


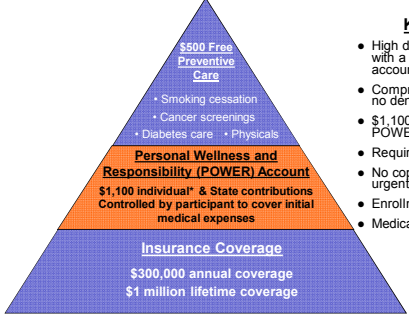
# HiP2.0

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

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## Original Healthy Indiana Plan (HIP) Structure



**Key Features:**

- High deductible plan paired with a Health Savings like account
- Comprehensive benefits, but no dental, vision or maternity
- \$1,100 deductible paid by POWER account
- Required monthly contributions
- No copays, except for non-urgent use of ER
- Enrollment cap
- Medicare payment rates

\*Individual contribution not to exceed 5% of gross annual household income

## POWER Account

- ✓ **Members empowered to manage their account**
  - Receive monthly statements
  - Demand price & quality transparency & Engaged in improving health
- ✓ **2-5% of monthly income**
  - 60 day grace period; outreach for missed payments
  - Disenrolled for 12 months for non-payment
- ✓ **Members “own” contributions & Prevention Incentive**
  - Remaining member portion refunded when member leaves
  - **At year end, remaining member portion rolls over to reduce required contribution**
    - Remaining State contribution also rolls over *if member completes required preventative services*

## 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

## Healthy Indiana Plan (HIP) Success

HIP improves health care utilization	HIP results in high member satisfaction	HIP promotes personal responsibility
Inappropriate emergency room use 7% lower than traditional Medicaid beneficiaries	96% of enrollees satisfied with HIP coverage	93% of members make required Personal Wellness and Responsibility (POWER) account contributions on time
80% of HIP members receive preventive care similar to commercial populations	82% of HIP enrollees prefer the HIP design to copayments in traditional Medicaid	30% of members ask their healthcare provider about the cost of services
80% of HIP members choose generic drugs compared to 65% of commercial populations	98% would enroll again	

## Development of 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
- ✓ **Financing Agreement**

## HIP 2.0: Three Pathways to Coverage

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**HIP Plus** *Best Value*

- 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

## Non-Payment Penalties

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- 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.

## POWER Account: Incentives for Completing Preventive Care

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HIP Plus POWER account	HIP Basic POWER account
<ul style="list-style-type: none"> <li>Pays for \$2,500 deductible</li> <li>Member contributes</li> <li>May double rollover</li> </ul>	<ul style="list-style-type: none"> <li>Pays for \$2,500 deductible</li> <li>Cannot be used to pay HIP Basic copays</li> <li>Capped rollover option</li> </ul>
<p><b>Year-End Account Balance</b></p> <ul style="list-style-type: none"> <li>Unused member contribution rollover to offset next year's required contribution</li> <li>Amount doubled if preventive services complete – up to 100% of contribution amount</li> <li><b>Example:</b> Member has \$100 of member contributions remaining in POWER account. Credit is debited to \$200 if preventive services were completed.</li> </ul>	<p><b>Year-End Account Balance</b></p> <ul style="list-style-type: none"> <li>If preventative services completed, members can offset required contribution for HIP Plus by up to 50% the following year</li> <li><b>Example:</b> 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.</li> </ul>

## Emergency Department (ED) Copayment Collection

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- 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

**\$8** → 1<sup>st</sup> non-emergent ED visit in the benefit period

**\$25** → Each additional non-emergent ED visit in the benefit period

## 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

**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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**Activity so far...**

- ✓ Program began same day as announcement
- ✓ In the first month since Governor Pence announced HIP 2.0:
  - Transitioned 170,000 from Medicaid into HIP
  - Approx. 300,000 applications for health coverage
  - **70% Participating into HIP Plus**

13

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**QUESTIONS?**

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14