Managed Care in Indiana

This profile reflects state managed care program information as of August 2014, and only includes information on active federal operating authorities, and as such, the program start date may not reflect the earliest date that a program enrolled beneficiaries and provided services. Some states report populations and services available to program participants under the federal authority (e.g. Section 1115 waiver), so these features cannot be easily distinguished for each program.

Overview of Current Managed Care Programs

As of July 2011, almost three quarters of Medicaid beneficiaries in Indiana were enrolled in one of three managed care programs. **Hoosier Healthwise (HHW)**, which began in 1994 and was implemented statewide in 1997, is a comprehensive risk-based managed care program for pregnant women, children, and parents. Initially, the program was delivered through a combination of managed care organizations (MCOs) and primary care case management (PCCM) providers, but the state terminated the PCCM option in 2005. HHW health plans cover acute, primary, specialty, and behavioral health services; pharmacy and dental benefits are excluded ("carved out") from the benefit package and provided on a fee-for-service basis.

The **Healthy Indiana Plan (HIP)**, established in 2008, is a statewide, comprehensive risk-based managed care plan that enrolls adults who earn under 200 percent of the federal poverty level on a mandatory basis. HIP members have Personal Wellness and Responsibility (POWER) accounts, which are modeled after Health Savings Accounts and used to meet a $1,100 deductible on services covered by HIP. MCOs administer POWER accounts on the member's behalf, provide coverage for up to $500 of preventive care before the deductible is met, and pay for covered services above HIP's deductible. HIP covers acute, primary, specialty, and behavioral health services; pharmacy benefits are excluded from the benefit package. The state pays for HIP most members on a full-risk, capitated basis. Members with particular high-risk medical conditions enroll in HIP's Enhanced Services Plan (ESP) option, which is paid for on a fee-for-service basis but includes disease and case management services related to the member's qualifying health condition.

Indiana's **Care Select** voluntary PCCM program was established in 2008. It is available statewide to members who both have a particular chronic condition (such as asthma, diabetes, or severe mental illness) and also meet other eligibility criteria (are aged, blind, disabled, foster children or children receiving adoptive services). Members select a primary care provider to coordinate care, with assistance from a Care Management Organization (CMO) which perform prior authorization, develop care plans, and provide care management services.

In 2013, Indiana received federal approval to continue the demonstration authority used to operate the HHW and HIP programs and maintain the benefits currently extended to enrollees. The state reduced FPL eligibility requirements to 100 percent and the population above will receive coverage through the Exchange.

In late 2013, Indiana received federal approval to operate a selective service contracting program entitled Adult Mental Health Habilitation (AMHH). AMHH provides community-based services that are recommended by a physician for the habilitation of a mental disability and the restoration or maintenance of an individual's best possible function level. AMHH services are provided to individuals needing aid on a routine basis for serious mental illness or co-occurring mental illness and addiction disorders. In early 2014, Indiana amended AMHH to include a second program, Behavioral and Primary Healthcare Coordination (BPHC). BPHC provides services to select individuals that meet the eligibility requirements, and its services include logistical support, advocacy and education to assist individuals in navigating the healthcare system.

In 2014, Indiana received federal approval to operate a second selective service contracting program entitled Medicaid Rehabilitation Option (MRO). MRO services are provided to the majority of Medicaid eligible individuals, with the exception of those individuals in the AMHH program. The services provided under the MRO program clinical behavior health services provided to beneficiaries and their families, who need aid intermittently for emotional disturbances, mental illness, and addiction.

Participating Plans, Plan Selection, and Rate Setting

Indiana contracts with **two national, for-profit plans** (Anthem and Managed Health Services, owned by Centene) and **one locally-based, non-profit plan** (MDwise) for both Hoosier Healthwise and Health Indiana Plan. The state selects plans through a competitive procurement and sets rates using competitive bids within rate ranges. The Enhanced Services Plan within HIP is administered on a fee-for-service basis by the Indiana Comprehensive Health Insurance Association (ICHIA) through Xerox. For the Care Select program, Indiana contracts with **two care management organizations**, or CMOs (Advantage Health Solutions and MDwise), which were selected via a competitive procurement.

Primary care providers and CMOs in Care Select both receive per member per month payments to cover the cost of care management and administration.

Quality and Performance Incentives

Indiana collects HEDIS and CAHPS data from MCOs, and requires MCOs to be NCQA accredited. The state withholds from 1% to 2% (depending on the contract year) of capitation rates paid to MCOs participating in either HHW or HIP, and returns the amount withheld based on MCO performance on particular quality measures (for example, measures of well-child visits, diabetes care, and physicians advising smokers to quit). Additionally, MCOs can earn financial bonuses for achieving other specified performance targets (such as cesarean delivery rate and generic dispensing rate). In Care Select, twenty percent of CMOs' payment is contingent on performance on particular quality measures (such as cholesterol screening, hospital readmissions, and appropriate use of asthma medications). MCOs and CMOs earning financial incentives must reinvest at least 50 percent of any payments earned in provider and/or member incentive programs.

