

## Healthy Indiana Plan 2.0

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Governor Mike Pence (R -Indiana) announced Tuesday (Jan. 27, 2015) that the Centers for Medicare & Medicaid Services (CMS) has approved Indiana's application for a three-year Medicaid demonstration entitled, "**Healthy Indiana Plan 2.0**." The consumer-driven HIP 2.0 plan will extend coverage to 350,000 uninsured Hoosiers. For several months, CMS and state officials have debated the plan design. HIP 2.0 participants will be required to contribute to a *Personal Wellness and Responsibility (POWER) account*, which they manage like a health savings account and are rewarded for preventive care. In addition, the plan includes a co-pay for emergency room use, designed to encourage appropriate use of the emergency room. The Governor was quoted saying, "Since the beginning of my administration, we have worked hard to ensure that low-income Hoosiers have access to a health care plan that empowers them to take charge of their health and prepares them to move to private insurance as they improve their lives."

The demonstration waiver authorizes the state to collect monthly premiums (contributed to the POWER account) from individuals up to 133 percent of the Federal poverty level (FPL) in an amount not to exceed 2 percent of household income, except that the POWER account contributions from individuals with income below 5 percent of the FPL will be no more than \$1 per month. POWER account contributions are required as a condition of eligibility for individuals with incomes above 100 percent of the FPL but not for individuals with lower incomes, who will enroll in HIP Basic if they do not make POWER account contributions.

It is expected that other states will look at Indiana's waiver to provide guidance on plan design -- specifically in states with Republican Governors. With this approval, Indiana will end traditional Medicaid for all non-disabled Hoosiers between 19 and 64 and will continue to offer the first-ever consumer-driven health care plan for a low-income population. The State also plans to reform its traditional Medicaid program by increasing reimbursement for providers, which will strive to improve access to care. The Indiana Hospital Association worked with the State to negotiate the provider reimbursement increase as part of the Agreement. Such measures will help fund HIP 2.0 to ensure it can be offered at no additional cost to taxpayers.

For more information on HIP 2.0 visit [www.HIP.IN.gov](http://www.HIP.IN.gov) or call 1-877-GET-HIP-9.

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