

**OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES  
ADMINISTRATION**

**Notice of Public Comment Period to Reimburse Short Term Stays in  
an Institution for Mental Disease**

Pursuant to 42 CFR § 431.408, notice is hereby given that the Indiana Family and Social Services Administration (FSSA) will provide the public the opportunity to review and provide input on a proposed amendment to the State's Section 1115 demonstration waiver. This notice provides details about the waiver amendment submission and serves to open the 30-day public comment period, which closes on August 23, 2019.

In addition to the 30-day public comment period in which the public will be able to provide written comments to the FSSA via US postal service or email, the FSSA will host two hearings in which the public may provide verbal comments. Hearings will be held at the following dates, times, and locations:

1) **Tuesday, July 30, 2019**

Indiana State Government Center South  
Conference Room C  
302 West Washington St.  
Indianapolis, IN 46204  
10:00 a.m. – 12:00 p.m. EST  
Webcast available at <https://indiana.adobeconnect.com/hearing/>

2) **Wednesday, July 31, 2019**

Indiana State Library  
Author's Room  
315 West Ohio St.  
Indianapolis, IN 46202  
8:30 a.m. – 11:30 a.m. EST

Prior to finalizing the proposed waiver amendment, the FSSA will consider all written and verbal public comments received. The comments will be summarized and addressed in the final draft of the waiver amendment to be submitted to the Centers for Medicare and Medicaid Services (CMS).

**AMENDMENT PROPOSAL SUMMARY**

Through this amendment, FSSA is seeking federal authority to reimburse for acute inpatient stays in institutions for mental disease (IMD) for individuals diagnosed with a serious mental illness (SMI) or serious emotional disturbances (SED). This request is part of broader efforts within the FSSA to ensure a comprehensive continuum of behavioral health services and is

intended to improve access to acute care for Medicaid enrollees with SMI and SED. The proposed effective date of the amendment is January 1, 2020, pending CMS approval.

**GOALS AND OBJECTIVES**

In pursuing this waiver amendment, FSSA seeks to achieve the following goals:

- Reduced utilization and lengths of stay in EDs among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings.
- Reduced preventable readmissions to acute care hospitals and residential settings.
- Improved availability of crisis stabilization services utilizing multiple service models to meet the unique needs across the state.
- Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care.
- Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

**ELIGIBILITY**

All Medicaid enrollees ages 21-64, eligible for full Medicaid benefits, and with a diagnosed SMI or SED requiring an acute, inpatient level of care would be eligible for short term stays in an IMD under this waiver amendment.

**ENROLLMENT & FISCAL PROJECTIONS**

The waiver amendment will have no impact on annual Medicaid enrollment. Further, it is expected to be budget neutral as outlined in the table below.

**Without-Waiver Total Expenditures**

	DEMONSTRATION YEARS (DY)					TOTAL
	2019	2020	2021	2022	2023	
IMD Services MEG 1 (Fee-for-Service Inpatient)	\$2,588,542	\$2,742,539	\$2,905,687	\$3,078,544	\$3,261,682	\$14,576,993
IMD Services MEG 2 (Fee-for-Service Residential)	\$282,517	\$299,324	\$317,131	\$335,997	\$355,986	\$1,590,954
IMD Services MEG 3 (Managed Care)	\$7,851,066	\$8,318,142	\$8,812,953	\$9,337,255	\$9,892,704	\$44,212,120
<b>TOTAL</b>	\$10,722,125	\$11,360,005	\$12,035,771	\$12,751,795	\$13,510,372	\$60,380,068

### With-Waiver Total Expenditures

	2019	2020	2021	2022	2023	TOTAL
IMD Services MEG 1 (Fee-for-Service Inpatient)	\$2,588,542	\$2,742,539	\$2,905,687	\$3,078,544	\$3,261,682	\$14,576,993
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IMD Services MEG 3 (Managed Care)	\$7,851,066	\$8,318,142	\$8,812,953	\$9,337,255	\$9,892,704	\$44,212,120
<b>TOTAL</b>	\$10,722,125	\$11,360,005	\$12,035,771	\$12,751,795	\$13,510,372	\$60,380,068
<b>Net Overspend</b>	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>

### BENEFITS, COST SHARING, AND DELIVERY SYSTEM

No modifications to the current Indiana Medicaid fee-for-service or managed care arrangements are proposed through this amendment; all enrollees will continue to receive services through their current delivery system. Additionally, this amendment does not propose any changes in the cost sharing requirements for any enrollees.

### HYPOTHESES & EVALUATION

The State proposes to align its evaluation design with forthcoming CMS requirements. Pending receipt of this guidance, below are draft evaluation parameters.

Hypothesis	Potential Measure(s)
<b>Goal 1:</b> Reduced utilization and lengths of stay in emergency departments (EDs) among Medicaid beneficiaries with SMI or SED while awaiting treatment in specialized settings.	
The IMD waiver will reduce ED utilization and ED boarding among beneficiaries with SMI or SED.	ED use among Medicaid beneficiaries with SMI or SED and their lengths of stay in the ED
<b>Goal 2:</b> Reduced preventable readmissions to acute care hospitals and residential settings.	
The IMD waiver will reduce preventable psychiatric readmissions to acute care hospitals and residential settings.	Readmissions to inpatient psychiatric or crisis residential settings
<b>Goal 3:</b> Improved availability of crisis stabilization services utilizing multiple service models to meet the unique needs across the state.	
The IMD waiver will improve the availability of crisis stabilization services.	Rates of involuntary admissions to treatment settings
	Suicide or overdose death within 15 days of discharge from an inpatient facility or residential setting for treatment for an SMI or SED

Hypothesis	Potential Measure(s)
<b>Goal 4:</b> Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care.	
The IMD waiver will improve access to community-based behavioral health services, including through increased integration of primary and behavioral health care.	Use of first-line psychosocial care for children and adolescents on antipsychotics (NQF#2801, Child Core Set)
	Patient referral into treatment by specified care setting (school, community, criminal justice, faith communities)
	Access to preventive/ambulatory health services for Medicaid beneficiaries with SMI or SED
	Evidence of availability of community-based services and alternatives to inpatient and residential services in each geographic region of the state (e.g., maps of provider availability and provider agreements)
<b>Goal 5:</b> Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.	
The IMD waiver will improve care coordination.	Medication continuation following discharge (Medicare IPF Reporting Requirement)
	Follow up after ED visit for mental illness or alcohol and other drug abuse or dependence (NQF# 2605, Adult Core Set)

### WAIVER & EXPENDITURE AUTHORITY

Through this amendment, the State is requesting expenditure authority under Section 1115 for otherwise covered services furnished to otherwise eligible individuals for short term stays for acute care in a psychiatric hospital that qualifies as an IMD. No additional waivers of Title XIX or Title XXI are requested through this amendment application.

### REVIEW OF DOCUMENTS & SUBMISSION OF COMMENTS

All information regarding the submission, including the public notice, the waiver amendment, and other documentation regarding the proposal are available for public review at the FSSA, Office of Medicaid Policy and Planning, 402 W. Washington Street, Room W374, Indianapolis, Indiana 46204. These documents are also available to be viewed online at <https://www.in.gov/fssa/hip/>.

Written comments regarding the waiver amendment will be accepted through 5:00 pm on August 23, 2019, and may be sent to the FSSA via mail at 402 West Washington Street, Room W374, Indianapolis, Indiana 46204, Attention: Gabrielle Koenig or via email at [spacomment@fssa.IN.gov](mailto:spacomment@fssa.IN.gov).

Jennifer Walthall, M.D., MPH  
 Secretary  
 Family and Social Services Administration