HOPE | HOOSIERS FOR OPPORTUNITY, PROSPERITY AND ENTERPRISE, INC.

Freedom and Opportunity Agenda – Health Care Plan for Indiana

Across the state, Hoosiers are concerned about unexpected medical bills and the impact that they will have on their family's home finances. High prices in health care—whether rising insurance premiums, lofty prescription drug costs, or staggering hospital bills—are robbing Hoosiers' paychecks, even as they already contend with record inflation.

In Indiana, the high cost of health care not only puts a strain on families, but also on employers who are looking to relocate to the state or expand their footprint. For every advantage Indiana's business-friendly tax environment gives it over its peers, the state suffers an equal or greater disadvantage from high health care costs.

Without intervention, the strain will only get worse. In fact, according to the reporting from the Indianapolis Business Journal, insurance premiums in the State of Indiana are expected to rise by at least 10 percent in 2025.

At the same time, rural health care systems are facing a number of unique challenges that limit access to care for Hoosiers across the state. Solutions that do not recognize these unique challenges risk contributing to disparate health care quality and cost in the State.

Over the last few years, the Indiana General Assembly has taken steps to put Indiana on a path towards health care affordability, and has set a firm foundation for more ambitious work.

To protect patients from unexpected medical bills and put Hoosiers in the driver's seat for their health care, this plan proposes bold policies that:

1. Improve Quality.
2. Lower Costs.
3. Enhance Transparency.
4. Expand Access.
5. Promote Wellness.
6. Increase Competition.

By enacting the Freedom and Opportunity Agenda – Health Care Plan for Indiana, the State of Indiana will improve the health of Hoosiers while putting money back in their pockets.

Improve Quality

Indiana ranks among the most expensive states for health care. At the same time, Hoosiers contend with poor outcomes for key metrics including life expectancy, heart disease, and infant and maternal mortality. By prioritizing quality primary care, investing in patient data, and

supporting our health care workforce, the State can improve health care quality and deliver measurable improvements for patient outcomes.

Plan of Action

Prioritizing Quality Primary Care: In addition to being more cost-effective than other interventions, an ongoing relationship between a patient and a primary care provider improves health outcomes across the board. The State should invest in quality primary care relationships to improve the health of Hoosiers.

- *Reduce Patient Reliance on Emergency Rooms:* Require Medicaid enrollees to consult with a primary care physician before pursuing treatment in an emergency room for non-emergency cases. The State should also develop incentives for commercial health plans that adopt this requirement.
- *Expanded Primary Care Options for Medicaid:* In order to improve access to primary care for Medicaid enrollees, the State should allow Medicaid patients to access program dollars to support a direct primary care practice membership.
- *Health Literacy:* Direct the Department of Health to collaborate with the Family and Social Services Administration to develop health literacy materials for the general public, including Medicaid enrollees. These materials would explain the importance of primary care and early medical interventions, and empower patients to take control of their health care and ask informed questions about diagnoses and treatment plans.

Investing in Patient Data: The State should empower patients and providers by allowing patients to access their data at no cost and investing in statewide medical record interoperability.

- *Patient Data Ownership:* Clarify that patients own their protected health information and that, as such, they have an absolute right to access at no cost any diagnostic tests and objective clinical measurements collected from a medical provider.
- *Interoperable and Secure Data:* Set standards for medical record interoperability and data security, and require that these standards are met by any medical vendor to the State.

Supporting our Health Care Workforce: Quality health care starts with quality practitioners. The State should reaffirm the right of medical personnel to control the path of their careers in Indiana, and should make it easier for doctors to collaborate with colleagues and move to a new practice within the State.

- *Interprofessional Consultation for Medicaid:* Improve the quality of care in rural hospitals and prevent unnecessary patient transfers by allowing Medicaid to reimburse

providers for providing a continuum of care through interprofessional consultation, wherein providers at separate facilities collaborate on a patient's treatment plan.

