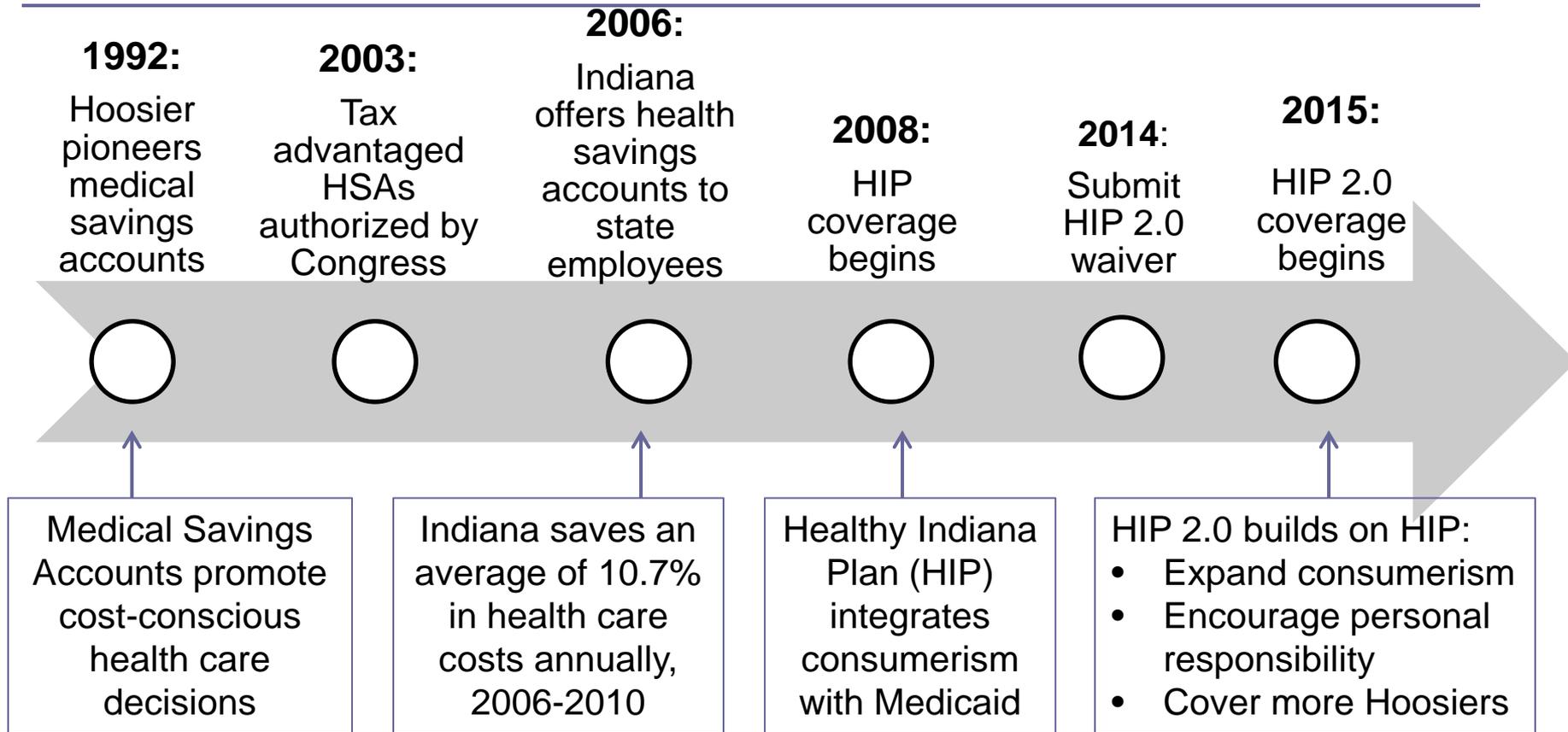




# Healthy Indiana Plan 2.0

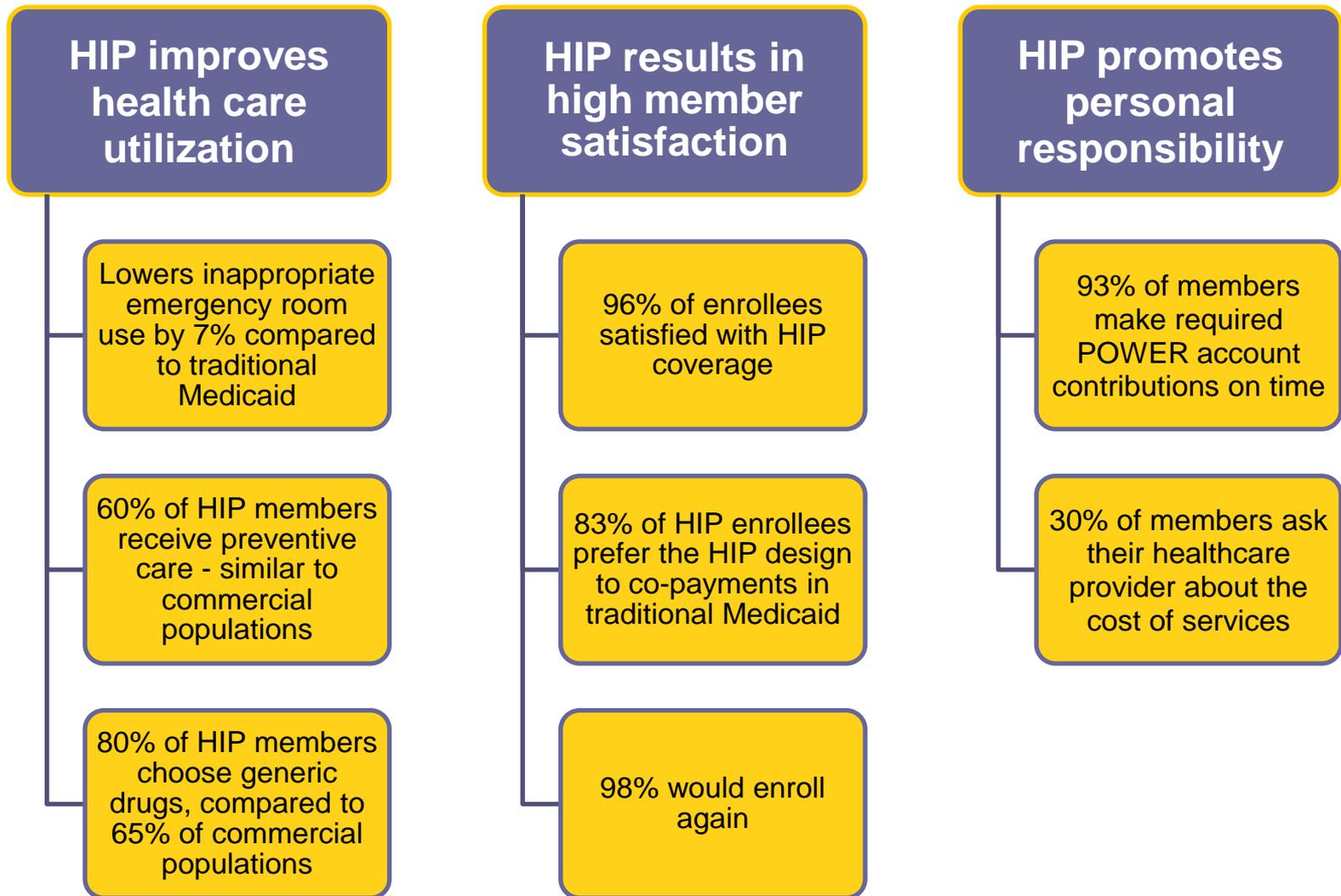


# Hoosier Innovation: Health Savings Accounts



