

# HIP 2.0

*APPROVED!*

*John J. Wernert, MD*  
*FSSA Secretary*

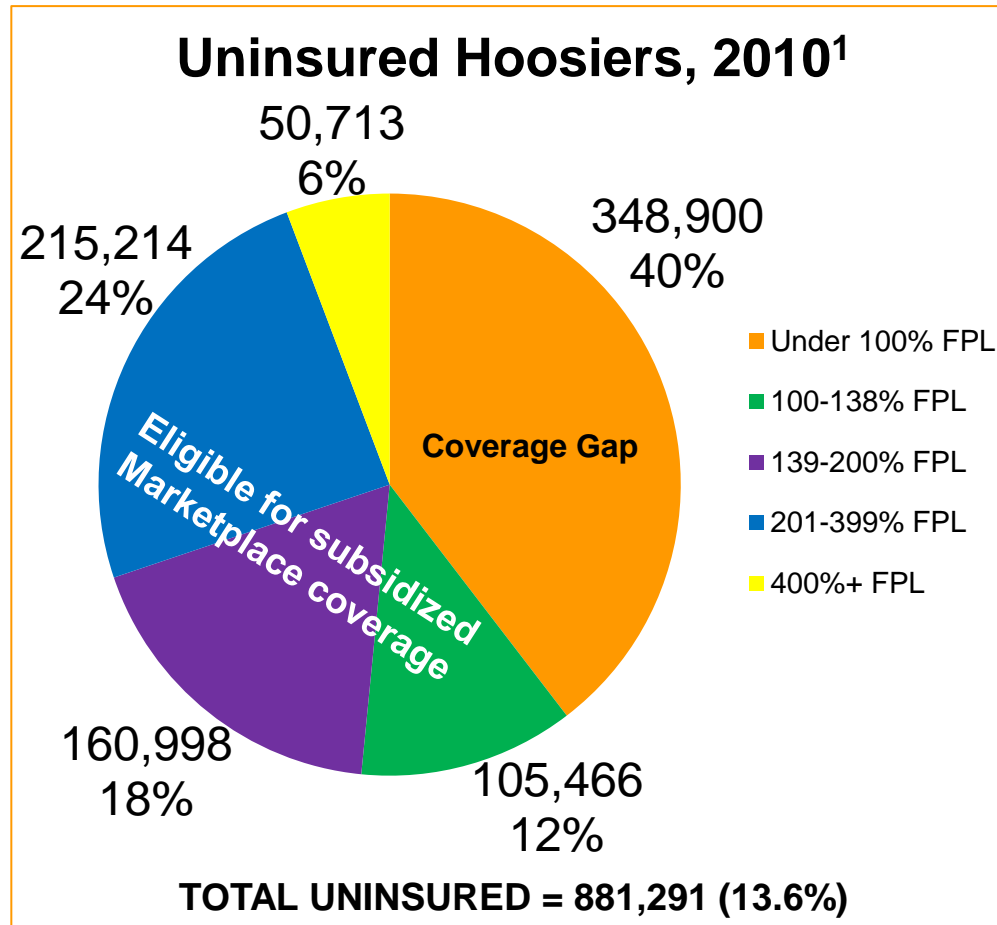


# Healthy Indiana Plan

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- ✓ True Medicaid Reform
- ✓ First Medicaid plan with strong consumer-directed features (2008)
  - HDHP
  - POWER Account
  - Consumer choice + Provider engagement
- ✓ Proven Results
- ✓ High Member and Provider Satisfaction
  - Enhanced coverage
  - Enhanced provider reimbursement

