



HFMA Indiana Winter Institute 2019 Legislative Update

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2019 Legislative Session

- Budget Session (Long Session): January 3rd to April 29th
- December Revenue Forecast: Numbers were better than media stories reflected.
- Most of new revenue will be dedicated to growing Medicaid obligations as well as Department of Child Services
- April revenue forecast will be critical to discussion centered on raising the cigarette tax.

Study of Growth and Costs

SB 8: Study of hospital markets and health care costs (Ruckelshaus)

- Urges the legislative council to study the topic of the growth of the hospital market in Indiana and the impact on health care costs, specifically:
 - Effects of hospital consolidation
 - Effects of rural hospital closings
 - Effects of clustering of new hospitals in urban markets
 - Impacts of creating new Level 1 trauma hospitals on surrounding neighborhoods
 - Researching hospital capacity, current trends in health care delivery, and health care costs
- Requires the interim study committee to report and make any recommendations to the legislative council not later than November 2019.

Hospital Certificate of Need

SB 573: Hospital facility certificate of need (Ruckelshaus)

- Establishes a hospital certificate of need program to be administered by the State Department of Health (ISDH).
- Sets forth requirements of the program and requirements for owners of hospital construction projects.
- Beginning July 1, 2019, ISDH may not issue a license for a construction project (erection, installation, alteration, repair, or remodel of a hospital or ambulatory outpatient surgical center) until the owner has been approved for a certificate of need.

Hospital Classifications and Signage

SB 575: Hospital matters (Charbonneau)

- Requires the state department of health to, beginning May 1, 2020, designate hospitals in classifications and sublicense classifications:
 - (1) general acute hospitals;
 - (2) specialty acute hospitals; or
 - (3) limited service acute hospitals.
- Specifies that only general acute hospitals may post community wayfinding signage for hospitals, and that hospitals may only use the hospital's classification when marketing to or soliciting business from the public.
- Requires each license to list every location that is included under the license. Specifies requirements that a hospital must meet concerning transfer agreements. Beginning May 1, 2020, expires a hospital license every two years from the date of issuance. (Current law requires a hospital license to expire one year after issuance.)

Medicaid Recipients in Managed Care Programs

SB 625: Medicaid nursing facility services (Becker & Leising)

- Extends the prohibition on the Office of Medicaid Policy and Planning from including certain Medicaid recipients who receive nursing facility services in a Medicaid risk based managed care program or a capitated managed care program through December 31, 2021.
- Adds that Medicaid recipients who participate in certain waivers or reside in an intermediate care facility for individuals with intellectual disabilities setting to the prohibition of being placed into a risk based managed care program or capitated managed care program.

Medicaid Oversight

HB 1548: Medicaid managed care matters (Kirchhofer) companion bill SB 504 (Merritt)

- Establishes the “Joint Commission on Medicaid Oversight”
- Repeals a statute specifying that Medicaid laws, with respect to managed care organizations, are controlling over insurance laws.
- Prohibits the Office of Medicaid Policy and Planning or a contractor of the office from denying, delaying, or decreasing the amount of payment for a medically necessary covered service based on a lack of eligibility or coverage if the Medicaid provider meets certain requirements.
- Requires the Office of Family and Social Services to adopt rules establishing a dispute resolution procedure for disputes between Medicaid providers and Medicaid contractors.

Price Transparency and Incentives

SB 386: Health care comparison information and program (Koch)

- Requires ISDH to create an online health care price data system with information about certain health care services, including cost, outcomes, effectiveness, and quality.
- Requires a health care provider to inform patients of the pricing information.
- When recommending a comparable health care service (physical therapy, occupational therapy, radiology and imaging, laboratory, and infusion therapy), requires the health care provider to provide written notice to the patient saying they may choose to see another provider and may review pricing information to find the best value.

Price Transparency and Incentives

Continued, SB 386: Health care comparison information and program (Koch)

- Requires a health plan to make health care price information available to the public and says the health plans shall establish a comparable health care incentive program that includes a health savings account and incentives patients to shop for lower cost, higher quality nonemergency services.
 - Incentives may include: cash payments; gift cards; or credits on or reductions of premium payments, copayments, or deductibles.

Expenditure Reports

SB 548: Health care expenditure report and recommendation (Spartz)

- Requires the State Personnel Department and Office of Medicaid Policy and Planning to collaborate with the Department of Insurance and report certain health care expenditure and cost information and recommendations to the legislative council from the self-insured state employee health plan and from Medicaid.
- Requires the Division of Mental Health and Addiction, with the Criminal Justice Institute, to study and report to the legislative council issues concerning the current health care payment system and the legal system as each relates to mental health and addiction treatment services provided to individuals against whom criminal charges have been filed or who are incarcerated.

Questions?

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