
Healthy Indiana Plan: The First Two Years

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July 15, 2010

Health Finance Commission
Indianapolis, IN

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Policy Research, Inc.

Mathematica Policy Research

- **Nationally recognized research organization**
 - In its fifth decade of conducting research on social policy, including health services research and evaluation
- **An employee-owned organization of more than 700 staff**
- **Headquartered in Princeton, NJ, with offices in**
 - Ann Arbor, MI
 - Cambridge, MA
 - Chicago, IL
 - Oakland, CA
 - Washington, DC

Notable Research

- **Related Evaluation Projects**
 - Medicaid managed care programs
 - Children's Health Insurance Program (CHIP)
 - Oklahoma's Soonercare program
 - Maine's Dirigo Health Reform Plan

- **For Indiana**
 - An economic and market analysis for the Indiana State Planning Grant that assessed trends in economic conditions and insurance markets
 - Conducted in 2004

HIP Evaluation Research Team

- **Contracted with OMPP to conduct an independent evaluation of the Healthy Indiana Plan (HIP), as required by the terms of the demonstration**
 - Contract began May 1, 2009
- **Mathematica Policy Research**
 - Project Director: Carol Irvin, Ph.D.
 - Core Research Team: Tim Lake, Ph.D., Sheila Hoag, M.A., Maggie Colby, M.P.P., and Vivian Byrd, M.P.P.
 - Survey Director: Holly Matulewicz, M.A.
- **Cindy Collier Consulting LLC**

Outline of Presentation

- **Broad Overview of the HIP**
- **Review of Key Findings to Date**
 - Enrollment trends
 - Member characteristics
 - Value-based purchasing
 - Service use
 - Fiscal conditions
- **Plans for Future Research**

The Healthy Indiana Plan

- **Expands coverage for low-income, uninsured working-age adults**
 - Not eligible for Medicaid and no access to employer-based coverage
 - Uninsured at least six months
 - Family income must be less than 200 percent of the federal poverty level (FPL)
- **Members are either:**
 - Parents of children in Hoosier Healthwise (caretakers)
 - Childless adults (non-caretakers)

The Healthy Indiana Plan (cont'd)

- **Choice of health plans**
 - Anthem
 - MDwise
- **Members with selected, high-cost conditions enter the Enhanced Services Plan (ESP)**
 - Administered by the Indiana Comprehensive Health Insurance Association (ICHIA)

The Healthy Indiana Plan (cont'd)

- **Operates under the authority of a Medicaid 1115 demonstration waiver**
- **Federal government pays a portion of the costs (in 2009, 74 percent of costs)**
- **Subject to special terms and conditions**
 - **Must be budget neutral in terms of federal costs and enrollment of non-caretakers is limited to 36,500**

POWER Accounts – Key Design Feature of the HIP

- **Personal Wellness and Responsibility (POWER) accounts**
 - Members contribute each month to their POWER account
 - A member's health care costs are first charged to the POWER account until the account is exhausted
 - Accounts are set at \$1,100
- **Monthly POWER account contributions**
 - Set on a sliding scale
 - No more than 5 percent of family income
- **State subsidizes the balance when monthly contributions do not total \$1,100**