# State of the Uninsured in Indiana



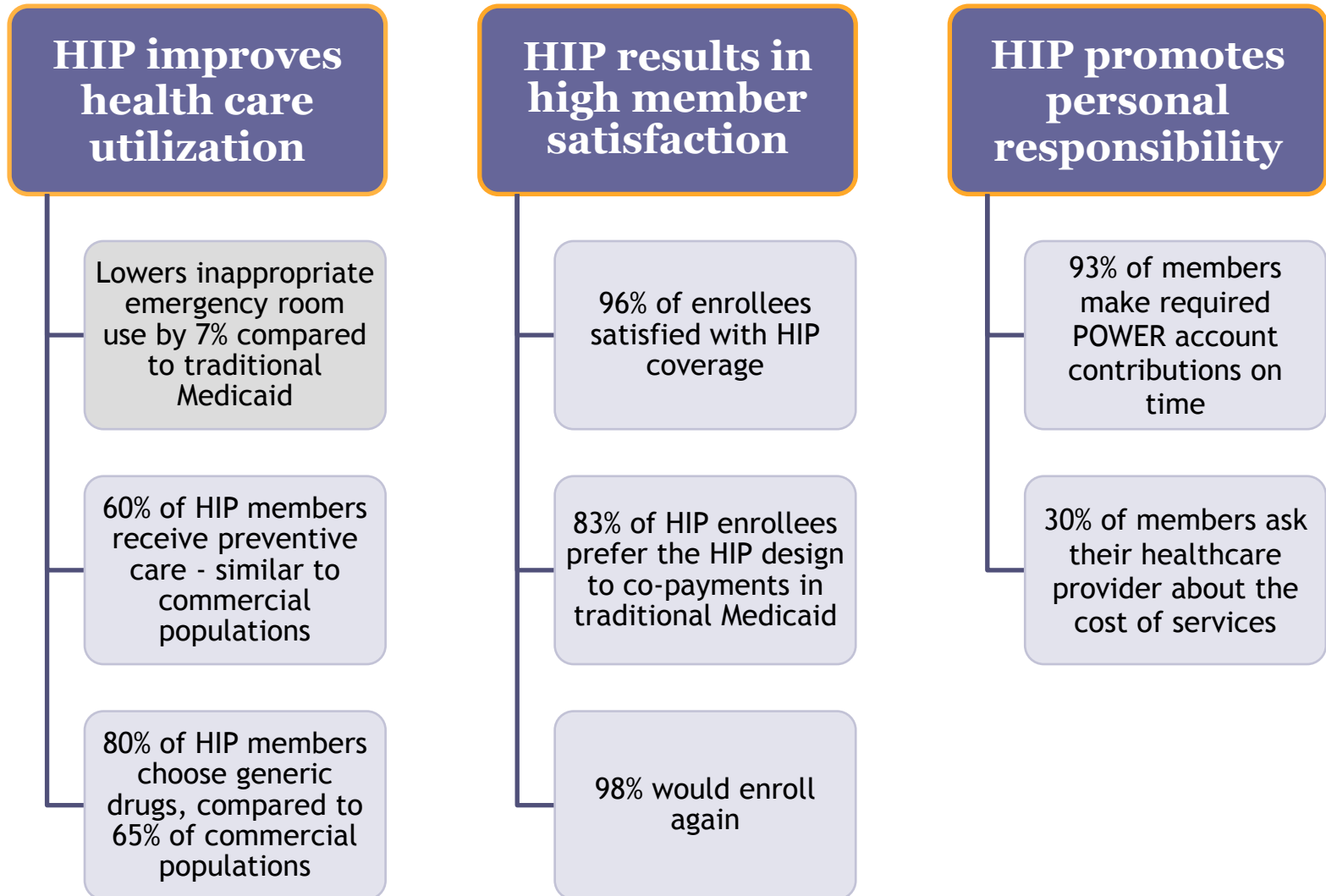
1. SHADAC Health Insurance Analysis. (2011). American Community Survey data. Retrieved from [www.nationalhealthcare.in.gov](http://www.nationalhealthcare.in.gov).

