

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201426 JUNE 3, 2014

HIP 2.0

HEALTHY INDIANA PLANSM
Health Coverage = Peace of Mind

Healthy Indiana Plan expansion proposal announced

On Thursday, May 15, Governor Mike Pence announced the state of Indiana would be applying to expand the Healthy Indiana Plan (HIP) and unveiled the details of the plan state officials are calling "HIP 2.0."

The Family and Social Services Administration (FSSA) will be submitting a request to the Centers for Medicare & Medicaid Services (CMS) to expand eligibility for HIP to all nondisabled adult Hoosiers ages 19-64 below 138% of the federal poverty level (FPL). The core objectives of HIP would remain:

- Providing coverage for uninsured Hoosiers
- Creating incentives for Hoosiers to transition from public assistance to stable employment
- Promoting personal responsibility and decision-making in the healthcare marketplace

HIP 2.0 would maintain and strengthen the POWER Account with a higher dollar value to incentivize all HIP members to be prudent in their utilization of healthcare by managing their account appropriately and to encourage individuals to seek preventive care. The dollar amount would be increased from \$1,100 to \$2,500. This increased dollar value would serve to more closely align the POWER Account with consumer-driven options available in the commercial market. At the same time, HIP 2.0 proposes lower required contributions for most members to ensure POWER Account affordability.

Under HIP 2.0, members who consistently make required contributions to their POWER Accounts would maintain access to a new HIP Plus plan that includes enhanced benefits such as dental and vision coverage. Members below 100% FPL who fail to make monthly POWER Account contributions would be placed in the HIP Basic plan, and assessed copayments for all services. HIP Basic would include essential benefits but would have a more limited benefit plan than HIP Plus, including no dental or vision coverage and a more limited pharmacy benefit. HIP 2.0 provides a significant value proposition that incentivizes members to make POWER Account contributions.



HIP 2.0 also seeks to promote private coverage over public assistance in several ways. First, the State would implement a new optional defined contribution premium assistance program, HIP Employer Benefit Link (HIP Link), designed to support individuals wanting to purchase their employer-sponsored health insurance if it is available to them. In addition, to promote private market family coverage, the State proposes an optional premium assistance program for children currently receiving benefits through the Children's Health Insurance Program (CHIP), where the State would provide premium assistance to allow the children to be covered under their parents' employer-sponsored or Marketplace plan.



Recognizing the strong tie between work and health, HIP 2.0 would further promote private market coverage and employment by introducing the Gateway to Work program. This program would provide referrals to the State's workforce training programs and work search resources to create opportunities for HIP members to connect with potential employers. The State aims to assist and encourage HIP members to secure and retain meaningful employment, which would not only improve health outcomes, but also help these individuals become more self-sufficient, and ultimately, complete their transition off public assistance.

The HIP 2.0 proposal would maintain physician payment rates at 100% of the Medicare fee schedule, which is the same as in HIP 1.0 today. In addition, HIP 2.0 would increase physician payment rates in the base Medicaid program to 75% of Medicare rates to improve access to care for all Medicaid beneficiaries.

The FSSA is submitting the HIP 2.0 Waiver concurrently with a separate Healthy Indiana Plan 1115 waiver extension request (HIP Extension Waiver), which seeks to extend the current HIP program in its existing form through 2017. The FSSA is submitting the HIP Extension Waiver as an alternative to the HIP 2.0 Waiver to preserve the current HIP program in the event CMS does not approve the HIP 2.0 Waiver.

For additional information regarding the new HIP 2.0 plan, please visit the [HIP Documents and Resources](#) page on the FSSA website at in.gov/fssa.

Notice of Comment Period

The State will collect public comments through June 21, 2014, and then submit the waiver to CMS for consideration. If approved, HIP 2.0 is expected to start in 2015.

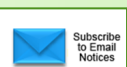
The proposed HIP 2.0 Waiver documents are available for public review at the FSSA, Office of General Counsel, 402 W. Washington Street, Room W451, Indianapolis, IN 46204. The documents may also be viewed online at the [Healthy Indiana Plan](#) page on the FSSA website at in.gov/fssa.

Written comments regarding the HIP 2.0 Waiver may be sent to the FSSA via mail at 402 West Washington Street, Room W374, Indianapolis, IN 46204, Attention: Steve Holt or via electronic mail at HIP2.0@fssa.in.gov through **June 21, 2014**.

QUESTIONS?

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