

SENATE BILL No. 453

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8.2; IC 12-7-2-63.5; IC 12-15-12.5.

Synopsis: Direct primary care services pilot programs. Requires the state personnel department to establish and implement a direct primary care pilot program for public employees. Sets forth requirements of the pilot program. Requires the state personnel department to prepare and submit an annual report to the general assembly evaluating the pilot program. Requires the office of the secretary of family and social services (office) to apply to the United States Department of Health and Human Services for a Medicaid waiver or Medicaid state plan amendment necessary to allow the office to implement a direct primary care services pilot program for Medicaid recipients. Sets forth requirements of the pilot program, participants, and direct primary care services providers. Requires the office to submit a quarterly report to the general assembly containing specified information concerning the pilot program.

Effective: July 1, 2020.

Koch

January 16, 2020, read first time and referred to Committee on Health and Provider Services.



Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

SENATE BILL No. 453

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10-8.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]:

4 **Chapter 8.2. Direct Primary Care Pilot Program**

5 **Sec. 1. As used in this chapter, "direct primary care" means,**
6 **through the entering of a contract between a primary care**
7 **provider or an employer of a primary care provider and an**
8 **employee or the employee's legal representative, the primary care**
9 **provider or the employer of the primary care provider:**

- 10 (1) **agrees to provide primary care health services to the**
11 **employee for an agreed upon fee and time;**
- 12 (2) **does not bill a third party that provides coverage to the**
13 **employee for the primary care health services; and**
- 14 (3) **charges a periodic fee for the primary care health services.**

15 **Sec. 2. As used in this chapter, "employee" means:**

- 16 (1) **an elected or appointed officer or official, or a full-time**
17 **employee;**



1 (2) if the individual is employed by a school corporation, a
2 full-time or part-time employee;

3 (3) for a local unit public employer, a full-time or part-time
4 employee or a person who provides personal services to the
5 unit under contract during the contract period; or

6 (4) a senior judge appointed under IC 33-24-3-7;

7 whose services have continued without interruption for at least
8 thirty (30) days.

9 Sec. 3. (a) The state personnel department shall establish and
10 implement a direct primary care pilot program for employees.

11 (b) The pilot program must include at least two (2) different
12 direct primary care health plans for employees beginning January
13 1, 2021, including:

14 (1) a high deductible option; and

15 (2) a low deductible option;

16 for health care coverage outside of primary care.

17 (c) The pilot program may include wellness incentives as part of
18 a plan.

19 Sec. 4. Subject to participation in the pilot program by
20 participating providers and enrollment limitations, an employee
21 may elect to participate in the pilot program at open enrollment.

22 Sec. 5. (a) To become a participating provider for the pilot
23 program, a health care provider shall do the following:

24 (1) Provide primary care to an enrollee.

25 (2) Coordinate care across all care settings.

26 (3) Oversee transitions in care between settings.

27 (4) Minimize the risk of gaps in care.

28 (5) Agree to receive a monthly payment for each enrollee for
29 which the provider provides services under the pilot program.

30 (b) The state personnel department shall pay a participating
31 provider a monthly payment of a per member per month fee for
32 each enrollee for any month or portion of a month in which an
33 employee is enrolled in the pilot program.

34 (c) A participating provider shall continuously monitor care
35 quality in accordance with a standardized set of care quality and
36 patient satisfaction measurements. Care quality measurements
37 include the following:

38 (1) Patient engagement measurement, including the
39 percentage of enrollees who have completed:

40 (A) a health risk assessment; and

41 (B) a face-to-face visit with the enrollee's participating
42 provider.



1 (2) Prevention measurement, including the percentage of
2 enrollees who have received appropriate screening by age or
3 gender.

4 (3) Chronic disease management.

5 **Sec. 6.** The state personnel department shall prepare a report
6 and submit the report before July 1 of each year to the general
7 assembly, in an electronic format under IC 5-14-6, evaluating the
8 clinical and financial performance of the pilot program established
9 under this chapter.

10 **Sec. 7.** The state personnel department may adopt rules under
11 IC 4-22-2 necessary to implement this chapter.

12 SECTION 2. IC 12-7-2-63.5 IS ADDED TO THE INDIANA CODE
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
14 1, 2020]: **Sec. 63.5. "Direct primary care services", for purposes of**
15 **IC 12-15-12.5, has the meaning set forth in IC 12-15-12.5-1.**

16 SECTION 3. IC 12-15-12.5 IS ADDED TO THE INDIANA CODE
17 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2020]:

19 **Chapter 12.5. Medicaid Direct Primary Care Services Pilot**
20 **Program**

21 **Sec. 1.** As used in this chapter, "direct primary care services"
22 means health care that is provided by a primary care provider to
23 a Medicaid recipient patient in which the primary care provider:

24 (1) agrees to provide primary care health services to the
25 individual patient for an agreed upon fee and time; and

26 (2) charges a periodic fee for the primary care health services.

27 **Sec. 2. (a)** The office shall apply to the United States Department
28 of Health and Human Services for any waiver or state plan
29 amendment necessary to allow the office to implement the direct
30 primary care services pilot program for Medicaid recipients.