# Why is Indiana using a consumer-directed model?

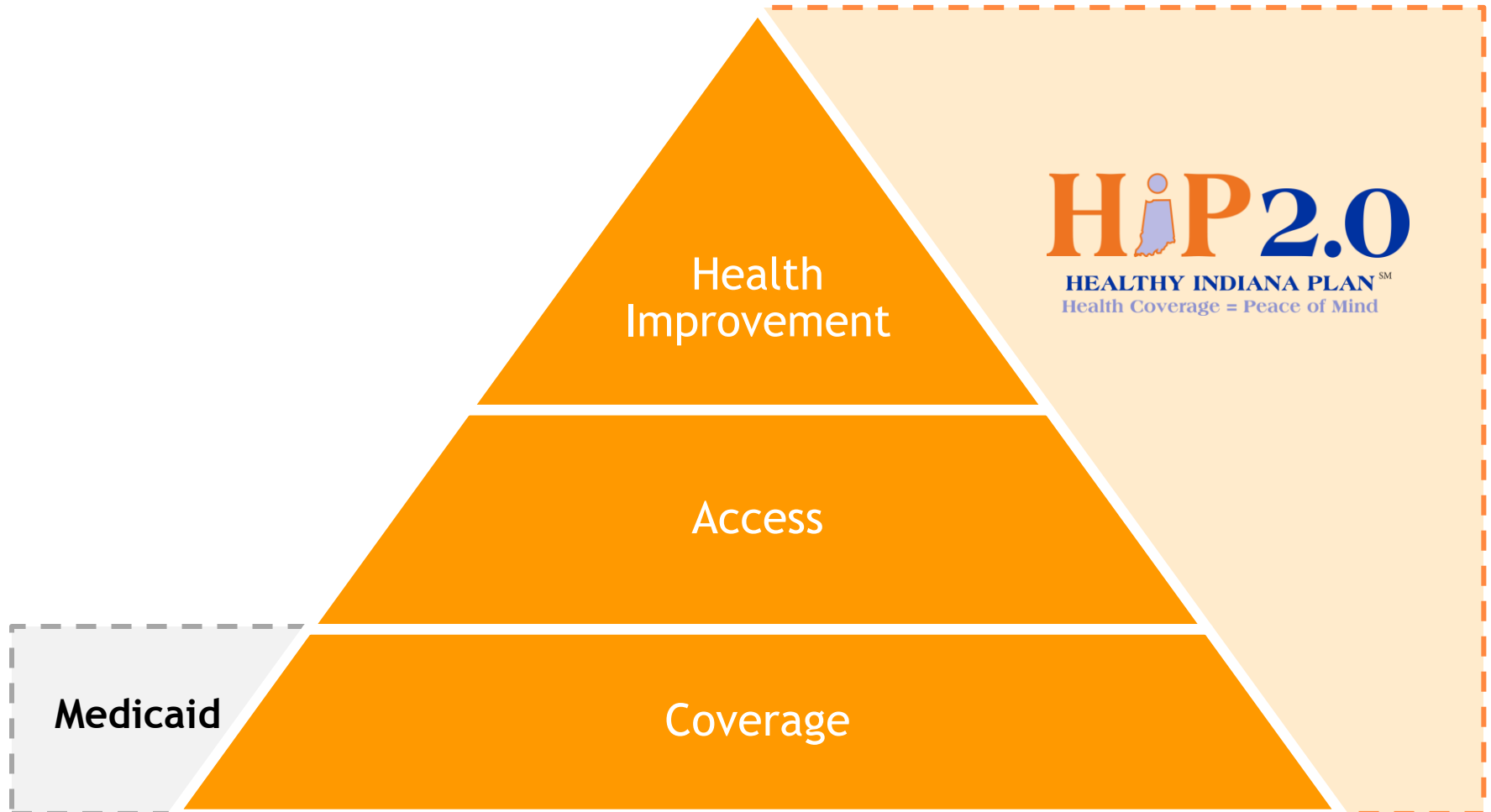
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- ✓ The State of Indiana has a long history of success with the consumer-directed health care model.
- ✓ Indiana ranks highly among states in consumers covered by high deductible health plans attached to Health Savings Accounts.
- ✓ Studies show that employer adoption of the consumer-directed model considerably decreases total health care spending.
- ✓ Consumer-directed plans are also popular among employees.
- ✓ Consumer-directed plans lower unnecessary healthcare

# HIP Success



# HIP 2.0 vs. Medicaid Expansion



# HIP 2.0 Structure

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- ✓ Replaces traditional Medicaid for non-disabled adults
- ✓ Expands Original HIP to needy populations
- ✓ Increases:
  - POWER account
  - Benefits (Vision/Dental/Maternity)
- ✓ 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 POWER Account Contributions



## POWER Account contribution examples (2% income)

FPL	Monthly Income, Individual	Maximum Monthly PAC* Individual	Maximum Monthly Income, Household of 2**	Maximum Monthly PAC, Spouses**
<22%	Less than \$214	\$4.28	Less than \$289	\$2.89 each
23%-50%	\$214.01 to \$487	\$9.74	\$289.01 to \$656	\$6.56 each
51%-75%	\$487.01 to \$730	\$14.60	\$656.01 to \$984	\$9.84 each
76%-100%	\$730.01 to \$973	\$19.46	\$984.01 to \$1,311	\$13.11 each
101%-138%	\$973.01 to \$1,358.70	\$27.17	\$1,311.01 to \$1,831.20	\$18.31 each

✓ Employers & Foundations may assist with contributions

\*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



# Ways to Pay the POWER Account Contribution



- ✓ Regardless of health plan members can pay by:
  - Credit or debit card (including prepaid cards)
    - Over the phone
    - Online
  - Check or money order
  - Automatic bank draft
  - Electronic funds transfer
  - Payroll deduction
  - Cash, at one of the following locations:

Anthem	MHS	MDwise
Pay at any Wal-Mart	Pay by Western Union <i>Coming soon: Pay at any Wal-Mart</i>	Pay at a Fifth Third Bank <i>Coming soon: Pay at any Wal-Mart</i>

# HIP 2.0 Eligibility

Who is  
eligible for  
HIP 2.0?

- **Indiana residents ages 19 to 64**
  - income **under 138%** of the federal poverty level (**FPL**)
  - who are not eligible for Medicare or otherwise eligible for Medicaid
- **Includes individuals previously enrolled in:**
  - Healthy Indiana Plan (HIP 1.0) (61,000)
  - Hoosier Healthwise (HHW) (120,000)
  - Parents and Caretakers (MAGF)
  - 19 and 20 year olds (MAT)

# HIP 2.0 Coverage

When does service coverage begin?

