HIP 2.0

HEALTHY INDIANA PLAN[SM]

Health Coverage = Peace of Mind

Seema Verma, President of SVC & Consultant to State of Indiana

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Medicaid Reform:

- ✓ Medicaid:
  - Desgined for aged, blind, disabled, children & pregnant women
    - Retroactive coverage, presumptive eligibility
    - Limited cost sharing
    - Limited incentives for health improvement
    - Little to no disincentives for undesired behaviors
    - Plan changes
    - Better than commercial benefits
  - Results:
    - Seek coverage only when sick, in ER rooms
    - Lack of focus on prevention, maintaining health, & preventing disease
    - Access issues
    - Over-consumption/Fraud

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Governor Pence & HIP 2.0

- ✓ Original program established in 2007, Approved by CMS 4 times
- ✓ HIP 2.0:Maintain Principles of HIP
  - Preserve structure of **incentives** for positive behaviors & **consequences** for negative behaviors:
    - "Skin-in-the-game"
    - Familiarize participants with private market
    - Incentives to focus on prevention & improvement of health outcomes
- ✓ Limited tools to impose disincentives:
  - Population under 100% FPL
  - Cost sharing, benefits, & network

Maintaining Financial Sustainability

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

Current Annual Cigarette Tax Funds earmarked for HIP

-Indiana hospitals will help support costs to expand HIP 2.0 starting in 2017

-HIP Trust Fund maintained to cover 1-year operational expenses

Waiver specifies HIP 2.0 continuity requires:

-Enhanced federal funding

-Hospital assessment program approval

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HSA: POWER Account

- ✓ **Members empowered to manage their account**
  - Receive monthly statements
  - Demand price & quality transparency
  - Engaged in improving health
- ✓ **Members "own" contributions**
  - When member leaves the program: Remaining member portion refunded
  - When member stays in program: At year end, remaining member portion rolls over to reduce required contribution
    - Remaining State contribution also rolls over *if member completes required preventative services*

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Monthly Contributions

- ✓ **2% of monthly income**
  - 60 day grace period; outreach for missed payments
- ✓ **Preserve dignity for beneficiaries & Prepare to Transition off of Public Assistance**
  - “Provide a hand-up not a hand down” -Governor Mike Pence, May 2014
  - Reduce stigma of public assistance
- ✓ **Create “value” for participants**
  - Instill “consumer” concept
  - Member engagement

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Additional Features

- ✓ Modeled after private market coverage
- ✓ No retroactive coverage
- ✓ Effective date:
  - Must make payment within 60 days to begin coverage
  - Once payment is made, plans changes only for cause

HIP 2.0: Three Pathways to Coverage

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Best Value

HIP Plus

- Initial plan selection for all members
- **Benefits**: Comprehensive coverage with **enhanced benefits**, including vision, dental, bariatric, pharmacy
- **Cost sharing**:
  - Monthly POWER account contribution required.
  - Contribution is 2% of income with a minimum of $1 per month.
  - ER copayments only

HIP Basic

- Fall-back for members with income <100% FPL who do not make POWER account contribution
- **Benefits**: Minimum coverage, **no vision or dental coverage**
- **Cost sharing**:
  - Must pay copayment ranging from $4 to $75 for doctor visits, hospital stays, and prescriptions

HIP Link

- ***Employer plan premium assistance paired with HSA-like account***
- Enhanced POWER account to pay for premiums, deductibles and copays in employer-sponsored plans
- Provider reimbursement at commercial rates

HIP Plus Creates Value Proposition for Members

Healthy Indiana Plan (HIP) members with income below 100% federal poverty level (FPL)

HIP Plus	HIP Basic
Personal Wellness and Responsibility (POWER) account contributions grant access to HIP Plus.	Coverage maintained for members with income <100% FPL. Can only get into HIP Plus at rollover/eligibility determination.
HIP Plus offers enhanced benefits, including dental & vision.	Non-contributing members receive HIP Basic benefits & make copayments for all services.

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Non-Payment Penalties

- ✓ Members remain enrolled in HIP Plus as long as they make POWER account contributions (PACs) and are otherwise eligible
- ✓ Penalties for members not making the PAC contribution:

Income ≤100% FPL

- Moved from HIP Plus to HIP Basic
- Copays for all services

Income >100% FPL

- Dis-enrolled from HIP*
- Locked out for six months**

*EXCEPTION: Individuals who are medically frail.
**EXCEPTIONS: Individuals who are 1) medically frail, 2) living in a domestic violence shelter, and/or 3) in a state-declared disaster area. If an individual locked out of HIP becomes medically frail, he/she should report the change to his/her former health plan to possibly qualify to return to HIP early.

