

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

**NOTICE OF PUBLIC COMMENT PERIOD TO EXTEND THE END-STAGE RENAL
DISEASE §1115 DEMONSTRATION**

In accordance with 42 CFR §431.408(a)(2)(ii), the Indiana Family and Social Services Administration (FSSA) will be holding public hearings on a proposed extension of the End Stage Renal Disease (ESRD) Section 1115 Medicaid demonstration that will be submitted to the Centers for Medicare and Medicaid Services (CMS).

This notice serves to open the 30-day public comment period, which closes **06/12/2020**. In addition to the 30-day public comment period in which the public will be able to provide written comments, FSSA will host public hearings in which the public may provide oral comments. Due to CDC COVID-19 social distancing recommendations, these meetings will be virtual only. Visit <https://www.in.gov/fssa/5537.htm> for the most up to date information regarding the public hearings.

Hearings will be held as follows:

1. VIRTUAL MEETING

Tuesday, 05/19/2020, 1pm-2:30pm

To provide oral comments, access WebEx meeting:

Online: <https://indiana.webex.com/indiana/j.php?MTID=m4a78c124ee8e153c0ff5722f104c4dc7>

Password: 432H8GpusJi

One can also access online by going to <https://www.in.gov/fssa/5537.htm> and clicking link to WebEx meeting and entering the password

Call-in: Dial: 1-240-454-0887; Meeting ID (access code): 475 620 522

To post written comments online, login to Adobe Connect:

<https://Indiana.AdobeConnect.com/ompp>

2. VIRTUAL MEETING

Wednesday, 05/20/2020, 1pm-2:30pm

To provide oral comments, access WebEx meeting:

Online:

<https://indiana.webex.com/indiana/j.php?MTID=m71c4353e84ab6a552c014330cd0795a6>

Password: YGh9G5p7W52

One can also access online by going to <https://www.in.gov/fssa/5537.htm> and clicking link to WebEx meeting and entering the password

Call-in: Dial: 1-240-454-0887; Meeting ID (access code): 470 049 012

To post written comments online, login to Adobe Connect:

<https://Indiana.AdobeConnect.com/ompp>

Prior to finalizing the proposed ESRD demonstration, FSSA will consider all written and verbal public comments received. The comments will be summarized and addressed in the final version to be submitted to CMS.

EXTENSION PROPOSAL SUMMARY AND OBJECTIVES

The ESRD demonstration has been a feature of Indiana’s Medicaid program since 2014. The current approval to operate the ESRD demonstration expires December 31, 2020. Through this submission, FSSA is seeking a five-year extension of the ESRD demonstration with two primary changes:

- 1) In an effort to help promote access to program, the State seeks to increase asset limits from \$1,500 to \$2,250 for individuals, and increasing asset limits from \$2,000 to \$3,000 for couples.
- 2) The program also seeks a modification around communication to beneficiaries. Beginning in January 2021, as required by the *21st Century Cures Act of 2016*, all ESRD beneficiaries will have the option to enroll in a Medicare Advantage (MA) plan. MA is positioned to provide ESRD beneficiaries with better coverage compared to Traditional FFS Medicare due to its maximum out-of-pocket limit for consumers, supplemental benefits, and ability to coordinate care. Due to the change in MA covering individuals, the State will notify members of this new enrollment opportunity and will coordinate with the State Health Insurance Assistance Program (SHIP) to ensure members who wish to enroll in MA have the needed assistance. Enrollment in MA will not impact an individual’s eligibility for the ESRD §1115 waiver.

BENEFICIARIES & ELIGIBILITY

To gain full coverage under the ESRD §1115, each month all enrolled individuals, regardless of the enrollment dates, must incur medical expenses which bring their income to the Supplemental Security Income (SSI) federal benefit rate (FBR) by meeting their ESRD liability.

In order to qualify for the ESRD demonstration, new enrollees must meet the following eligibility requirements:

- Enrollee has a current diagnosis of End-Stage Renal Disease;
- Enrollee is approved to receive Medicare part A and B;
- Enrollee has resources under \$2,250 for an individual, under \$3,000 for a couple;
- Enrollee is not institutionalized;
- Enrollee meets all non-financial Medicaid eligibility requirements; and
- Enrollee is not eligible for any other Medicaid category.

A summary of the ESRD eligibility criteria by population group is illustrated in Table 1 below.

