

INARF Managed Care Carve Out Talking Points

Background on the Issue

Rep. Mike Karickhoff (Kokomo) has introduced House Bill 1117, which carves out individuals with intellectual and developmental disabilities (IDD) from a managed care program through December 31, 2021. The legislation applies to people served on the Family Supports Waiver, the Community Integration and Habilitation Waiver, or in an intermediate care facility (ICF/IDD). This legislation also extends the previous carve out of individuals receiving services in a nursing facility as passed by the Indiana General Assembly in HEA 1493-2017. **INARF supports House Bill 1117 as it was introduced in the House.**

Talking Points

- Medicaid is the sole source of funding for Medicaid State Plan services (physician, hospital and pharmacy), as well as long term services and supports (waiver, ICF/IDD). Neither is currently in managed care.
- The December 2013 report to the General Assembly, as required by House Enrolled Act 1328 FSSA Aged, Blind, and Disabled Taskforce, found that “under the current delivery system, these services are already managed through strategies such as case management, budget caps and service authorizations through budget allocation processes.”
 - The report found that “none of the models were projected to result in savings for home and community based LTSS (long-term services and supports) expenditures.”
 - Indiana already implements capitated services through the Family Supports Waiver, which caps each individual’s budget at \$17,300 per year. 17,588 individuals participated in this waiver in FY18.
- The number of people going on the comprehensive Community Integration and Habilitation Waiver has decreased and their authorized services are based on an assessment of their individual needs
- The problematic implementation of a brokered statewide Non-Emergency Medical Transportation system in which the broker had no knowledge or experience working with this unique population and the Indiana service system has proven that a “one-size fits all” method of implementing large systems changes is detrimental for the IDD population
 - Commercial health plans have limited experience serving people with IDD and working with the complex IDD service delivery system
- No state has successfully implemented a managed care model for the IDD population due to the complex needs of the population, longevity of services, and other challenges.
 - Managed care for IDD in other states has resulted in longer waitlists for individuals not yet receiving services and reduction of services and service disruptions for individuals already in services
 - In other states, managed care has also resulted in the loss of service providers, resulting in limited choice for consumers and families
 - Iowa and Kansas attempted to implement managed care for the IDD population and the results were catastrophic
- Managed care models are appropriate for populations that do not have life-long, intense, wide-ranging service and support needs

Ask

Please support House Bill 1117 as introduced in the 2019 General Assembly session.