31 **(b)** The office may not implement the waiver or state plan
32 amendment until the office files an affidavit with the governor
33 attesting that the waiver or the amendment applied for under this
34 section is in effect. The office shall file the affidavit under this
35 subsection not more than five (5) days after the office is notified
36 that the waiver or state plan amendment is approved.

37 **(c)** If the office receives approval for the waiver or state plan
38 amendment under this section from the United States Department
39 of Health and Human Services and the governor receives the
40 affidavit filed under subsection (b), the office shall implement the
41 waiver or state plan amendment not more than sixty (60) days
42 after the governor receives the affidavit.



1 **Sec. 3. (a) The pilot program must be limited to not more than**
 2 **four hundred (400) recipients from any of the following eligibility**
 3 **categories:**

- 4 **(1) Childless adults.**
 5 **(2) Children.**
 6 **(3) Parents of children.**
 7 **(4) Individuals at least sixty-five (65) years of age.**
 8 **(5) Individuals with a disability.**

9 **(b) The office shall open enrollment for the direct primary care**
 10 **services pilot program for Medicaid recipients described in**
 11 **subsection (a) until the limitation in participation described in**
 12 **subsection (a) has been reached.**

13 **Sec. 4. (a) In order to participate in the pilot program under this**
 14 **chapter as an eligible direct primary care services provider, an**
 15 **individual shall meet the following requirements:**

- 16 **(1) Be licensed as a physician under IC 25-22.5 and practice**
 17 **primary care.**
 18 **(2) Charge an average monthly fee to a participant of not**
 19 **more than seventy dollars (\$70) across all eligibility categories**
 20 **described in section 3(a) of this chapter, weighted by the**
 21 **population makeup of the pilot program.**
 22 **(3) Contract with the office and not accept any other third**
 23 **party payments for providing health care services to a pilot**
 24 **program participant.**
 25 **(4) Provide only primary care services, including access to**
 26 **telemedicine and same day or next business day appointments.**

27 **(b) The office shall establish and maintain a list of eligible direct**
 28 **primary care services providers and provide the list to any**
 29 **potential direct primary care services pilot program participant.**

30 **Sec. 5. (a) The office and a managed care organization shall**
 31 **authorize direct primary care services providers participating in**
 32 **the pilot program to refer pilot program participants to**
 33 **nonprimary care services within the:**

- 34 **(1) office's; or**
 35 **(2) managed care organization's;**

36 **respective network.**

37 **(b) A direct primary care services provider must do the**
 38 **following:**

- 39 **(1) Refer pilot program participants needing nonprimary care**
 40 **services only to nonprimary care services providers within the**
 41 **network of the respective office or managed care**
 42 **organization.**



1 **(2) For any pharmacy service not covered under the direct**
 2 **primary care services agreement between the direct primary**
 3 **care services provider and the participant, authorize the use**
 4 **of a drug covered only under the respective formulary of the**
 5 **office or managed care organization.**

6 **(3) Comply with any respective prior authorization**
 7 **requirement set by the office or managed care organization.**

8 **(4) Allow the office to have access to the participant's medical**
 9 **records for the sole purpose of aggregate data collection.**

10 **(c) A managed care organization is not liable for any increased**
 11 **costs resulting from the implementation of a pilot program under**
 12 **this chapter.**

13 **Sec. 6. The office shall report the following information on the**
 14 **pilot program to the general assembly in an electronic format**
 15 **under IC 5-14-6 on a quarterly basis:**

16 **(1) The number of participants by eligibility category.**

17 **(2) The per member per month rate paid in the previous fiscal**
 18 **year per eligibility category.**

19 **(3) The number of claims paid in the previous fiscal year per**
 20 **eligibility category.**

21 **(4) The number of claims per category weighted to reflect the**
 22 **number of participants.**

23 **(5) The dollar value of all claims per eligibility category.**

24 **(6) The per member per month actual cost, including any**
 25 **direct primary care plan costs and any managed care costs**
 26 **not covered through the direct primary care plan, including**
 27 **administrative costs of the office or the managed care**
 28 **organization.**

29 **(7) The average direct primary care cost per participant per**
 30 **eligibility category.**

31 **(8) The average number of actual claims per eligibility**
 32 **category.**

33 **(9) The average actual dollar value of claims per eligibility**
 34 **category.**

35 **(10) The number of pilot program participants, by eligibility**
 36 **category, in the previous quarter that are no longer eligible**
 37 **for Medicaid in the current quarter.**

38 **(11) The eligible category savings calculated by subtracting**
 39 **the per member per month actual cost from the per member**
 40 **per month rate paid in the previous fiscal year, multiplied by**
 41 **the number of participants in the eligibility category.**

42 **(12) The total savings calculated by subtracting the per**



1 **member per month actual cost from the per member per**
2 **month rate paid in the previous fiscal year, multiplied by the**
3 **total number of pilot program participants.**
4 **Sec. 7. The office may adopt rules under IC 4-22-2 necessary to**
5 **implement this chapter.**