Table 1. Summary of ESRD 1115 demonstration eligibility.

Group	Eligibility Criteria
<p>Population 1: Former Spend Down Enrollees</p>	<ul style="list-style-type: none"> • Enrolled in Medicaid spend-down program before May 31, 2014 • Non-MAGI income is over 150% FPL, with no upper limit • Current diagnosis of End-Stage Renal Disease • Approved to receive Medicare part A and B • Resources under \$2,250 for an individual, under \$3,000 for a couple • Not institutionalized • Meet all non-financial Medicaid eligibility requirements • Not eligible for any other Medicaid

Population 2: New Enrollees	<ul style="list-style-type: none"> • On Medicaid after May 31, 2014 • Non-MAGI income is between 150% and 300% FPL • Current diagnosis of End-Stage Renal Disease • Approved to receive Medicare part A and B • Resources under \$2,250 for an individual, under \$3,000 for a couple • Not institutionalized • Meet all non-financial Medicaid eligibility requirements • Not eligible for any other Medicaid
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ENROLLMENT & FISCAL PROJECTIONS

The ESRD demonstration extension will have no impact on expected annual Medicaid enrollment as the program has maintained no more than four hundred and forty enrollees since 2014. Further, it is expected to be budget neutral as outlined within the two tables below.

Table 2. Projected ESRD Expenditures Without Waiver Authority, 2021 – 2025.

	Historical	2021	2022	2023	2024	2025	Total
Eligible Member Months	2,805	2,805	2,805	2,805	2,805	2,805	
PMPM Cost	\$521	\$596	\$623	\$652	\$682	\$713	
Total Expenditure		\$1,671,135	\$1,748,020	\$1,828,439	\$1,912,561	\$2,000,526	\$9,160,681

Table 3. Projected ESRD Expenditures With Waiver Authority, 2021 – 2025.

	Historical	2021	2022	2023	2024	2025	Total
Eligible Member Months	2,805	2,805	2,805	2,805	2,805	2,805	
PMPM Cost	\$521	\$596	\$623	\$652	\$682	\$713	
Total Expenditure		\$1,671,135	\$1,748,020	\$1,828,439	\$1,912,561	\$2,000,526	\$9,160,681

BENEFITS, COST SHARING, AND DELIVERY SYSTEM

This demonstration does not propose any changes to cost-sharing. Individuals eligible under this demonstration will continue to be eligible for State Plan benefits after they meet their ESRD liability.

Table 4. ESRD Benefit Package Summary.

Eligibility Group	Benefit Package
Former Spend-Down Enrollees	Full State Plan – Package A
New Enrollees	

ESRD §1115 enrollees will be eligible for all medically necessary Medicaid covered services after meeting an ESRD liability. The liability will be calculated using spend-down methodology based on incurred medical costs. Individuals who incur medical expenses that bring their income down to the

Supplemental Security Income (SSI) federal benefit rate (FBR) will have no further incurred costs subject to the ESRD liability, but will have some cost sharing as described below.

As illustrated by Table 5, copayments within the ESRD demonstration will be the same as the copayment amounts in the state plan.

Table 5. ESRD Copayment Amounts.

Service	Copayment Amount	
Transportation	\$0.50 each one-way trip	Transportation services that pay \$10 or less
	\$1 each one-way trip	Transportation services that pay \$10.01 to \$50
	\$2 each one-way trip	Transportation services that pay \$50.01 or more
Pharmacy	\$3	
Non-Emergency Use of the ED	\$3	

Outside of the required ESRD liability, ESRD §1115 enrollees will not spend more than 5 percent of their household income on state plan cost sharing requirements. ESRD enrollees are not subject to premium payments.

HYPOTHESES & EVALUATION

Between May 2014 and March 2020, the ESRD demonstration ensured coverage to 760 unique enrollees, covering on average approximately 400 unique enrollees per year. Enrollment has slightly declined over the course of the program but there continues to be comparable new enrollments (approximately 10 per quarter). The program has allowed individuals with end-stage renal disease who do not have another source of supplemental coverage the ability to remain on transplants lists and it provides comprehensive coverage for enrollees before during and after transplant.

Through the ESRD demonstration enrollees access the full range of Medicaid State Plan benefits including dialysis services needed to maintain their condition. The ESRD program continues to meet the goals and objectives as established at the onset of this demonstration.

Table 6. ESRD Health Care Utilization May 1, 2014 – December 31, 2019.