- February 1, 2015
- HIP & applicable HHW members converted to HIP 2.0 without having to reapply
- New applicants may submit Indiana health coverage application and be considered for HIP coverage

What types of services are covered?

- **HIP Basic:**
  - Minimum Essential Coverage providing the Essential Health Benefits
- **HIP Plus:**
  - HIP Basic benefits with additional services including bariatric surgery, TMJ treatment, and more allowed physical, speech and occupation therapy visits
  - **Vision**
  - **Dental**

# Transition to HIP 2.0

Who provides services to HIP 2.0 members?

- Eligible Providers must enroll as Indiana Health Care Provider with Indiana Medicaid and...
- Must enroll with Managed Care Entity (MCE) to provide in-network services to HIP members
- All HIP members will have a Primary Medical Provider (PMPs)

Who pays for services?

- **Risk-based MCEs**
  - Anthem
  - MDWise
  - Managed Health Services (MHS)

\*Does not include emergency service providers

# Transition to HIP 2.0

How will members be placed in a MCE?

- Current members will stay with current MCE
- New members select MCE
  - On application OR
  - Call enrollment broker after application OR
  - Auto-assigned by HP

How should one answer member questions?

- Refer members to their MCE
  - Anthem: (866) 408-6131
  - MDWise: (800) 356-1204
  - MHS: (877) 647-4848

# Co-payment Amounts – HIP Basic

Service	HIP Basic Co-Pay Amounts ≤100% FPL
Outpatient Services	\$4
Inpatient Services	\$75
Preferred Drugs	\$4
Non-preferred drugs	\$8
Non-emergency ED visit	Up to \$25 <sup>*</sup>

*\*\$8 for first non-emergent emergency department (ED) visit; \$25 for any additional*

# HIP Reimbursement Rate Increases



- In HIP all benefit packages pay at
  - Medicare rates *or*
  - 130 percent of Medicaid rates
  - HIP Basic reimbursement reduced by copay amount
- In Medicaid (Hoosier Healthwise/pregnancy/kids and aged, blind and disabled)
  - **INCREASED** rates by an average of 25 percent
    - BH = 85% MC
    - Prenatal/Maternity = 100% MC

# New/Proposed E/M reimbursement structure

Procedure/code	Current Medicaid (Non Facility)	HIP/HIP 2.0	New “legacy” Medicaid (Non Facility)*
EGD biopsy single/multiple/ 43239	\$181.60	\$377.05	\$282.78
Office visit (new)/99203	\$47.44	\$102.28	\$76.71
Office visit (established)/99213	\$31.96	\$69.32	\$51.99
Initial hospital care/evaluation/99222	\$80.67	\$132.80	\$99.60
ER visit/99283	\$43.82	\$59.78	\$44.84
Cataract removal/66984	\$550.51	\$630.34	\$472.75
Chest x-ray 2 view/71020	\$25.03	\$29.13	\$21.85
EKG/93000	\$20.63	\$15.78	\$11.84

\* These proposed rates are subject to change after final determination of rate methodology.

- Goal is to increase Medicaid aggregate payment at least 15%
- Some codes go down, most go up
- Net total new Medicaid reimbursement to be around 75% Medicare



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

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Waiver specifies HIP 2.0 continuity requires:

- Enhanced federal funding
- Hospital assessment program approval

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# Projected HIP Enrollment

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Year	Projected “total” enrollment
2015	356,869
2016	518,506
2017	544,763
2018	552,390

## In summary: HIP 2.0...

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- ✓ Is Indiana-specific solution
  - Establishes our own priorities
  - Builds off of successful program
- ✓ Expands coverage AND improves access
- ✓ Consumer-directed (ownership)
  - Price transparency
  - Patient/provider partnership
  - Focus is on healthy outcomes

## Activity so far...

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- ✓ In the first two weeks since Governor Pence announced HIP 2.0:
  - Approx. 180,000 immediately enrolled in HIP 2.0
  - Approx. 39,000 applications for health coverage submitted (33,000+ online)
  - 24,150 phone calls received
  - 24,000 notices sent to Marketplace members

# Help us get the word out!

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- ✓ HIP.IN.gov is your primary resource
  - About HIP
  - Am I Eligible? Includes eligibility and income calculator
  - How to Enroll?
  - Provider links - health plans, pharmacy
  - Helpful Tools (to download)
    - Brochures, articles, graphics, training slides
- ✓ 1-877-GET-HIP-9
- ✓ Advertising campaign to come
- ✓ Events statewide being scheduled

Questions?