Enrollment Trends

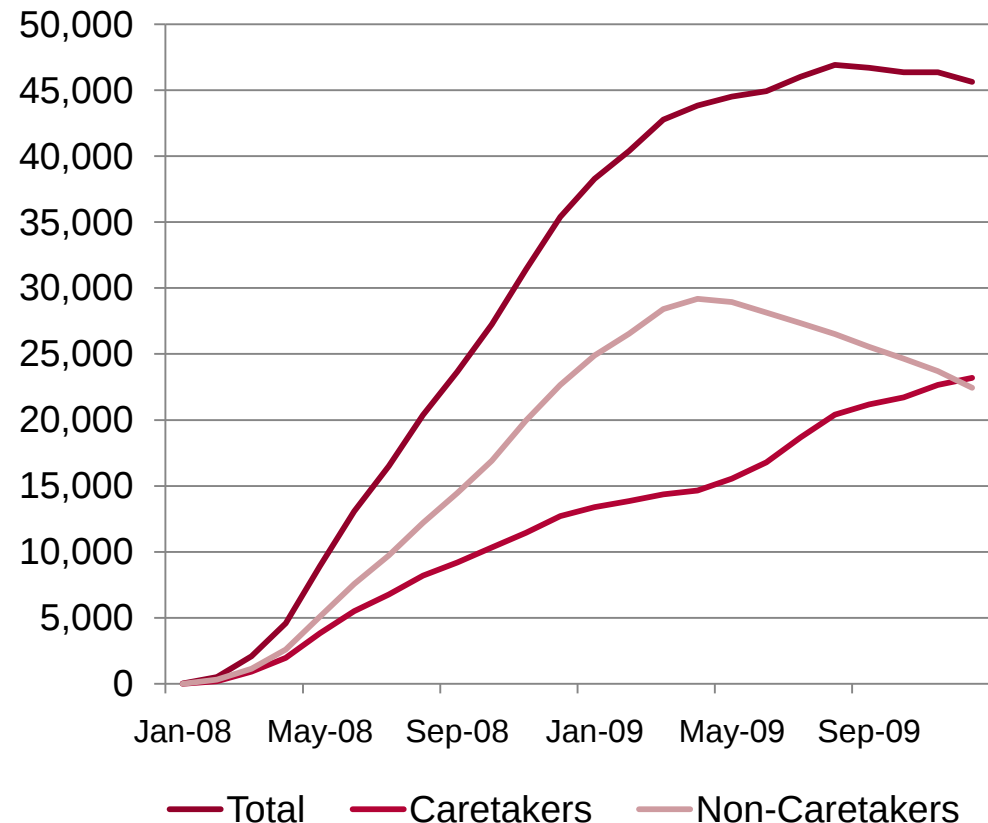
Enrollment in the HIP Has Been Strong

- **During the first two years of program operations, the HIP served 61,797 Hoosiers**
- **By the end of 2009, the HIP had reached approximately 16 percent of likely eligible Hoosiers**
 - **35 percent of likely eligible caretakers**
 - **11 percent of likely eligible non-caretakers**

Enrollment Grew Steadily Until Mid-2009

- At the close of 2009, HIP enrollment was 45,460 members
- Non-caretakers enrolled in greater numbers than caretakers until late 2009

Number Enrolled Each Month

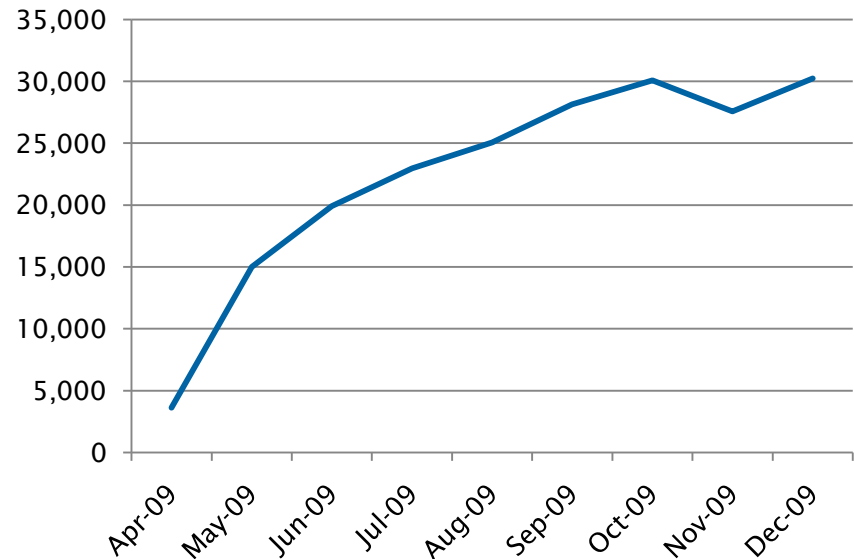


Source: Mathematica analysis of HIP eligibility records extracted on January 12, 2010.

Enrollment of Non-Caretakers Closed in March 2009

- A waiting list was started and has shown steady growth
- 5,000 were invited to reapply in November 2009

