EMPLOYERS' FORUM OF INDIANA
Addressing the challenges of the local healthcare marketplace

2023 Indiana Legislative Health Policy Overview

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Legislative Policy Path

or

Both wrong!

“Frenetic”

Fast and **energetic**
in a rather
wild and **uncontrolled** way.

Policy making is akin to sausage making…

Disgusting process…

tasty in the end…

but incredibly unhealthy!

Core Team: Members & Roles

INTERNAL

EFI: analyze, explain, provide data to legislators; edit bill language; testify / coordinate testimony with members; data requests from legislative leadership; grassroots employers/benefit consultants to support bills; communicate with ally organizations, Forum Policy Committee

Employer Consultant: draft bill language, review policy topics / create publications, policy sound board to CEO

PR Consultant: manage social media; write / draft op-eds; coordinate with reporters; crisis management

Government Affairs / Lobbying Consultant: schedule meetings with legislative leadership; explain policy priorities to leadership; monitor / lobby legislators on key bills; weekly updates to EFI policy committee

EXTERNAL

Rep. Donna Schaibley: lead bill author; champion of healthcare affordability

Brain Trust: RAND healthcare economist, NASHP forensic accountant, HOI financial data analytics expert - provide deep expertise and analyses with very quick turnaround

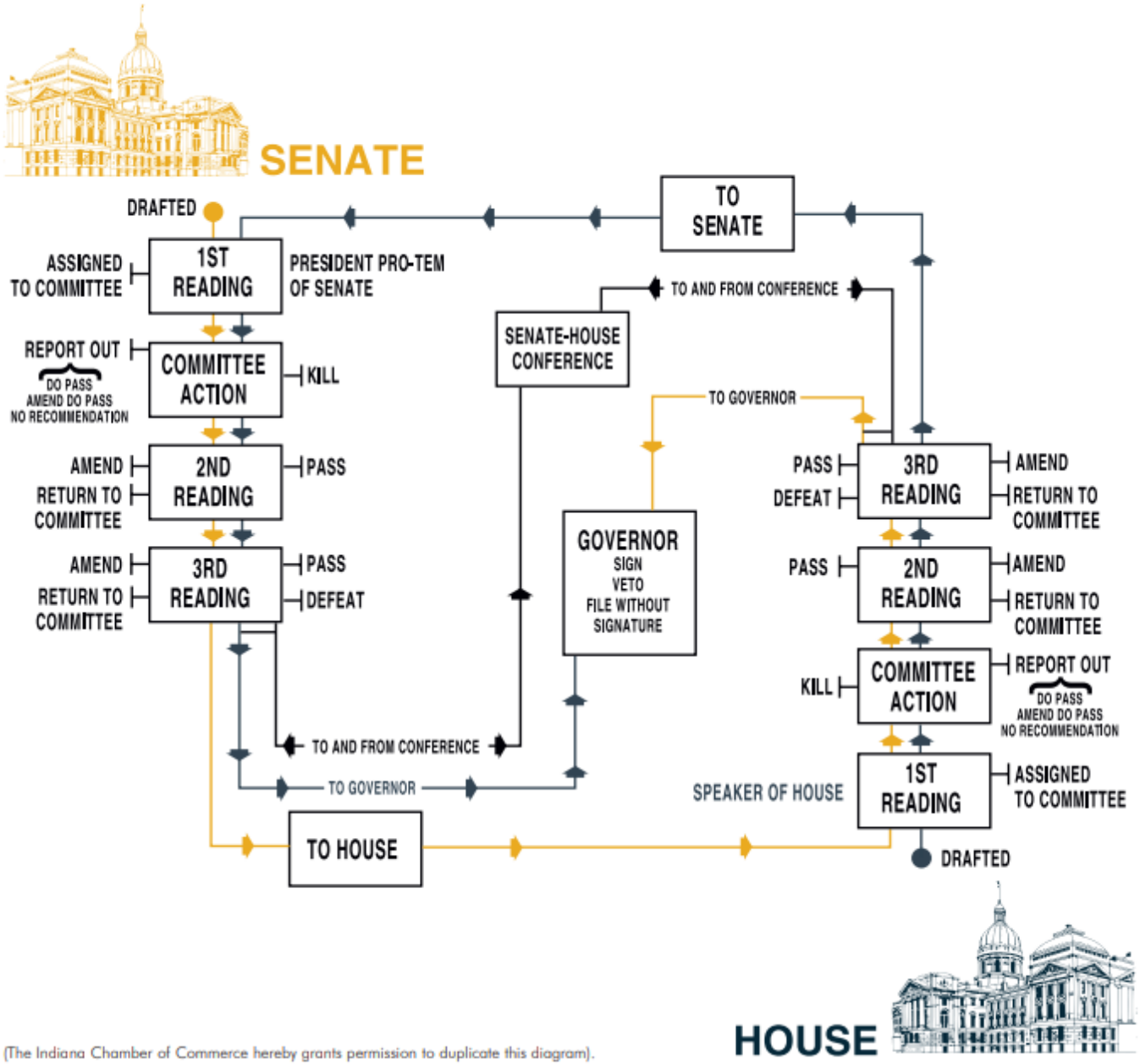
H4AHC (political Influencer with deep connections to legislative leadership): meet with leadership to explain data findings, lobby political campaign-style external communications (stats on mobile ad truck, community grassroots effort with email/text/patch through), op-eds, interviews with reporters