  - Currently, while covered by many group health plans, interprofessional consultation is not covered by Medicaid, leading many patients to be needlessly transferred to facilities with higher level of care. This increases the cost of treatment without necessarily improving the patient's outcomes.

- *Prohibit Non-Compete Clauses:* Prohibit not-for-profit hospitals from requiring licensed medical personnel to sign employment contracts that include non-compete agreements.
  - In April, the Federal Trade Commission banned these agreements for workers in all for-profit companies but stopped short of providing parity for medical professionals in not-for-profit systems.
- *Eliminate Red Tape for In-State Doctors:* Require insurance companies to provide for expedited credentialing (lasting no longer than 30 days) for credentialed providers who switch between employers or locations within the state.
- *Medical Licensing Reciprocity:* Improve Indiana's quality doctor pipeline by working with the Medical Licensing Board to develop opportunities for medical licensing reciprocity for certain qualified doctors moving to Indiana.

Lower Costs

For years, Hoosiers have contended with higher-than-average health care costs. Making health care more affordable for Hoosiers will require a comprehensive approach with buy-in from state and local government, employers, and the whole gamut of health care stakeholders. To start, the State should provide more options for affordable employer-sponsored coverage, pay special attention to surprise medical bills, prescription costs, and long-term care, and institute a zero-tolerance for waste, fraud, and abuse.

Plan of Action

More Options for Affordable Coverage: Approximately half of Hoosiers receive their health insurance through their employer. However, many small businesses have been priced out of the market by skyrocketing health care costs. The State should provide more opportunities for small businesses to provide affordable health coverage to their employees.

- *Expand the ICHRA Tax Credit:* Empower small businesses to provide health coverage to their employees through individual coverage health reimbursement arrangements

(ICHRA)—a tax-advantaged arrangement where an employer reimburses its employees for the cost of their individual health insurance.

- *Entrepreneurial Solutions for Small Businesses:* Encourage small businesses to provide health coverage to their employees through risk pooling, association health plans, and multiple employer welfare agreements.

Surprise Medical Bills: Surprise medical bills occur when a patient does not know that his or her health care provider was out-of-network until he or she receives an exorbitant bill in the mail. Hoosiers are protected by federal law against most surprise medical bills, and by state law against surprise ambulance bills.

- *Protect From All Surprise Medical Bills:* Protect Hoosiers from all surprise medical bills by codifying comprehensive surprise medical billing protections, including clear enforcement authorities and a list of ancillary medical services that may become medically necessary during an emergency treatment.

Prescription Costs: Many Hoosiers rely on prescription drugs as part of their daily treatment for a medical condition. The State should ensure that the market for pharmaceuticals supports patients.

- *Regulate the Middle Man:* Pharmacy benefit managers (PBMs) are third-party administrators who implement prescription drug benefits for health insurance plans. In practice, these middlemen between pharmacies and drug manufacturers have only driven up the cost of prescription drugs. To combat the impact of PBMs, the State should:
    - Prohibit PBMs from steering prescription drug plan enrollees to pharmacies in which the PBM holds equity.
    - Support pharmacies by blocking PBMs from charging retroactive fees or payment reductions to retail pharmacies.

Long-Term Care: For the elderly and disabled Hoosiers who rely on long-term care to maintain their quality of life, it is critical that these services are affordable and high-quality. The State should help Hoosiers of all incomes to comfortably age *how* and *where* they so desire.

- *Long-Term Care Savings Account*: Establish a tax-advantaged savings mechanism that allows Hoosiers to save for long-term medical care (e.g., home care, nursing home care, accessible home improvements), putting Hoosiers in charge of how and where they age.
- *Medicaid Quality and Cost Monitoring:* As the State implements its new PathWays for Aging managed care program, it should set clear metrics to assess quality of care and patient outcomes. It should also institute transparency and accountability safeguards.