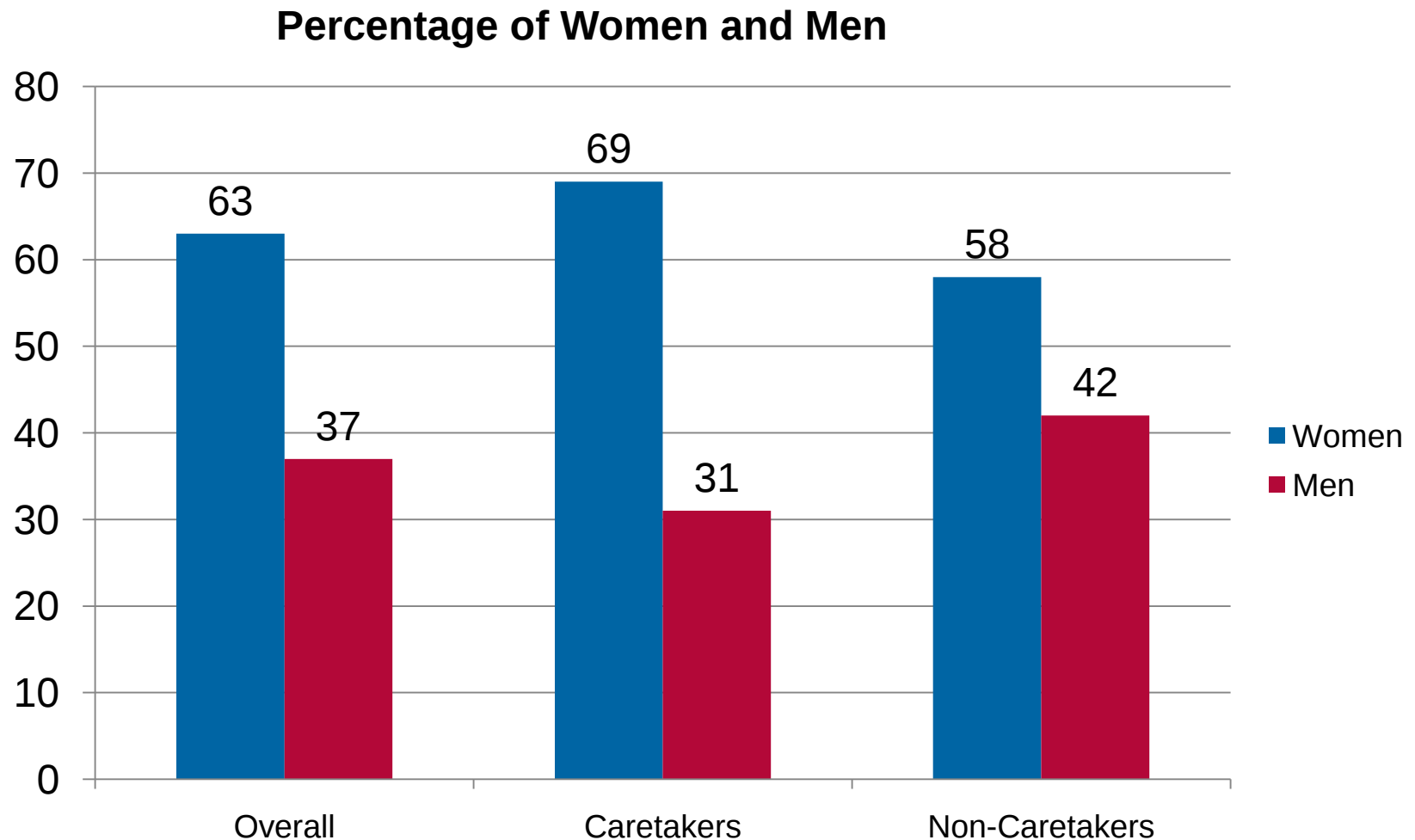
Number of Applicants on Non-Caretaker Waiting List



Source: Mathematica analysis of HIP Dashboards.

