



IHCA
INCAL

**The Indiana Health Care
Association's **Proposed
Alternative to Insurance-
Driven Managed Care****

Indiana's Family and Social Services Administration (FSSA) is moving ahead with a plan to pay insurance companies hundreds of millions of dollars to take over Indiana's long-term care Medicaid program. This is projected to result in significant Medicaid funding cuts, insurance claim payment delays, and important services being denied for Hoosiers.

The Indiana Health Care Association (IHCA) has proposed an alternative plan to FSSA's insurance-driven managed care model. IHCA's plan will lower Medicaid costs, increase accountability on providers, and improve the quality and coordination of care for residents and patients by:

1. Doubling the state's investment in performance-based payments through value-base reimbursement;
2. Increasing investments in home-based services using increased federal investments and projected savings from decreased nursing home use;
3. Directing more funding to staffing and resident care for nursing homes;
4. Ensuring more rapid access to home-based care options; and
5. Implementing a long-term care reform model that maintains the relationship between the patients and the providers who care for them.

IHCA's Proposed Alternative

Lowering Health Care Costs

- By implementing an integrated health management model, as other states have successfully done, health care providers will be incentivized to offer more lower cost home- and community-based services for residents and families. There will also be more competition between providers as they foster partnerships in the marketplace with insurers, instead of being beholden to them.

FSSA's Insurance-Driven Managed Care Model

Costs

- FSSA's plans to maintain budget neutrality in implementing insurance-driven managed care are projected to result in \$927 million in Medicaid service cuts in the first three years of implementation.
- Insurance companies are projected to receive more than \$300 million from the Medicaid program, which is currently being spent on health care services for Hoosiers.

IHCA's Proposed Alternative

Improving Service Quality and Health Outcomes

- More funding will be required to go directly to nursing home staffing and resident care.
- The amount of funding that will be contingent on performance-based outcomes would be doubled and implemented within the County Hospital Nursing Facility Supplemental Payment program.

Increasing Access to Home- and Community-Based Services (HCBS)

- A current pilot program overseen by FSSA would be expanded to cover Hoosiers statewide, allowing for rapid access to home- and community-based services. The pilot program has shown promising results in enabling recipients to successfully access HCBS within 72 hours.
- More funding would be directed to home- and community-based services through increased federal investments and cost savings realized from reduced use of nursing home services.

Maintaining Patient Choice

- Patients and their loved ones would continue to be empowered to make informed, medically necessary health care decisions directly with their health care providers rather than having insurance companies control those decisions.

FSSA's Insurance-Driven Managed Care Model

Quality – Improved Health Outcomes

- Cutting \$300 million per year in funding for Medicaid services will make it difficult to maintain, let alone improve, health outcomes.
- Access to long-term care facilities in rural communities could be at greater risk. Rural long-term care options are already limited, with 34 of Indiana's 92 counties having two or fewer nursing homes and one county having no nursing homes.

Increasing Access to Home- and Community-Based Services (HCBS)

- Insurance companies will be financially incentivized to use the lowest-cost health care option available for Hoosier seniors who receive Medicaid benefits.
- Access to health care in rural communities could be constrained by projected reductions in health care services funding of more than \$300 million per year.

Maintaining Patient Choice

- A few large insurance companies would decide what Medicaid health care services Hoosier seniors can receive.

IHCA has conducted research to gain insight into the perceptions of long-term care and insurance-driven managed care from Indiana legislators and 1,000 long-term care key stakeholders in Indiana. Findings include the following:

Almost 8 in 10 survey respondents agree that insurance-driven managed care has more potential downsides than benefits.

- 78% of those surveyed agree that insurance companies will be deciding what services the patient will receive with insurance-driven managed care.
- 75% agree that insurance-driven managed care will require more paperwork for providers and will distract from patient care.
- 79% agree there is a risk that necessary care for residents would be denied under insurance-driven managed care.
- 76% agree there is a risk that insurance companies will not pay health care or long-term care providers on time or correctly with insurance-driven managed care.