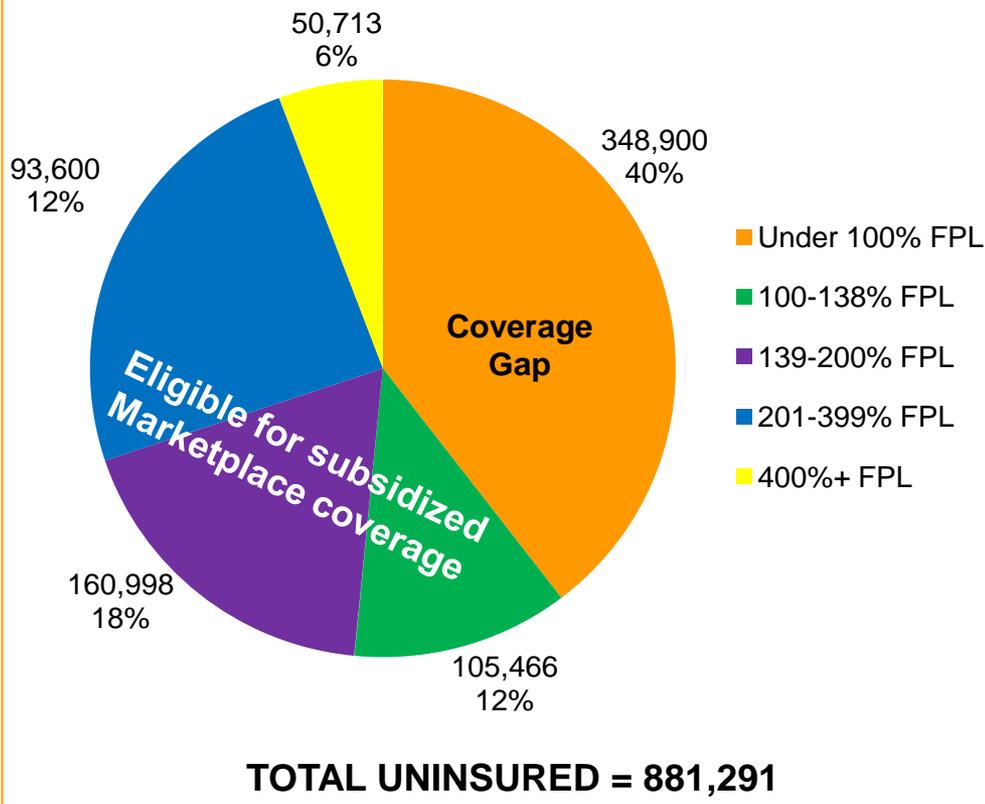
**In 2013, 420,000 Hoosiers were enrolled in HSAs.  
This represents 9% of insured individuals –  
higher than the national average.**