Member Characteristics

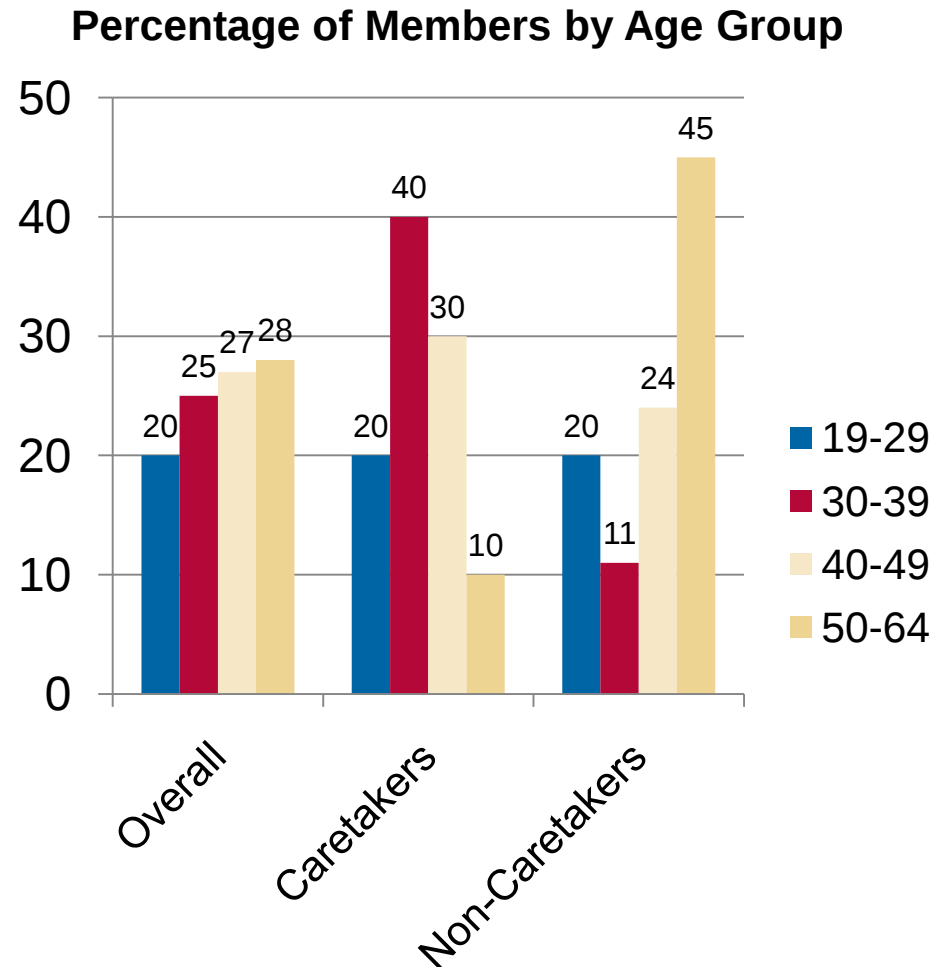
The HIP Has Enrolled More Women Than Men



Source: Mathematica analysis of HIP eligibility records extracted on January 12, 2010.

The HIP Has Enrolled Adults of All Ages

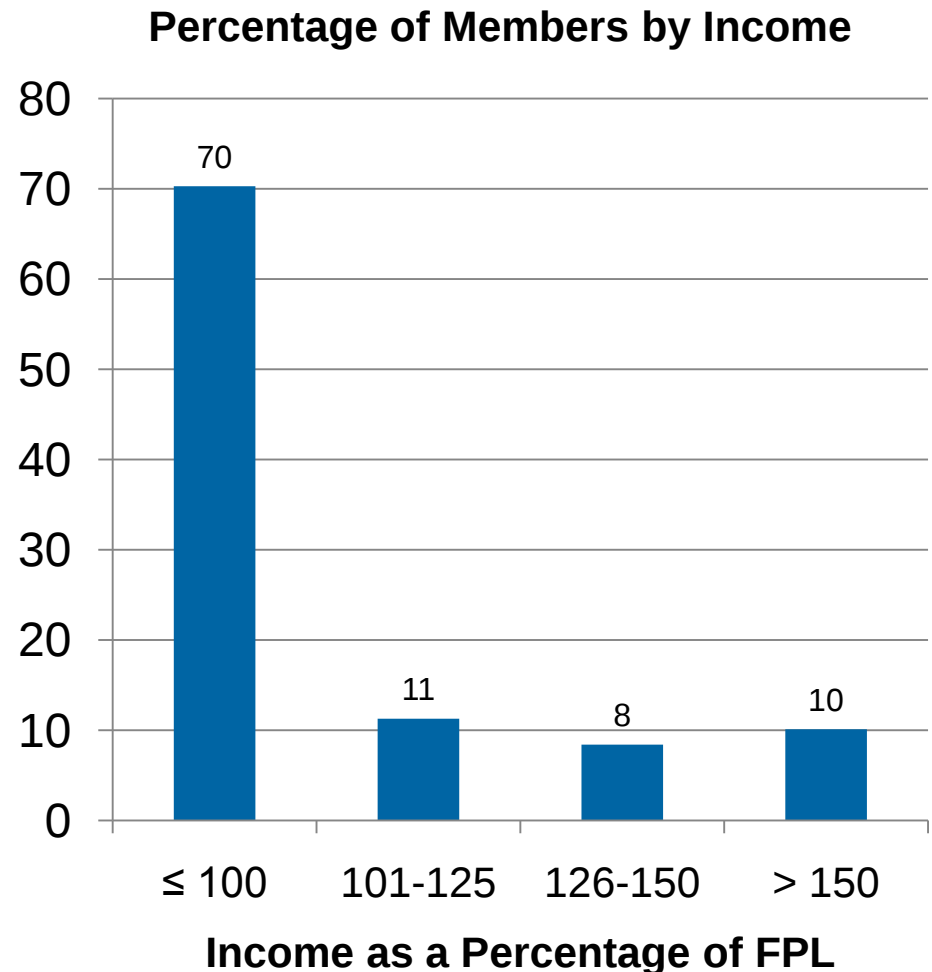
- More than one-quarter of HIP members are 50 years or older (early retirees)
- Non-caretakers are older than caretakers



Source: Mathematica analysis of HIP eligibility records extracted on January 12, 2010.