How does a bill become law?

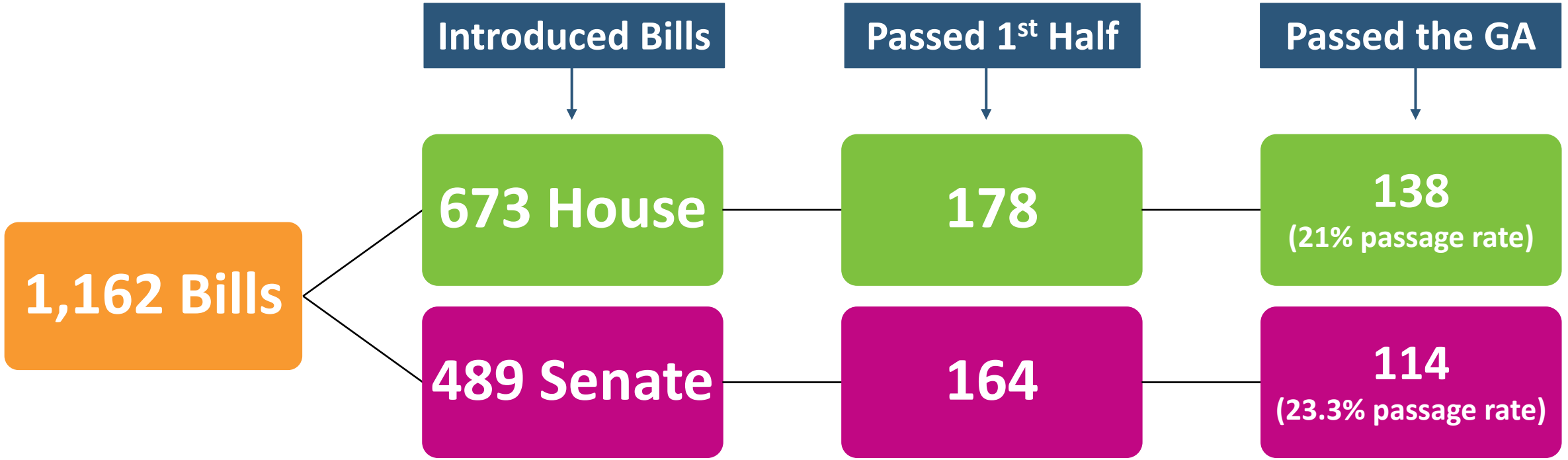
This diagram indicates the steps by which a bill, introduced in the Senate or the House of Representatives, becomes a law with possible actions at each step. Bills may originate in either house of the General Assembly except for revenue-raising bills, which must be introduced in the House of Representatives.