HIP Plus: POWER Account Contributions

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- ✓ POWER account contributions are approximately 2% of member income
- ✓ Minimum contribution of $1 per month even for individuals with no income & maximum contribution of $100 per month
- ✓ Employers & not-for-profits may assist with contributions

Maximum monthly HIP 2.0 POWER account contributions (PAC)

FPL	Monthly Income, Single Individual	Maximum Monthly PAC*, Single Individual	Maximum Monthly Income, Household of 2
<22%	Less than $216	$4.32	Less than $292
23%-50%	$216.01 to $491	$9.82	$292.01 to $664
51%-75%	$491.01 to $736	$14.72	$664.01 to $996
76%-100%	$736.01 to $981	$19.62	$996.01 to $1,328
101%-138%	$981.01 to $1,369.73	$27.39	$1,328.01 to $1,853.85

*Amounts can be reduced by other Medicaid or CHIP premium costs
**To receive the split contribution for spouses, both spouses must be enrolled in HIP

POWER Account: Incentives for Completing Preventive Care

HIP Plus POWER account

Pays for $2,500 deductible
Member contributes
May double rollover

Year-End Account Balance

- Unused member contribution rollover to offset next year's required contribution
- Amount **doubled** if preventive services complete – up to 100% of contribution amount
- **Example**: Member has $100 of member contributions remaining in POWER account. Credit is doubled to $200 if preventive services were completed.

HIP Basic POWER account

Pays for $2,500 deductible
Cannot be used to pay HIP Basic copays
Capped rollover option

Year-End Account Balance

- If preventative services completed, members can offset required contribution for HIP Plus by up to 50% the following year
- **Example**: Member receives preventive services and has 40% of original account balance remaining at year end. May choose to move to HIP Plus the following year and receive a 40% discount on the required contribution.

Emergency Department (ED) Copayment Collection

- ✓ HIP features a graduated ED copayment model
- ✓ HIP requires non-emergent ED copayments unless:
  - Member calls MCE Nurse-line prior to visit *or*
  - The visit is a true emergency

Addresses Access Issues

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- ✓ Continues Medicare rates for providers in HIP 2.0
- ✓ Addresses access issues for current Medicaid participants:
  - HIP 2.0 financing includes rate increase for providers
  - Approximately 75% of Medicare rates
  - Translates to an average 25% increase in rates

Application Features: Gateway to Work

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HIP 2.0 applicants and members referred to existing State workforce training programs and job search resources if:

- ✓ Unemployed or working less than 20 hours per week **AND**
- ✓ Not full-time students

✓ 3,200 have used the program

Notes:
SNAP recipients who have already been sent to Gateway to Work will not be referred again

Not participating in the Gateway to Work program does not impact HIP 2.0 eligibility

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Final Agreement

- ✓ Nation's first
  - Ends traditional Medicaid for non-disabled adults
  - ER copayment
  - Defined contribution premium assistance program
  - Minimum contributions for HIP Plus at all levels of poverty
  - Two-tiered benefit structure
- ✓ Preservation of HIP
  - Lock-out
  - Effective date
  - Retroactivity
  - Plan changes

Healthy Indiana Plan (HIP 2.0) Success

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HIP improves health care utilization

- ER use lower by 42% for individuals moving from Medicaid into HIP
- 5,300 new providers enrolled to serve Medicaid and HIP enrollees
- In HIP 1, 80% of HIP members choose generic drugs, compared to 65% of commercial populations

HIP results in high member satisfaction

- 87% are satisfied or very satisfied with HIP coverage
- 83% would pay more to be in the program.
- 94% would enroll again

HIP promotes personal responsibility

- 70% of members make required contributions. Of this group 83% are below the poverty level & 94% make contributions consistently.
- *52% of HIP members check the balance of their POWER account and just over one-third check that balance at least once a month.*

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Early Results

- ✓ Program began same day as announcement
- ✓ Transitioned 130,000 from Medicaid
- ✓ 377,000 Eligible
- ✓ 71% Average Making Contributions
  - 92% above 100% FPL
  - 63% < 50% FPL
  - .1% Assisted by employers/not-for-profits
- ✓ 6%   Non-Payment Rate

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QUESTIONS?

Seema Verma,
SVC
sverma@svcinc.org
(317) 809-8536