Table: Managed Care Program Features, as of August 2014

Program Name	Hoosier Healthwise		Healthy Indiana Plan	Care Select	Adult Mental Health Habilitation and Behavioral and Primary Care Coordination	Medicaid Rehabilitation Option
Program Type	MCO	MCO	MCO	PCCM	Selective Service PIHP	Selective Service PIHP
Program Start Date	January 2008*	March 2011*	January 2008	March 2011	September 2013	June 2014
Statutory Authorities	1115(a)	1932(a)	1115(a)	1932(a)	1915(b)	1915(b)
Geographic Reach of Program	Statewide	Statewide	Statewide	Statewide	Statewide	Statewide
Populations Enrolled *(Exceptions may apply for certain individuals in each group)*						
Aged				X	X	X
Disabled Children & Adults				X	Blind and Disabled Adults only	X
Children	X (Section 1931 children only)	X (Title XXI CHIP only)				X
Low-Income Adults	X (poverty-level pregnant women and Section 1931 adults only)	X (presumptively eligible pregnant women only)	X			X
Medicare-Medicaid Eligibles ("duals")						X
Foster Care Children						X
American Indians/Alaska Natives						X
Mandatory or Voluntary enrollment?	Mandatory	Mandatory	Mandatory	Voluntary	Mandatory	Mandatory
Medicaid Services Covered in Capitation *(Specialized services other than those listed may be covered. Services not marked with an*						

Program Name	Hoosier Healthwise	Healthy Indiana Plan	Care Select	Adult Mental Health Habilitation and Behavioral and Primary Care Coordination	Medicaid Rehabilitation Option
X are excluded or "carved out" of the benefit package.)					
Inpatient hospital	X	X			
Primary Care and Outpatient Services	X	X	X		
Pharmacy	X				
Institutional LTC					
Personal Care/HCBS	X	X			
Inpatient Behavioral Health Services	X	X			
Outpatient Behavioral Health Services	X	X			
Dental					
Transportation	X				

Program Name	Hoosier Healthwise	Healthy Indiana Plan	Care Select	Adult Mental Health Habilitation and Behavioral and Primary Care Coordination	Medicaid Rehabilitation Option
Participating Plans or Organizations	1. Anthem 2. Managed Health Services 3. MDwise	1. Anthem 2. Enhanced Services Plan (ESP) 3. Managed Health Services 4. MDwise	1. Advantage Health Solutions 2. MDwise		
Uses HEDIS Measures or Similar	X	X			
Uses CAHPS Measures or Similar	X	X			
State requires MCOs to submit HEDIS or CAHPS data to NCQA	X	X			
State Requires MCO Accreditation	X	X	NA		
External Quality Review Organization	Burns & Associates, Inc.				
State Publicly Releases Quality Reports	Yes				

Sources: Centers for Medicare and Medicaid Services (CMS), National Summary of State Medicaid Managed Care Programs as of July 1, 2011.

Kaiser Commission on Medicaid and the Uninsured. Profile of Medicaid Managed Care Programs in 2010. September 2011.

National Committee on Quality Assurance. NCQA Medicaid Managed Care Toolkit 2012 Health Plan Accreditation Standards. State Use of Accreditation as of February 2012.

Notes: Managed Care Organization (MCO); Prepaid Inpatient Health Plans (PIHP); Prepaid Ambulatory Health Plan (PAHP); Mental Health/Substance Use Disorder (MH/SUD); Healthcare Effectiveness Data and Information Set (HEDIS); Consumer Assessment of Healthcare Providers and Systems (CAHPS).

Primary Care and Outpatient Services include physician services, hospice, laboratory, imaging, FQHC, and other specialty services delivered in outpatient offices and clinics.Institutional Long Term Care (LTC) includes Skilled Nursing Facilities (SNF) and/or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD).

External Quality Review Organization activities are only required for MCOs, PIHPs, PAHPs, and other applicable entities with comprehensive risk contracts.

* Hoosier Healthwise (HHW) began in 1994. Beginning in January 2008, HHW began to operate under a Section 1115 waiver instead of a Section 1915(b) waiver. Starting in March 2011, Indiana also began to operate part of HHW (for presumptively eligible pregnant women and members of CHIP) under a 1932(a) State Plan Amendment.