Learn more:

- [Indiana Chamber: How a Bill Becomes a Law]
- [State House: How a Bill Becomes Law]



Bill Passage Stats



Forum Policy Priorities

First Priority

1. Eliminate Hospital Facility Fees for Services Rendered OFF a Hospital Campus
2. Physician Non-Competes
3. Pharmacy Benefit Manager(PBM) and Prescription Drug Price Transparency
4. Hospital and Insurer Price Transparency
5. Hospital Price Benchmark to National Average
6. Hospital Not-for-Profit Status

Second Priority

7. Funding Public Health
8. Prohibit Anti-Competitive Contract Language Between Providers and Insurers
9. Pharmacist Prescribing Contraceptive
10. Establish a State Affordability Commission

Forum Key Bills

- HB 1004
- SB 7
- SB 8
- HB 1568
- SB 400

Forum Key Bills

HB 1004 – Health Care Matters

https://iga.in.gov/static-documents/3/5/a/a/35aa25bd/HB1004.07.ENRS.pdf

- Establishes the health care cost oversight task force
  - Makeup of task force
  - Duties of task force
- ISDH, FSSA, DOI to provide data, documents, information deemed necessary to the task force
- Effective upon passage (when Governor signs)

Forum Key Bills

HB 1004 – Health Care Matters

- Provides tax credit for employers with <50 employees if they adopt a health reimbursement arrangement in lieu of traditional employer provided health insurance plan
  - Effective 1/1/24
- Provides tax credit for independent primary care physicians (after 12/31/23)
- Allows for provisional credentialing of physicians who establish or join an independent primary care practice

Forum Key Bills

HB 1004 – Health Care Matters

- Requires FSSA to research and compile data on Medicaid reimbursement rates for Indiana, all other states, including national reimbursement rate average (submit to task force and General Assembly) – due by 11/1/23
- Establishes the Payer Affordability Penalty Fund
- Requires hospitals to report net patient revenue information to Indiana State Department of Health for their annual reports and includes $1,000/day late submission fine - Effective 7/1/23
  - "net patient revenue" means gross patient revenue less deductions for contractual adjustments, bad debts, and charity.

Forum Key Bills

HB 1004 – Health Care Matters

- Site of service language – applies only to nonprofit hospitals, detailed list of excluded facilities (Effective 7/1/25)
- Requires bills for health care services provided be submitted on an individual provider form, prohibits payers' acceptance of institutional provider forms
- Prior authorization language for certain health care providers (Effective 7/1/23)

Forum Key Bills

HB 1004 – Health Care Matters

- Requires APCD advisory board to discuss additional information, including IN's health insurance premium rates, Medicaid reimbursement rates, and a potential auditing of claim denials
- Claims data availability – applies to self-funded or fully insured group plans
  - https://www.apcdcouncil.org/scotus-gobeille-v-liberty-mutual-insurance-company-decision
- Effective 7/1/23

Forum Key Bills

HB 1004 – Health Care Matters

- Oversight of Health Care Costs
- Requires DOI to contract with 3rd party to calculate IN nonprofit hospitals' system prices for certain health plans
- Before 11/1/24, requires DOI's contractor to compare IN nonprofit hospital system facility pricing information with 285% of Medicare (continues yearly thereafter)
- Effective 7/1/23

Forum Key Bills

SB 7 – Physician Noncompete Agreements

https://iga.in.gov/static-documents/d/1/6/b/d16bf4c0/SB0007.05.ENRH.pdf

- Beginning 7/1/23 noncompete agreements are prohibited between a primary care physician and an employer
- Primary care physician practice areas:
  - Family medicine
  - General pediatric medicine
  - Internal medicine

Forum Key Bills

SB 7 – Physician Noncompete Agreements

- Beginning 7/1/23 a noncompete agreement is unenforceable if:
  - Employer terminates physician's employment without cause
  - Physician terminates the employment for cause
  - Physician's employment contract expires and both parties have fulfilled obligations of the contract