There would be an insurance company between the patient and provider, with the insurance company deciding what services the patient will receive.



There would likely be 3-4 managed care entities in the system, requiring more paperwork for providers and distracting from patient care.



There is a risk that necessary care for residents would be denied by the managed care companies.



There is a risk that managed care companies will not pay providers on time or correctly, making it harder for providers to pay staff and run their business.



STRONGLY AGREE SOMEWHAT AGREE SOMEWHAT DISAGREE STRONGLY DISAGREE NOT SURE

7 out of 10 survey respondents rate the quality of long-term care in Indiana as excellent or good.

Providing high-quality person-centered care to the residents.



Improving quality outcomes and quality of life for the residents.



The variety of care options and services offered.



Prioritizing resident safety and well-being, especially during the pandemic.



Providing peace of mind and satisfaction to residents' family members.

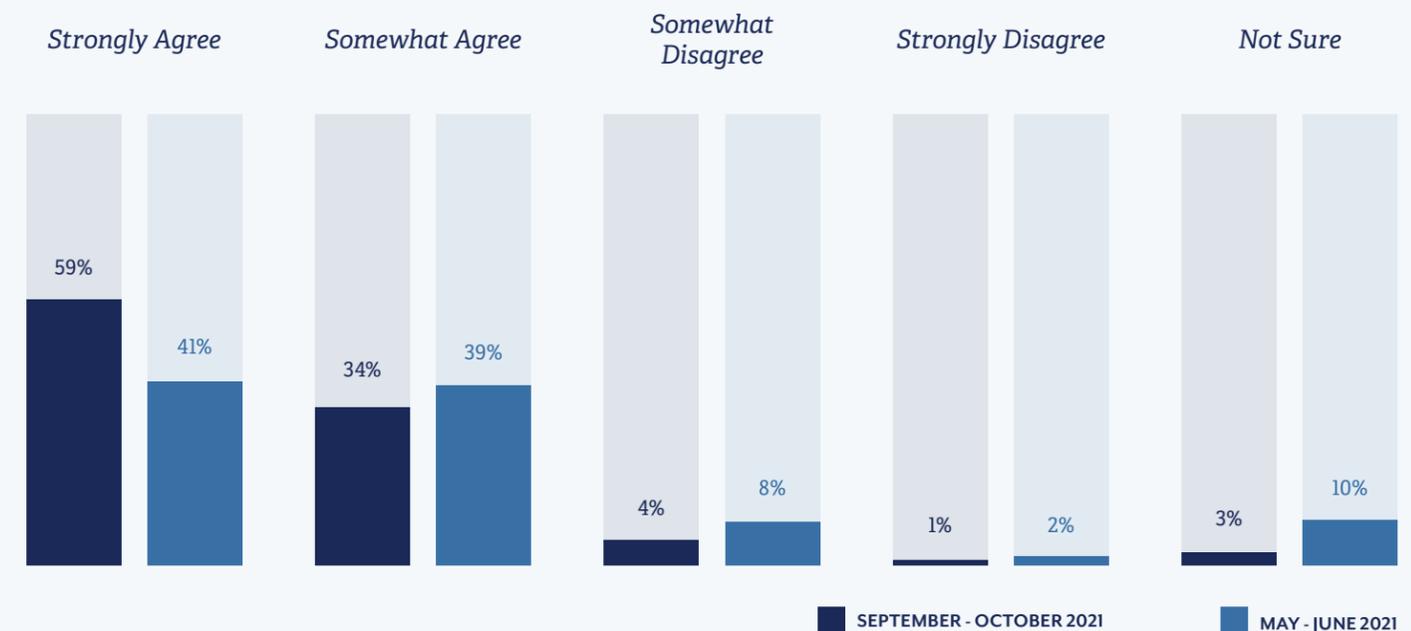


Being affordable.



EXCELLENT GOOD FAIR POOR

A majority of people strongly agree (80-93% Somewhat or Strongly Agree) that Medicaid services should be expanded to increase access for more middle- and lower-income older adults.



For more information, visit
WeCareLongTerm.com