Safeguards Against Waste, Fraud, and Abuse: In the State of Indiana, there should be a zero-tolerance policy for waste, fraud, and abuse, which take resources from vulnerable populations and threaten the integrity of the State's essential health care programs. To protect the integrity of Indiana's Medicaid program and the State Employee Health Plan (SEHP), the State should develop new, rigorous integrity standards that leverage cutting-edge data technology to identify waste, fraud, and abuse.

- *Independent Audit of Medicaid and SEHP*: Leverage third-party technology platform services to conduct an independent audit of Medicaid and SEHP claims encounter data from the last three biennia to determine whether unwarranted or inappropriate amounts were paid on claims and identify trends, where appropriate.
    - This audit should, among other things, utilize state-of-the-art data analytics solutions like machine learning and predictive modeling to identify anomalies and assess structural weaknesses in the State's systems and processes.
- *Develop Statewide Integrity Standards:* Using the results of the independent audit, the State should develop updated best practices, safeguards, and accountability mechanisms to prevent future payment and processing errors, and to mitigate waste, fraud, and abuse.
- *Request for Proposal Requirements:* Once statewide integrity standards are developed, the State should require any bids for Medicaid or the SEHP to demonstrate compliance.
- *Zero Tolerance for Fraud:* The State should empower the Attorney General's Medicaid Fraud Control Unit to develop improved statewide data sharing standards, and a shared mission with the Family and Social Services Administration to investigate any alleged overpayments, duplicative claims, or other suspicious billing and claim practices that are detected through the State's fraud detection processes—regardless of the monetary value.
- *Criminal Investigations for Fraud:* The State should authorize the Attorney General to designate law enforcement officers within the Medicaid Fraud Control Unit to investigate Medicaid fraud cases and bolster the Unit's capacity to recover taxpayer dollars.

Enhance Transparency

For decades, the health care sector has operated behind a shroud of secrecy, with little to no price transparency. In the absence of transparency, prices have continued to rise at the expense of patients, employers, and the government. The State should adopt sweeping price transparency legislation to empower patients and nudge our health care sector towards the free market.

***Plan of Action*:** The State of Indiana should enact sweeping price transparency reforms that make health care prices predictable, accessible, and useful to patients.

Predictable Prices: While the State has taken great strides to protect its residents from certain unexpected medical bills, there is still work to be done. To make health care prices predictable. the State should close loopholes in its prior authorization reforms and institute site neutral prices.

- *Prior Authorization Reform:* Protect patients and reduce overhead for providers by reforming prior authorization. Specifically, the State should prohibit insurance companies from rescinding prior authorization after making a positive determination and require any denials to be made by a physician or medical professional with similar credentialing as the requesting physician.
- *Site Neutral Prices:* Empower patients to choose the location where they get health care by requiring all nonprofit hospital systems to negotiate site neutral prices with Medicaid and commercial insurance plans.

Accessible Prices: Patients and employers across the country have been left in the dark regarding their health care data. The State of Indiana should lead the nation by prioritizing the rights of patients and group health plan sponsors to access and control their data.

- *Health Care Data Sharing Standards*: Empower employers and other group health plan sponsors to negotiate higher quality coverage at a lower cost by instituting revolutionary statewide health care data sharing standards.
    - Under these standards, Hoosiers would be entitled to real data (provided in a free, consumer-friendly format) about negotiated rates and cash prices between insurance plans and providers for each billing code and shoppable service offered at a facility. Currently, Hoosiers may only expect to see a non-binding estimate for services.
    - This requirement would apply to hospitals, as well as ambulatory surgical centers, clinical diagnostic labs, and imaging centers.
    - To comply, covered facilities will be required to submit an attestation from a senior officer to the accuracy and completeness of the data.
- *Claims Encounter Data:* Reaffirm the absolute right of employers and other group health plan sponsors to access, audit, and review their claims encounter data. This data, which was recently shrouded behind misapplied “trade secrets” protections, would empower sponsors to fulfill their fiduciary duty and find the best plan for their employees.