Forum Key Bills

SB 7 – Physician Noncompete Agreements

- Beginning 7/1/23, specifies process for mediation for a physician and employer to pursue to determine “reasonable” price to purchase release from a noncompete agreement
- Effective Date: 7/1/23

Forum Key Bills

SB 8 – Prescription Drug Rebates & Pricing

https://iga.in.gov/static-documents/e/1/3/0/e130a071/SB0008.06.ENRH.pdf

- Requires PBMs to report to DOI every 6 months:
  - Overall aggregate charged to a health plan for all pharmaceutical claims processed by the PBM
  - Overall aggregate amount paid to pharmacies for claims processed by the PBM

Forum Key Bills

SB 8 – Prescription Drug Rebates & Pricing

- Individual health insurance coverage - requires defined cost sharing for a Rx be calculated at point of sale, based on a price reduced by an amount equal to at least 85% of all rebates related to dispensing/administration of the Rx
- Group health insurance coverage – requires an insurer:
  - Pass through to the plan sponsor 100% of all rebates

Forum Key Bills

SB 8 – Prescription Drug Rebates & Pricing

- Group health insurance coverage – requires an insurer (cont'd):
  - Provide plan sponsor the option of calculating defined cost sharing for covered individuals at the point of sale based on a price that is reduced by some or all of rebates received or estimated to be received
  - Disclose certain information related to the amount of the rebate, calculations, etc. to plan sponsor

Forum Key Bills

SB 8 – Prescription Drug Rebates & Pricing

- PBM reporting provisions - Effective 7/1/23
- Effective date for rebate provisions is for plans issued, delivered, amended or renewed after 12/31/24
- Does not apply to ERISA plans
- Includes definitions for “price protection rebate”, “rebate”, etc.

Forum Key Bills

HB 1568 – Prescription for Hormonal Contraceptives

https://iga.in.gov/static-documents/b/7/7/d/b77d8306/HB1568.06.ENRS.pdf

- Allows pharmacists to prescribe & dispense hormonal contraceptive patches and self-administered hormonal contraceptives
- Includes requirements for pharmacists
- Includes language for pharmacists and pharm techs not to prescribe birth control if against his or her ethical, moral or religious beliefs

Forum Key Bills

HB 1568 – Prescription for Hormonal Contraceptives

- Requires board of pharmacy to revoke license of a pharmacist who knowingly/intentionally prescribes a drug intended to cause an abortion
  - Includes penalties for pharmacists
- Includes authorizing language for Indiana State Department of Health for standing order and Family and Social Services Administration for reimbursement purposes (Medicaid recipients)

Forum Key Bills

SB 400 – Health Care Matters

https://iga.in.gov/static-documents/f/e/d/4/fed4a95b/SB0400.08.ENRH.pdf

- Provides for coverage for wearable cardioverter defibrillators
- Specifies requirements for credentialing a provider for Medicaid, accident & sickness insurance policies, and HMO contracts
- Requires a hospital's quality assessment & improvement program to include process for determining & reporting occurrences of serious reportable events

Forum Key Bills

SB 400 – Health Care Matters

- Requires DOI Commissioner to consider certain information before approving or disapproving a premium rate increase
- Requires a domestic stock insurer to file certain information with DOI
- Prior authorization language (state employee health plans and certain CPT codes)

Forum Key Bills

SB 400 – Health Care Matters

- Adds ERISA plans to definition of “health payer” for purposes of APCD (see slide 14 for S.C. case)
- Includes requirement for posting of certain information on health plan’s website
- Prohibits insurers or HMOs from altering a CPT code for a claim or paying for a CPT code of lesser monetary value except in certain situations

Forum Key Bills

SB 400 – Health Care Matters

- Requires insurers and HMOs to provide current reimbursement rate schedules to contracted providers at specified times
- Interim study committee language on prior authorization and interstate mobility of occupational licensing
- Effective 7/1/23

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THANK YOU!

If you have interest in being part of the solution, you are welcome to be a member of the Forum.

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