and Supplies, often referred to as (“DME”) or Home Medical Equipment (“HME”) and Complex Rehabilitation Technology (“CRT”) enables Indiana Medicaid patients to lead safe, independent lives in their homes, without the high cost of institutional care.

Currently, providers are paid by either Indiana Medicaid based on either a published fee-for-service schedule or by a Medicaid managed care entity (MCEs). The Indiana Health Coverage Program (IHC) works with five health plans to serve as MCEs for the Hoosier Healthwise, Healthy Indiana Plan (HIP) and Hoosier Care Connect programs. MCEs have caused numerous hardships for HME providers which must be addressed to strengthen, not diminish, access to this critical homecare sector.

Key Issues Addressed in Proposed Legislation:

- **Due process** – Sets forth managed care appeals process requirements for HME providers, including a resolution process when an MCE determines that a claim is not a “clean claim”.
- **Access** – Indiana’s HME provider community has shrunk by 25% since 2013. A key contributor is flat or declining payer reimbursement which is exacerbated by a problematic managed care environment as product and labor costs rise, especially now during the public health emergency. This reduced HME network risks access as evidenced by CMS’ supplier location data:
 - Currently 39 of Indiana’s 92 counties do NOT have a traditional HME location
 - An additional 24 counties only have ONE supplier location
- This bill would prohibit Indiana Medicaid from seeking “competitive bids” that fragments services for patients and harms providers. The need for patients and their physicians to choose HME providers is paramount towards achieving the best health outcomes and ensuring efficient care coordination based on individual medical needs, patients’ life situation and support at home.
- **Fairness** – The bill specifies that Indiana Medicaid and their subcontractors (MCEs, third-party administrators etc.) would have to reimburse HME, CRT and medical supplies at a rate that is at least 100% of the Medicaid fee schedule. Indiana Medicaid is also required to develop and implement a tool to assist in the determination of capped rental payments for certain items.
- **Equity** - MCEs have been allowed to create a two-tiered system for Medicaid patients. This is unacceptable, especially for a tax-funded benefit, and by providing parity, this will ensure access when beneficiaries transfer from one MCE to another and would prevent multiple reimbursement rates for the same product and service.
- **Representation** – The legislation would add a representative from the Great Lakes Home Medical Services Association to the FSSA OMPP Medicaid Advisory Committee.

Great Lakes and AAHomecare strongly believe that it’s vital to stabilize Medicaid reimbursement for HME services and hold the managed care entities accountable to providers, patients and taxpayers. Our members are proud to be a part of the continuum of care that assures Medicaid patients receive cost-effective, safe and reliable home care products and services and action is needed today to preserve their important role.