

**NEMT Waiver Amendment Request to the Healthy Indiana Plan (HIP) 2.0
Medicaid Section 1115 Demonstration Waiver
(Project Number 11-W-00296/5)**

Overview

The Healthy Indiana Plan (HIP) 2.0 demonstration program was implemented on February 1, 2015, building upon the framework and successes of the original HIP program, which has offered proven consumer driven healthcare to able-bodied low-income Hoosiers since 2008. In the first year since the HIP 2.0 waiver implementation, Indiana has successfully enrolled over 370,000 low-income Hoosiers in the program, with nearly 7 out of 10 members electing to make contributions to their health savings-like account. In addition, the program has attracted more than 5,300 additional health care providers available to serve both Medicaid and HIP 2.0 members.

HIP 2.0 ended traditional Medicaid for non-disabled adults in Indiana with the goal of replacing the traditional Medicaid program with consumer directed health care. Required contributions to a health savings account promotes individual empowerment and self-sufficiency while familiarizing participants with a commercial market experience. HIP's policies align with commercial health plan policies by aligning incentives and disincentives to encourage healthy behaviors and increasing member engagement. To this end, the HIP benefits are aligned with the commercial market, and Indiana's commercial health plans do not include non-emergency transportation (NEMT) as a benefit. Further, as a traditional Medicaid benefit, NEMT is largely recognized as a service that is at a particularly high risk for fraud and abuse.¹

While Indiana previously operated HIP with an NEMT waiver for seven years, the Special Terms and Conditions (STCs) for the HIP 2.0 program granted Indiana a one-year waiver of the obligation to provide NEMT coverage to individuals in the new adult group. On December 22, 2015, the Centers for Medicare and Medicaid Services (CMS) temporarily extended the HIP 2.0 NEMT waiver through November 30, 2016, to allow more time for adequate data collection. The STCs require the state to study and report on the impact of the NEMT policy on member access to care during the first year, before the state may request an amendment to extend the temporary NEMT waiver period.

Consistent with the original seven-year HIP experience, the results of the HIP 2.0 independent evaluation concluded that lack of NEMT services does not significantly obstruct member access to care. The complete results of the state's independent evaluation of the NEMT policy, (conducted by the Lewin Group) were submitted to the CMS on March 1, 2016 (*See Attachment I*), in accordance with the requirements set forth in Section XIII, paragraph 4 of the STCs. Based on the results of the NEMT evaluation and additional details provided below, Indiana submits this waiver amendment request seeking federal approval to extend its existing NEMT waiver for the duration of the HIP 2.0 demonstration.

¹ United States Government Accountability Office. (Feb. 2016). *Nonemergency Medical Transportation: Updated Medicaid Guidance Could Help States*. Retrieved from: <http://www.gao.gov/assets/680/674934.pdf>

NEMT Waiver Request

Indiana seeks federal approval to continue its current NEMT waiver for both the HIP Basic and HIP Plus plans. Specifically, Indiana requests a waiver of Section 1902(a)(4) (insofar as it incorporates 42 CFR §431.53) to enable Indiana not to assure transportation to and from medical providers for HIP members, except for those exempt from Alternative Benefit Plans and receiving State Plan benefits, including: pregnant women; individuals determined to be medically frail; Section 1931 parents and caretaker relatives; and individuals eligible for transitional medical assistance.

Discussion

The HIP program is designed to provide commercial healthcare coverage to able-bodied adults; however, the more vulnerable and high risk members of the HIP population are exempt from the NEMT waiver and provided traditional State Plan benefits rather than a commercial market benefit package. HIP members provided NEMT services include: pregnant women; medically frail individuals; low-income parents and caretaker relatives eligible under Section 1931; and individuals eligible for transitional medical assistance.

The public comments received on the HIP 2.0 waiver to date have not supported a change in this policy. The historical data and early HIP 2.0 data demonstrate that non-coverage of the NEMT benefit does not have any notable negative impact on access to care. The data is discussed in detail below.