# HIP Success



# State of the Uninsured in Indiana

## Uninsured Hoosiers, 2010<sup>1</sup>



## How do the Federal Poverty Levels translate to annual income? - 2013

FPL <sup>2</sup>	Individual	Family of 4
Under 100%	< \$11,490	< \$23,550
100-138%	\$11,490-15,970	\$23,550-32,734
139-200%	\$15,971-23,094	\$32,735-47,335
201-399%	\$23,095-45,959	\$47,336-94,199
400%+	> \$45,960	> \$94,200

Indiana Uninsured: 13.6% in 2010

1. SHADAC Health Insurance Analysis. (2011). American Community Survey data. Retrieved from [www.nationalhealthcare.in.gov](http://www.nationalhealthcare.in.gov).  
 2. Office of the Assistant Secretary for Planning and Evaluation. (2013). 2013 Poverty Guidelines. Retrieved from <http://aspe.hhs.gov/poverty/13poverty.cfm>.

# HIP 2.0 Structure

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- ✓ **Replaces traditional Medicaid for non-disabled adults**
- ✓ **Three pathways to coverage**
  - ***HIP Link:*** *NEW* defined contribution plan that helps pay for employer-sponsored health insurance
  - ***HIP Plus:*** Current program with enhanced benefits including dental and vision
    - Reduced non-payment lock-out period: 6 months instead of 12 months
    - Only option for individuals above 100% FPL
  - ***HIP Basic:*** Allows individuals below 100% FPL who do not make POWER account contributions to maintain coverage

# New Affordable Contributions

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## HIP 2.0 POWER Account Contributions

FPL	Monthly Income Single Individual	Monthly Contribution
<22%	\$214	\$3
23%-50%	\$224 to \$487	\$8
51%-100%	\$496 to \$973	\$15
101%-138%	\$983 to \$1,342	\$25

- ✓ Employers & Foundations may assist with contributions

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# HEALTHY INDIANA PLAN VERSION 2.0