	May 1- Dec. 31, 2014		2015		2016		2017		2018		2019	
Category	Unique Enrollee Count	Expenditures	Unique Enrollee Count	Expenditures	Unique Enrollee Count	Expenditures	Unique Enrollee Count	Expenditures	Unique Enrollee Count	Expenditures	Unique Enrollee Count	Expenditures
Transplants	51	\$ 27,162	62	\$ 64,186	55	\$ 56,824	67	\$ 54,337	80	\$ 59,711	82	\$ 60,202
Dialysis	442	\$ 679,031	418	\$ 718,374	370	\$ 553,834	379	\$ 575,545	380	\$ 779,804	353	\$ 735,523
Dental	72	\$ 26,111	64	\$ 19,039	63	\$ 15,887	63	\$ 24,454	71	\$ 19,036	83	\$ 30,163
Home health	7	\$ 52,409	9	\$ 51,257	18	\$ 179,458	16	\$ 160,623	13	\$ 167,266	15	\$ 113,437
Inpatient	169	\$ 213,372	205	\$ 205,632	200	\$ 199,902	201	\$ 283,049	216	\$ 506,021	187	\$ 331,613
Long term care	26	\$ 331,388	35	\$ 747,771	33	\$ 688,114	33	\$ 751,604	33	\$ 869,719	36	\$ 977,252
Outpatient	440	\$ 375,108	424	\$ 287,145	387	\$ 272,150	395	\$ 209,839	401	\$ 258,306	381	\$ 320,050
Pharmacy	126	\$ 36,817	110	\$ 12,328	102	\$ 11,482	101	\$ 3,892	106	\$ 17,990	103	\$ 30,725
Physician	461	\$ 334,109	430	\$ 526,549	401	\$ 581,406	414	\$ 544,408	409	\$ 537,636	395	\$ 587,375
Total	409*	\$ 2,075,507	394*	\$ 2,632,280	396*	\$ 2,559,056	399*	\$ 2,607,750	381*	\$ 3,215,489	356*	\$ 3,186,340

*Total unique enrollee count for the demonstration year

The current objectives of this demonstration are to:

- 1) Ensure that ESRD §1115 waiver enrollees maintain access to kidney transplant waiting lists.
- 2) Ensure that ESRD §1115 waiver enrollees have access kidney to transplants.
- 3) Ensure that individuals eligible for the ESRD demonstration through Medicare/Medicaid spend-down have access to the program.

The hypotheses for the current objectives are:

- 1) ESRD §1115 waiver enrollees will maintain access to kidney transplant waiting lists.
- 2) ESRD §1115 waiver enrollees will access kidney transplants, ending their diagnosis of ESRD and increasing their access to alternative forms of health insurance coverage.
- 3) The ESRD §1115 waiver demonstration will enroll individuals who are eligible through Medicare/Medicaid spend-down.

WAIVER & EXPENDITURE AUTHORITY

As specified in the ESRD demonstration extension, the requested waivers include:

- 1) *Amount, Duration and Scope of Services – Section 1902(a)(10)(B)*
To the extent necessary to enable the State to provide state plan benefits only after an individual meets an ESRD liability, calculated using spend-down methodologies.
- 2) *Cost-Sharing Requirements – Section 1902(a)(14) related to provisions in section 1916*
To the extent necessary to enable the State to impose a spend-down methodology based on incurred medical costs. Individuals who incur medical expenses that bring their income down to the Supplemental Security Income (SSI) federal benefit rate (FBR) will have no further incurred costs subject to the ESRD liability.
- 3) *Comparability – Section 1902(a)(17)*
To the extent necessary to enable the State to apply a spend-down methodology based on incurred medical costs.

REVIEW OF DOCUMENTS & SUBMISSION OF COMMENTS

All information regarding the submission, including the public notice, the ESRD demonstration extension, and other documentation regarding the proposal are available for public review at the FSSA, Office of General Counsel, 402 W. Washington Street, Room W451, Indianapolis, Indiana 46204. The full public notice and ESRD demonstration documents are also available to be viewed online at <https://www.in.gov/fssa/5537.htm>

Written comments may be sent to the FSSA via mail at 402 West Washington Street, Room W374, Indianapolis, Indiana 46204, Attention: Andrew Bean or via electronic mail at Andrew.Bean@fssa.in.gov through **06/12/2020** at 5:00 pm.