1. Member Input

Original Waiver Public Comments. In accordance with the Section 1115 waiver transparency requirements established in 42 CFR §431.408, Indiana conducted two public hearings and a thirty-day public comment period prior to the submission of the HIP 2.0 waiver proposal. Out of a total 606 public comments received by the state regarding the HIP 2.0 waiver submission, only two individuals expressed opposition to the NEMT waiver request. Further, one of the two comments was submitted by a transportation vendor, who expressed concern based on the misunderstanding that the waiver proposed eliminating transportation reimbursement for services currently covered by Medicaid.

Post Award Forum Comments. Pursuant to the STCs, FSSA conducted a post-award public forum on July 9, 2015, (approximately six months after implementation); and no comments were received opposing the NEMT waiver. Further, no public comments were received noting issues or concerns related to access to providers or covered services.

Member Complaints. A review of all member complaints filed through the Family and Social Services Administration (FSSA) constituent services revealed since HIP 2.0 was implemented, there have been no member complaints regarding lack of transportation coverage. Of the twenty-three complaints received regarding transportation generally, there were concerns about specific transportation vendors or that the member's primary medical provider (PMP) was not located close enough to the member's home (this was quickly resolved by PMP reassignment).

Legislative Hearings. During the 2016 Indiana legislative session, a bill was introduced to update the existing HIP statute to codify the changes to the program resulting from the negotiated STCs. During the legislative process, the Indiana General Assembly held three public hearings regarding the HIP 2.0 program, which afforded any interested party the opportunity to comment on the program. While the three hearings offered robust public dialogue on the program, no comments were received related to lack of coverage of NEMT services.

2. NEMT Evaluation Results

Indiana has operated the HIP and HIP 2.0 programs without providing NEMT coverage for a combined total of eight years. In 2013, an independent evaluator (Mathematica) conducted a member survey of original HIP demonstration participants, which included many of the same target populations as HIP 2.0. The data from this survey indicated less than 1% of the participants said transportation was a barrier preventing them from seeking necessary services.² In February 2016, another independent evaluator (The Lewin Group) published the results of an NEMT evaluation within the HIP 2.0 population. Despite a significant increase in the population size of HIP 2.0 compared to the original HIP program, (including the addition of new members who previously were ineligible), this survey did not find the NEMT benefit increased access to care.³

Specifically, the initial NEMT survey found:

- Approximately 6% of HIP 2.0 members in standard Plus or Basic reported missing an appointment due to transportation-related reasons.
 - This was lower than the proportion of members with State-provided NEMT, who reported missing an appointment due to transportation reasons (about 10%).
- Regular Plan members with and without MCE-provided NEMT had similar levels of missed appointments due to transportation issues (6% and 7%, respectively).
- Over 90% of HIP respondents (with and without access to NEMT) reported using their own car or someone else's car as the primary source of transportation to healthcare appointments.
- Transportation was reported as the primary reason for missing a healthcare appointment for:
 - Approximately 11% of HIP members *with* access to NEMT coverage; and
 - Approximately 6% of HIP members *without* access to NEMT coverage.

² Mathematica Policy Research. HIP Member Survey Data. 2013.

³ Indiana HIP 2.0: Evaluation of Non-Emergency Medical Transportation (NEMT) Waiver. The Lewin Group. Available at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/Healthy-Indiana-Plan-2/in-healthy-indiana-plan-support-20-eval-nonemerg-med-transport-02262016.pdf>

- Even among the members in the lowest poverty levels (annual household income between 0-25% of the federal poverty level), transportation was reported as the primary reason for missing a healthcare appointment for:
 - Approximately 12% of low-income members *with* access to NEMT; and
 - Approximately 10% of low-income members *without* access to NEMT.

