

# SENATE BILL No. 470

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-15-12.5.

**Synopsis:** Medicaid direct primary care services 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 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, 2019.

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January 14, 2019, read first time and referred to Committee on Health and Provider Services.

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First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## SENATE BILL No. 470

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

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

1 SECTION 1. IC 12-15-12.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2019]:

4 **Chapter 12.5. Medicaid Direct Primary Care Services Pilot**  
5 **Program**

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

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

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

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

16 (b) **The office may not implement the waiver or state plan**  
17 **amendment until the office files an affidavit with the governor**



1 attesting that the waiver or the amendment applied for under this  
2 section is in effect. The office shall file the affidavit under this  
3 subsection not more than five (5) days after the office is notified  
4 that the waiver or state plan amendment is approved.

5 (c) If the office receives approval for the waiver or state plan  
6 amendment under this section from the United States Department  
7 of Health and Human Services and the governor receives the  
8 affidavit filed under subsection (b), the office shall implement the  
9 waiver or state plan amendment not more than sixty (60) days  
10 after the governor receives the affidavit.

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

- 14 (1) Childless adults.
- 15 (2) Children.
- 16 (3) Parents of children.
- 17 (4) Individuals at least sixty-five (65) years of age.
- 18 (5) Individuals with a disability.

19 (b) The office shall open enrollment for the direct primary care  
20 services pilot program for Medicaid recipients described in  
21 subsection (a) until the limitation in participation described in  
22 subsection (a) has been reached.

23 Sec. 4. (a) In order to participate in the pilot program under this  
24 chapter as an eligible direct primary care services provider, an  
25 individual shall meet the following:

- 26 (1) Be licensed as a physician under IC 25-22.5 and practice  
27 primary care.
- 28 (2) Charge an average monthly fee to a participant of not  
29 more than seventy dollars (\$70) across all eligibility categories  
30 described in section 3(a) of this chapter, weighted by the  
31 population makeup of the pilot program.
- 32 (3) Contract with the office and not accept any other third  
33 party payments for providing health care services to a pilot  
34 program participant.
- 35 (4) Provide only primary care services, including access to  
36 telemedicine and same day or next business day appointments.

37 (b) The office shall establish and maintain a list of eligible direct  
38 primary care services providers and provide the list to any  
39 potential direct primary care services pilot program participant.

40 Sec. 5. (a) The office and a managed care organization shall  
41 authorize direct primary care services providers participating in  
42 the pilot program to refer pilot program participants to



1 nonprimary care services within the:

- 2 (1) office's; or  
3 (2) managed care organization's;

4 respective network.

5 (b) A direct primary care services provider must do the  
6 following:

7 (1) Refer pilot program participants needing nonprimary care  
8 services only to nonprimary care services providers within the  
9 network of the respective office or managed care  
10 organization.

11 (2) For any pharmacy service not covered under the direct  
12 primary care services agreement between the direct primary  
13 care services provider and the participant, authorize the use  
14 of a drug covered only under the formulary of the respective  
15 office or managed care organization.

16 (3) Comply with any prior authorization requirement set by  
17 the respective office or managed care organization.

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

20 (c) A managed care organization is not liable for any increased  
21 costs resulting from the implementation of a pilot program under  
22 this chapter.

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

- 26 (1) The number of participants by eligibility category.  
27 (2) The per member per month rate paid in the previous fiscal  
28 year per eligibility category.  
29 (3) The number of claims paid in the previous fiscal year per  
30 eligibility category.  
31 (4) The number of claims per category weighted to reflect the  
32 number of participants.  
33 (5) The dollar value of all claims per eligibility category.  
34 (6) The per member per month actual cost, including any  
35 direct primary care plan costs and any managed care costs  
36 not covered through the direct primary care plan, including  
37 administrative costs of the office or the managed care  
38 organization.  
39 (7) The average direct primary care cost per participant per  
40 eligibility category.  
41 (8) The average number of actual claims per eligibility  
42 category.



- 1           **(9) The average actual dollar value of claims per eligibility**
- 2           **category.**
- 3           **(10) The number of pilot program participants, by eligibility**
- 4           **category, in the previous quarter that are no longer eligible**
- 5           **for Medicaid in the current quarter.**
- 6           **(11) The eligible category savings calculated by subtracting**
- 7           **the per member per month actual cost from the per member**
- 8           **per month rate paid in the previous fiscal year, multiplied by**
- 9           **the number of participants in the eligibility category.**
- 10          **(12) The total savings calculated by subtracting the per**
- 11          **member per month actual cost from the per member per**
- 12          **month rate paid in the previous fiscal year, multiplied by the**
- 13          **total number of pilot program participants.**
- 14          **Sec. 7. The office may adopt rules under IC 4-22-2 necessary to**
- 15          **implement this chapter.**