- *Prescription Mark-Up Disclosure:* Hoosiers would be entitled to real data (provided in a free, consumer-friendly format) about the markup charged by covered facilities as part of their prescription drug pricing schemes for each class of payer.
    - This requirement would apply to insurance companies, not-for-profit hospital pharmacies, and PBMs.

Useful Prices for Patients: In addition to increasing the amount of information that is available to patients and group health plan sponsors, the State should require health care pricing information to be actionable for patients—providing useful information that helps patients understand their expenses and avoid unexpected costs.

- *Good Faith Estimates:* Providers and insurers would be required to provide a good faith estimate of a patient's out-of-pocket costs for the services associated with a scheduled inpatient or outpatient treatment (including any services that may reasonably be included in the course of treatment) no later than 48 hours before admittance.
    - Currently, Indiana law entitles insured patients to this information upon request, and it must be provided within five days. Uninsured and self-pay patients are protected by a similar federal requirement.
- *Timely Bills for Patients:* Hoosiers would be entitled to a predictable and timely billing process for medical expenses.
    - Upon discharge from an inpatient or outpatient treatment, providers would be required to provide patients with a list of the services they received and for which they will be billed.
    - Providers would be required to send all bills associated with a patient's treatment within 45 days of the patient's care.
    - Patients would be entitled to a reasonable window of 30 days to pay upon receipt.

Expand Access

No Hoosier should question whether they or their loved ones will be able to access affordable health care, including Hoosiers with preexisting conditions. To deliver high-quality health care to more Hoosiers, the State should support Hoosiers with preexisting conditions, provide access to rare and terminal disease treatments, improve access in rural areas, and support local providers.

Plan of Action

Support Hoosiers with Preexisting Conditions: Nobody should go broke because they got sick, and the State should demonstrate its commitment to support those with preexisting conditions.

- *Codify Clear Protections to Access:* The State should codify clear language that protects the ability of individuals with preexisting conditions to access affordable health care.

Increase Access to Rare and Terminal Disease Treatments: As medical researchers work to cure rare and terminal diseases, many of today's most promising treatments are tailor-fit to the patient. Under Indiana's "right to try" law, patients with rare and terminal diseases can access pharmaceuticals that are still in the federal approval pipeline. However, the law does not include individualized treatments, which are tailored to a patient's specific genetic mutations or diseased cells. These patients do not have time to wait; they deserve a right to try promising treatments.

- *Expand Hoosiers' Right to Try:* Empower consumers with rare and terminal diseases by expanding Indiana's right to try statute to include individualized treatments. Hoosiers with rare and terminal diseases do not have time to wait; they deserve a right to try promising treatments.

Improve Access and Affordability in Rural Areas: In addition to industry-wide trends, Indiana's rural health care systems also face a number of unique challenges that limit access to care for many Hoosiers. The State should invest in solutions that increase access in rural communities.

- *Telehealth for Medicaid:* Expand telehealth coverage for Medicaid to cover all forms of telehealth services, including live visits, remote patient monitoring, tele-dentistry, and asynchronous provider interactions.
    - This model has been successfully implemented in Arizona to raise the standard of care for Medicaid recipients
- *Increase Rural OB Access*: Confront Indiana's high maternal and infant mortality rates by building a stronger, homegrown pipeline for obstetricians (OBs) and midwives.
    - Address rural shortages in critical areas of practice like obstetrics by requiring the Indiana Graduate Medical Education fund to prioritize rural training placements for OBs and other high-need positions.
    - Partner with hospitals, medical schools, and nursing schools to establish new training programs in urban and rural settings for OBs, family medicine OBs, and midwives.

Support Local Providers: As the health care industry continues to face consolidation, the State should enact policies that support local providers and incentivize new primary care facilities.