The 2015 independent Lewin evaluation of NEMT ultimately concluded that “... the member survey shows a relatively small number of HIP 2.0 members missed appointments due to transportation related issues. Also, members without NEMT benefits did not appear to be substantially more likely to report transportation problems relative to those with MCE-provided or State-provided NEMT benefits.”^{3 (p6)} This evaluation noted three limitations of the study:

1. The lack of a similar comparison group with which to compare members without NEMT;
2. Survey respondents had a maximum of 10 months of program experience on which to base their responses; and
3. The sample size (600 members) was determined in order to detect large differences across populations; but it was not designed to reveal statistically significant differences across subgroups of members with and without NEMT benefits (e.g., by gender and plan type).

To address these limitations, Indiana completed a second NEMT survey completed by the same independent evaluators in June 2016. This evaluation included the following adjustments:

- **Increased Sample Size:** The evaluators increased the sample size by nearly nine (9) times, from 600 members to 5,173 members.
 - The larger sample size generated a comparison group for members without MCE or State provided NEMT; revealed study differences in member access to healthcare between those receiving and not receiving NEMT; and allowed for testing of differences at a more granular level (e.g., by federal poverty level (FPL)).
 - It should be noted the sample size of 5,173 exceeds the “target completed responses” for the CMS Federal Evaluation of NEMT (4,552).⁴
 - Members with MCE-provided NEMT are a comparison group to members without MCE or State-provided NEMT.
 - These two groups of Regular Plan members are compared because MCE-provided NEMT is similar to State NEMT; and Regular Plan members (in the 3 MCEs) are similar **except** whether or not they receive NEMT.

⁴ Supporting Statement Part B. OMB Control Number: 0938-1300. Total target sample size of 5,182 minus 630 for HIP New Enrollees (NEMT questions not included within HIP New Enrollees survey).

- **More Program Experience:** The second survey was conducted approximately six months after the first survey, which gave respondents more program experience than respondents in the first survey.

The results of the second independent NEMT evaluation confirm the results of the first evaluation, as the second evaluation did not find statistically significant evidence that NEMT benefits increase access to care, stating: “having NEMT coverage was not significantly associated with the likelihood of reporting a missed appointment due to transportation.”⁵

Specifically, the additional NEMT survey found:

- Regular Plan members without State-provided NEMT missed fewer appointments than members with State-provided NEMT (10.9% to 13.6%);
- Members without MCE-provided NEMT missed fewer appointments than members with MCE-provided NEMT (10% to 12%); and
- Members without MCE-provided NEMT missed fewer health care appointments than members with State-provided NEMT (3.2% to 6.6%).

The survey asked respondents to identify the specific reason(s) for missing an appointment (e.g. lack of childcare; inability to get time off work; transportation-related reason; etc.), and transportation was one of the most common reasons identified, regardless of NEMT coverage.

- Members with and without MCE-provided NEMT were similarly likely to report missing a healthcare appointment due to transportation NEMT (3.0% versus 3.2%, of no significance).
- Members with income below 100% FPL were more likely to miss an appointment due to transportation compared to those above 100% FPL (3.5% compared to 1.2%)

The survey also asked members how they travel to their healthcare appointments, and found that:

- Over 80% of members reported having their own way of getting to appointments; and
- Approximately 4% of members indicated they used medical/insurance-covered transportation to get to appointments.

The survey also asked members about their knowledge of the NEMT benefit, and assessed whether member knowledge influenced utilization. The evaluation found that awareness of NEMT coverage was not associated with missed appointments due to transportation.

⁵ The Lewin Group. NEMT Evaluation. July, 2016.

- Members aware of their MCE- provided NEMT did **not** have lower reported rates of missed appointments due to transportation issues compared to members not aware of their MCE-provided NEMT: 3.3% to 2.9%; of no statistical significance.
- Similar trends in missed appointment rates were observed among members with State- provided NEMT: 5.9% rate for members aware of their State-provided NEMT versus 7.2% for those unaware of their State-provided benefit.