HEALTHY INDIANA PLAN<sup>SM</sup>  
Health Coverage = Peace of Mind

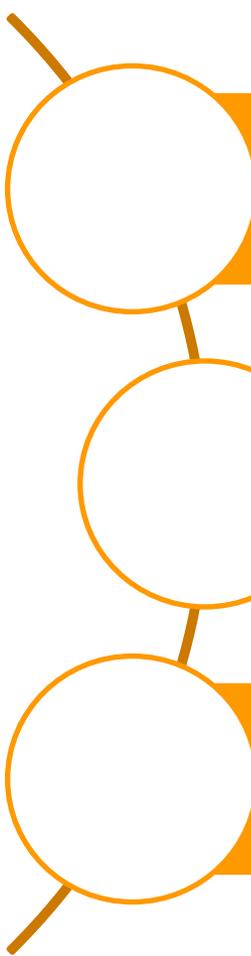


# HIP Plan Comparison

	HIP Link	HIP Plus	HIP Basic	Medically Fragile
<b>Covered Groups</b>	<ul style="list-style-type: none"> <li>Optional for individuals with access to cost-effective employer-sponsored insurance</li> <li>Exception: Medically fragile</li> </ul>	<ul style="list-style-type: none"> <li>Income up to 138% FPL</li> <li>Consistent POWER account contributions</li> </ul>	<ul style="list-style-type: none"> <li>Income below 100% FPL</li> <li>Fail to make POWER account contribution</li> </ul>	<ul style="list-style-type: none"> <li>High cost individuals including substance abuse &amp; significant mental health issues</li> <li>Very low income parents</li> <li>Pregnant women</li> </ul>
<b>Cost-sharing</b>	Enhanced POWER account can be used for premiums, co-payments, or deductibles	POWER account contributions  <b>No Other Co-payments, except:</b> <ul style="list-style-type: none"> <li>Non-emergency ED visit: \$25</li> </ul>	<b>Co-payments for all services: More expensive than HIP Plus</b>	<b>Co-payments or POWER account contribution</b> <ul style="list-style-type: none"> <li>Exception: Pregnant women are exempt from cost-sharing</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Employer Plan Benefits</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive medical benefits incl. maternity</li> <li>Vision &amp; dental benefits</li> <li>Increased service limits</li> <li>Comprehensive drug benefit</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive medical benefits incl. maternity</li> <li>Lower service limits</li> <li>Limited drug benefit</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive medical benefits incl. maternity</li> <li>Current Medicaid benefits as required by federal law</li> <li>Enhanced behavioral health services</li> </ul>

# Ensuring Access for all Medicaid Participants to Improve Outcomes

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Maintain Medicare payment rates to support a high-quality provider network in HIP - including higher payments for maternity care to improve birth outcomes

Increase provider reimbursement in the current Medicaid program to ensure access for the most vulnerable Hoosiers - aged, blind, disabled and children

Family Coverage option: Parents can enroll their children in employer –sponsored coverage or Marketplace plans

# HIP 2.0 Gateway to Work

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- ✓ **All individuals who complete the application for HIP coverage will be connected to job training and job search programs offered by the State of Indiana**

# Maintaining Financial Sustainability

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**HIP 2.0  
will be  
sustainable  
& will not  
increase  
taxes for  
Hoosiers**

HIP 2.0 will continue to utilize HIP Trust Fund dollars

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Indiana hospitals will help support costs to expand HIP 2.0

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Waiver specifies HIP 2.0 continuity requires:

- Enhanced federal funding
  - Hospital assessment program approval
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# Hospital Assessment Fee (HAF) Background

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- ✓ HAF authorized in 2013
- ✓ Assessed against all licensed acute hospitals and private psych hospitals
- ✓ Designed to increase hospital inpatient and outpatient reimbursement to align with Medicare payments rates
- ✓ State maintains 28.5% of HAF to cover Medicaid costs
- ✓ HAF Board oversees assessment formula
  - 2 Hospital Association Members
  - 2 State Appointees

# State & IHA Term Sheet

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- ✓ Annual Cigarette Tax Revenues are used first for HIP expansion
- ✓ Starting in 2017, recalculate HAF fund such that State HAF portion is sufficient to cover:
  - Cost of HIP expansion, including all administrative costs with cap
  - Cost of increasing provider reimbursement in current Medicaid program to 75% of Medicare rates.
  - Annual Contribution of \$50M to Medicaid program
    - Divert HCI funding
    - \$12M to HIP Trust Fund & together with current Trust Fund balance assures 1-year of operational costs

# Total Cost of HIP Expansion (State and Federal)

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	SFY 15	SFY 16	SFY 17	SFY 18	SFY 19	SFY 20	TOTAL
Federal Portion	\$1,596.3	\$2,836.1	\$2,854.2	\$2,949.7	\$3,066.7	\$3,160.4	<b>\$16,463.4</b>
State Portion	\$151.7	\$100.7	\$187.8	\$284.7	\$328.7	\$408.5	<b>\$1,462.1</b>
<b>TOTAL Cost of HIP 2.0</b>	<b>\$1,748.0</b>	<b>\$2,936.8</b>	<b>\$3,042.0</b>	<b>\$3,234.4</b>	<b>\$3,395.4</b>	<b>\$3,568.9</b>	<b>\$17,925.5</b>

# HIP 6 -Year State Budget SFY 2015-2021

<b>REVENUE</b>	
Cigarette Tax Revenue	\$ 676M
HAF Revenue	\$ 959M
<i>Total Revenue</i>	<b><i>\$1,635M</i></b>
<b>COSTS</b>	
HIP Expansion Costs (Admin & Provider Rate Increase in Medicaid)	\$1,462M
Contribution to Medicaid & HIP Trust Fund	\$ 173M
<i>Total Costs</i>	<b><i>\$1,635M</i></b>