- *Right to Refer*: Protect patients' rights and support local providers by prohibiting insurers from denying coverage for eligible care simply because the patient's referral was made by an independent, out-of-network physician (including direct primary care providers).
- *Primary Care Access Revolving Fund:* Support entrepreneurial physicians and increase local access to primary medical care by leveraging Indiana Economic Development Corporation dollars to establish a Primary Care Access Revolving Fund.
    - The revolving fund would be administered by the Indiana Finance Authority and loan awards could be used to finance facility buildout and equipment purchases or to meet a facility's working capital needs.
    - Prioritization would be given to applications that have secured local incentives and support, enable struggling hospital systems to stay afloat, and provide new access to underserved communities.
    - This proposal builds on the work of Representative Donna Schaibley's HEA 1004 (2023), which established the Physician Practice Ownership Tax Credit for independent practices in family medicine, general pediatric medicine, general internal medicine, and the general practice of medicine.

Promote Wellness

Wellness can play an important role in the daily lives of Hoosiers to help them stay in shape, mitigate stress, and reduce their reliance on medical interventions in the long run. By promoting healthier lifestyles and protecting access to preventative services, the State can invest in the health of Hoosiers and reduce its long-term health care spending.

Plan of Action

Healthier Lifestyles: A growing literature shows that individuals who focus on improving their nutrition and fitness rely less on the health care system. The State should pursue policies that encourage Hoosiers to live a healthier lifestyle and reduce their chances of chronic disease.

- *Studying Wellness and Long-Term Health Outcomes:* The State should partner with private sector and government stakeholders to assess the long-term cost savings associated with early nutrition and fitness interventions.

Preventative Services: Early detection and preventative treatment can not only help to keep Hoosiers healthier, but they also save money in the long run. The State should prioritize access to preventative services for Hoosiers.

- *Codify No-Cost Access to Preventative Services:* The State should codify clear language that requires insurance plans to cover preventative services within the plan's provider network at no cost to the patient.
    - This requirement would extend to a list of enumerated preventative services that span immunizations, screenings, pre- and perinatal services, and similar services.
    - Currently, this coverage is required by federal law but is the subject of litigation.

Increase Competition

Competition drives down costs and improves the quality of care for patients by creating new options to choose from and incentivizing transparency. As Hoosiers contend with a consolidated health care industry, which has created higher costs and fewer choices, the State should strengthen its enforcement of anti-trust laws and level the playing field for competition.

Strengthen Enforcement of Anti-Trust Laws: For decades, the State has empowered the Attorney General to protect competition and consumers through anti-trust laws. The State should give the Attorney General additional tools to protect competition in the health care industry.

- *Protect Hoosiers from Consolidation*: Protect competition in health care by requiring all private equity mergers and acquisitions in the health care industry to be approved by Indiana's Attorney General, regardless of their valuation. The Attorney General would be empowered to block transactions that are found to cause adverse impacts for consumers.
    - Earlier this year, the Indiana General Assembly enacted SEA 9, legislation from Senator Chris Garten that empowers the Attorney General to review and request information about health care mergers and acquisitions in cases where at least one party is valued at $10 million or more.

Increase Competition by Removing Barriers to Entry: In addition to protecting Hoosiers against the potential adverse effects of mergers and acquisitions, the State should remove barriers to entry and eliminate regulations that harm competition.

- *Health Insurance Industry Fiduciary*: Clarify that, in the State of Indiana, health insurance industry professionals (including insurance companies, pharmacy benefit managers, and third-party administrators) have fiduciary responsibilities to their clients.

- *Provider Access to Reimbursement Criteria*: Support health care providers by requiring insurance companies to provide a current fee schedule and up-to-date administrative denials criteria to providers during contract negotiations.
    - Under this requirement, a fee schedule must include the proposed reimbursement for each covered service under the contract, as well as the 25th percentile, average, and 75th percentile for reimbursement in the State for each covered service.
- *Regulatory Reform to Promote Competition:* Conduct a targeted regulatory analysis of the state's health care industry in order to determine whether any state regulations promote consolidation or pose an undue barrier to entry for competition, and propose remedies where appropriate.

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