Amendment Process Required Elements

1. Public Notice

The Indiana General Assembly has codified specific requirements FSSA must follow in order to have certain levels of transparency when dealing with state plan amendments, waiver requests, or revisions to either. Specifically, the statute states FSSA “may not implement any Medicaid state plan amendments, any Medicaid waiver requests, or any revisions...unless the [FSSA] has submitted a written report to the budget committee concerning the implementation of the amendment, waiver, or revision and the budget committee has reviewed the amendment, waiver or revision.” (IC 12-15-1.3-17.5).

On Monday, April 25, 2016, this NEMT waiver amendment was presented to the Indiana Budget Committee in accordance with the State’s waiver oversight requirements. During the committee meeting, legislators active on the Budget Committee are able to review and comment on the waiver. As part of its review, the budget committee asks FSSA officials to answer various questions during a public meeting. State law requires that the Budget Committee post notice of the hearing prior to the meeting and that it be open to the public. In addition, upon submission of the amendment waiver to CMS, FSSA plans to post the waiver amendment on the Indiana HIP website so it is available for public review.

2. Budget Neutrality Impact

Since this amendment request is merely seeking to continue the state’s existing NEMT waiver, the proposed amendment will not impact the current HIP 2.0 budget neutrality documents.

However, if CMS does not approve the waiver, this will increase total waiver costs by nearly \$20 million in calendar year 2017, the last year of the current demonstration period. Further, the state match for HIP is funded in part through Indiana’s existing cigarette tax revenues as well as funds from the Hospital Assessment Fee (HAF), in accordance with the terms of an agreement reached between the State and the Indiana Hospital Association (IHA). A five-year fiscal estimate of NEMT expenditures is attached.

3. CHIP Allotment

This requirement is not applicable to this amendment request, as the HIP 2.0 demonstration does not impact the CHIP program.

4. Supporting Data for Amendment

The State worked closely with its evaluation vendor, the Lewin Group, and CMS to design an evaluation in accordance with Section XIV, paragraph 4 of the STCs. The collaborative nature of the evaluation design, acknowledged in the “Indiana HIP 2.0 Evaluation Design Response Letter” from CMS dated December 22, 2015, incorporated several CMS recommendations and ultimately resulted in a comprehensive evaluation and a thorough member survey. The final report, which summarized the results of the NEMT evaluation and member survey, was submitted to CMS on March 1, 2016, and is attached hereto (*See Attachment 1*). As previously detailed, the results of the independent evaluation did not reveal any significant concerns related to member access to care resulting from the current NEMT waiver. Further, as stated above, the second survey (of a much larger sample size) confirmed the results of the first survey and found that having NEMT coverage was not significantly associated with the likelihood of reporting a missed appointment due to transportation. This second survey was recently completed in the summer of 2016, and the State will submit the final report to CMS as soon as it is finalized.

This waiver amendment request does not seek to change the current program design, but rather seeks to continue the current NEMT waiver for only those HIP members enrolled in the new adult group, except for pregnant women and individuals determined to be medically frail. This waiver amendment request not only has provided historical and anecdotal evidence that the current NEMT waiver is not negatively impacting member access to care, but it also has provided sufficient supporting data from the independent NEMT evaluation.

5. Evaluation

Since this amendment request is to extend the existing NEMT waiver, there is no impact on the evaluation design, and the State will continue to closely monitor member access to care throughout the duration of the demonstration.

Conclusion

Consistent with the negotiated basis of the STCs, the State has independently evaluated and clearly demonstrated that lack of NEMT services is not negatively impacting member access to care. The most vulnerable HIP members will continue to be excluded from this waiver, including all pregnant women; individuals determined to be medically frail; Section 1931 parents and caretaker relatives; and individuals eligible for transitional medical assistance. Therefore, in accordance with Section V, paragraph 2 of the STCs, Indiana requests the continuation of the existing NEMT waiver for individuals enrolled in the new adult group (except for pregnant women and individuals determined to be medically frail) for the duration of the HIP 2.0 demonstration project, as the State has met all the requirements for continuation set forth therein.