

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT202461 MAY 16, 2024

Medicaid cost sharing restarts July 1, 2024

The Indiana Health Coverage Programs (IHCP) paused Medicaid cost-sharing rules in March 2020 to keep health coverage open for IHCP members during the federal coronavirus disease 2019 (COVID-19) public health emergency (PHE) and the subsequent return-to-normal process. This pause will end July 1, 2024, and the IHCP will restart cost sharing for the Healthy Indiana Plan (HIP), Children's Health Insurance Program (CHIP) and Medicaid for Employees with Disabilities (MEDWorks) programs. This cost-sharing resumption impacts approximately 1 million Medicaid members with the majority enrolled in HIP.



“Cost sharing,” as discussed in this bulletin, applies only to premiums, contributions and copayments for HIP, CHIP (Package C) and MEDWorks. Waiver liability, patient liability and out-of-pocket healthcare expenses for services that are not covered by Medicaid are not included in these provisions.

Copayments

HIP Basic, HIP State Plan Basic, HIP State Plan Plus Copay and CHIP (Package C) members will owe copayments to the provider for certain services and/or prescriptions starting July 1, 2024. Most copayments are under \$10.

As announced in *IHCP Bulletin* [BT2023101](#), HIP and CHIP are the only IHCP programs for which copayments will be reinstated; copayments are no longer required under any other IHCP programs. Copayments may be paid at the time of the service or billed to the member for later payment. In accordance with *Code of Federal Regulations 42 CFR 447.52(e)(2)*, a provider may not refuse service due to a member's inability to pay at the time of service, except in the case of pharmacists filling prescriptions.

Contributions/Premiums

Monthly contribution and premium requirements will also be reinstated, with invoices sent in July for August benefits.

Members already receiving benefits in HIP, CHIP (Package C) or MEDWorks may need to begin making monthly Personal Wellness and Responsibility (POWER) Account contributions (PACs) or premium payments. Most **new** applicants for HIP, CHIP or MEDWorks will need to make a first payment for their coverage to be activated. Benefits may be reduced or terminated if the contribution or premium is not paid.

HIP members will receive invoices from their health plan (Anthem, CareSource, MDwise and Managed Health Services [MHS]) for their monthly PACs. CHIP and MEDWorks members will receive their monthly invoices from the premium vendor.

5% Out-of-Pocket Maximum

Individual cost-sharing obligations are capped at 5% of family income as calculated on a quarterly basis for HIP and MEDWorks, and on an annual basis for CHIP (Package C). After 5% cost sharing is met, the health plan will turn off cost sharing for the remainder of the quarter or year and resume it at the beginning of the next quarter or year. For *HIP Plus* members, if the 5% cost-share limit is met, their PAC will be reduced to \$1 for the remainder of the quarter.

Note: For CHIP (Package C), the 5% cost-share limit must be tracked by the individual. If the individual feels they have met the 5% cost-share limit, they must submit verification to the premium vendor.

Table 1 – Plan updates for IHCP cost-sharing restart, effective July 1, 2024

Health coverage type	Copayment amounts	Monthly premium/contribution amounts (based on household income)
HIP Basic and HIP State Plan Basic	\$4 to \$8 for services and prescriptions; \$75 for inpatient hospital stay	None
HIP Plus	None	\$1 to \$20* per month
HIP State Plan Plus Copay	\$4 to \$8 for services and prescriptions; \$75 for inpatient hospital stay	Will still be invoiced for monthly PACs, but will not be disenrolled for nonpayment while medically frail
Hoosier Healthwise – Package C (CHIP)	\$3 to \$10 for prescriptions; \$10 for ambulance transportation services	\$22 to \$70 per month
Hoosier Care Connect – MEDWorks	None	\$48 to \$187 per month for individuals \$65 to \$254 per month for married couples

**There will be a 50% surcharge for tobacco users who continue use after one year. Individuals will be given a new calendar year to cease tobacco use before surcharges will be applied. Members must contact the enrollment broker, Maximus, or the managed care entity (MCE) with which they are enrolled to report a change in tobacco use status.*

Fast-Track option for HIP applicants

Fast Track is a payment option that allows applicants to make a \$10 prepayment while their application is being processed so their coverage can start sooner if they are determined eligible for HIP. Applicants who select an MCE while submitting a health coverage application online may pay their Fast Track payment via credit card at the link provided following submission of their application. If Fast Track is not paid at the time of application, applicants will have another opportunity to pay after receipt of an invoice from their health plan, which will include instructions and payment options.

When a Fast Track-eligible applicant makes this initial payment and is determined eligible by the state, the effective date of *HIP Plus* coverage is the first day of the month in which the payment was made. The \$10 Fast Track payment will be applied toward the monthly PAC. If the Fast Track payment is made and the applicant is determined ineligible for HIP, then the health plan that received the payment must issue a refund.

Applicants who are at or under 100% federal poverty level (FPL) and choose not to make the Fast Track payment will be enrolled in *HIP Basic* or *HIP State Plan Basic*, and coverage will begin the first of the month after their 60-day grace period expires.

For more information

For more information, see IHCP’s [Cost-Share Restart](#) page at in.gov/medicaid/members. This webpage provides information on who must pay cost share, methods to pay cost share, how cost-share amounts are assessed and frequently asked questions (FAQs) including information on the consequences of nonpayment. Free outreach resources, including postcards, flyers and table tents, are also available for stakeholders to use.

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