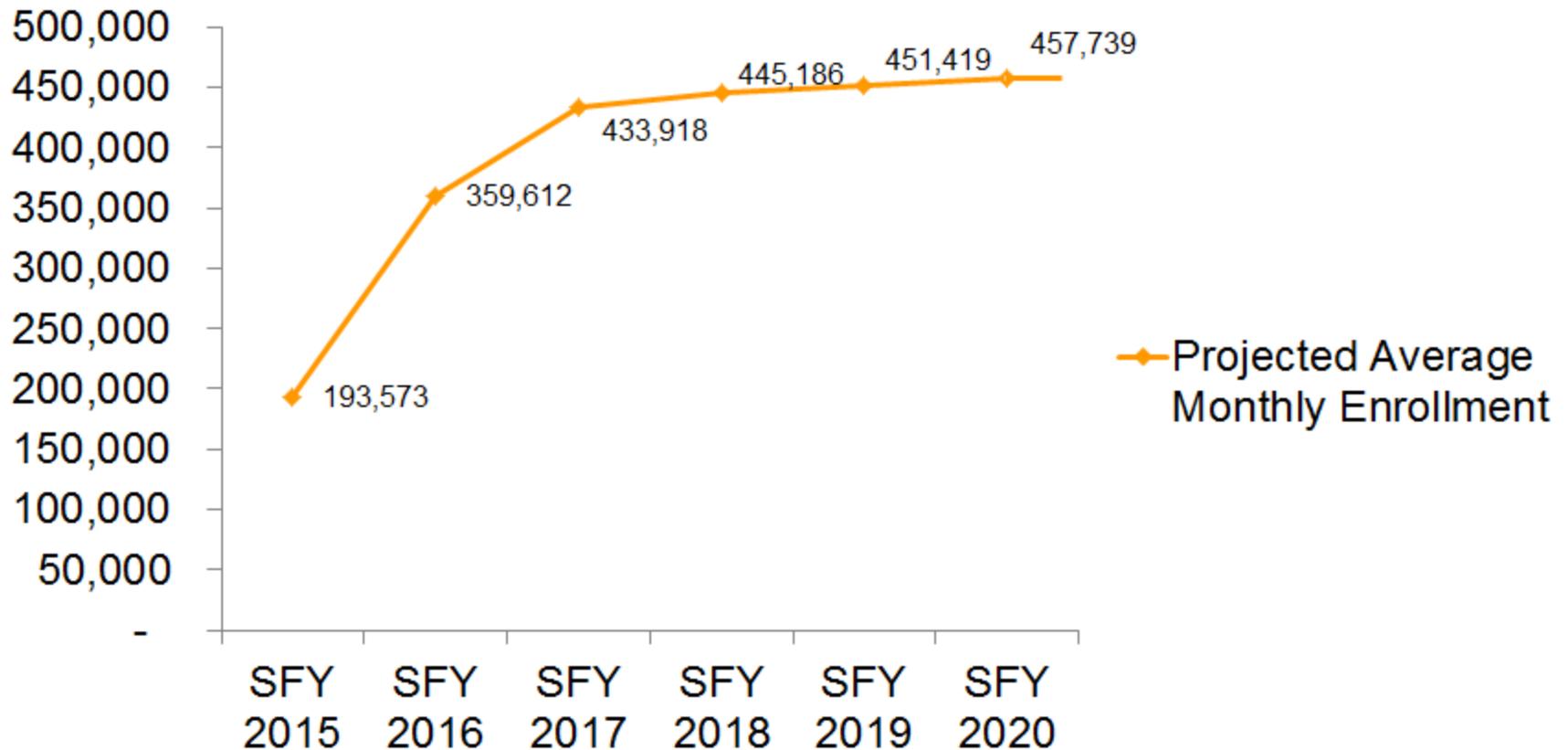
# Current & Projected HAF

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	SFY 15	SFY 16	SFY 17	SFY 18	SFY 19	SFY 20	TOTAL
Projected HAF on current program	\$889.4	\$941.4	\$979.2	\$993.0	\$1,046.5	\$1,134.6	<b>\$5,984.1</b>
New HAF	-	-	\$125.2	\$222.1	\$266.1	\$345.9	<b>\$959.3</b>

# Projected Average Monthly Enrollment

## Projected Average Monthly Enrollment



# Next Steps

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Post HIP 2.0  
waiver for  
public  
comment

Finalize waiver  
based on  
public input

Submit waiver  
to CMS in  
June 2014

Potential HIP  
expansion in  
2015, based on  
timing of  
federal  
approval