Most HIP Members Are Poor

- **70 percent of members have income at or below the federal poverty level (FPL)**



Source: Mathematica analysis of the December 2009 HIP Dashboard.

More Members Have Selected Anthem

- **Of members enrolled in 2009:**
 - 66 percent were in Anthem
 - 33 percent were in MDwise
 - 1 percent were in the ESP

Chronic Disease Is Common Among HIP Members

Percentage of Members with Chronic Conditions by Condition Category

Condition Category	All	Caretakers	Non-Caretakers
Number of Members	61,784	29,246	32,538
Percentage with Selected Condition			
Pulmonary	38	34	42
Skeletal and Connective	31	24	37
Cardiovascular	28	18	37
Metabolic	28	21	34

Source: Mathematica analysis of HIP encounter records.

Note: Condition categories based on the Chronic Illness and Disability Payment System (CDPS).

Low Cost Chronic Conditions and Comorbidities Are Common

Percentage of HIP Members by Number of Chronic Conditions

Number of Chronic Conditions				
Category	Number of Members	None	1-2	3 or More
Low-, Medium-, and High-Cost Chronic Conditions				
All HIP Members	61,784	21	28	51
Caretakers	29,246	27	31	41
Non-Caretakers	32,538	16	24	60
Medium- and High-Cost Conditions Only				
All HIP Members	61,784	82	17	1
Caretakers	29,246	89	11	< 1
Non-Caretakers	32,538	76	22	2

Source: Mathematica analysis of HIP encounter records.

Note: Condition categories based on the Chronic Illness and Disability Payment System (CDPS).

Value-Based Purchasing

The HIP Evaluation Assessed Three Elements

- **Enrollment patterns**
- **POWER accounts**
 - Monthly contributions
 - Rollovers
- **Copayments for emergency room (ER) services**

Members Value the HIP

- **HIP members tend to stay enrolled in the program**
 - Only 26 percent of those ever enrolled have left the HIP
 - Of those who left:
 - 38 percent left within first 12 months
 - 55 percent left at redetermination
 - 7 percent left in the second year of eligibility
- **At eligibility redetermination**
 - About 85 percent submitted materials
 - Nearly 75 percent who submitted materials continued to be eligible

Most Members Contribute to Their POWER Account

- **During 2009, the percentage of members making a monthly contribution to their POWER accounts climbed**
 - 65 percent in January 2009
 - 74 percent in December 2009
- **Those not contributing either had no income or were already contributing at least 5 percent of family income for their children's health insurance coverage**

90 Percent Paid First Monthly Contribution

- **Between January 2008 and December 2009, the HIP served 61,797 Hoosiers**
- **During the same time period, 6,581 members were disenrolled because they did not pay the first monthly contribution to their POWER account**

Half Not Paying First Contribution Had Income Above Poverty

Members Who Did Not Pay the First Monthly Contribution

FPL Level	Number	Percentage
Total	6,581	100
≤ 22% FPL	236	4
23 - 50% FPL	700	11
51 - 100% FPL	2,292	35
101 - 150% FPL	2,226	34
≥ 151% FPL	1,127	17

Source: OMPP data request number 7257, June 3, 2010.

Many Not Paying Had Annual Contributions Between \$100 and \$500

Members Who Did Not Pay the First Monthly Contribution

Annual Contribution	Number	Percentage
Total	6,581	100
≤ \$100 per year (≤ \$8.33 per month)	781	12
\$101 - \$500 per year (\$8.34 - \$41.66 per month)	3,223	49
\$501 - \$1,100 per year (\$41.67 - \$91.68 per month)	2,577	39

Source: OMPP data request number 7257, June 3, 2010.

Almost All Members Continued Their Monthly Contributions

- **97 percent of the 61,797 members ever enrolled in the HIP as of December 2009 continued making the monthly contributions to their POWER account**
 - **3 percent (1,835 members) were disenrolled because they did not keep up with their monthly contributions to their POWER accounts**

Most Not Keeping Up Contributions Had Income Near Poverty Line

Members Disenrolled for Not Paying Monthly Contribution

FPL Level	Number	Percentage
Total	1,835	100
≤ 22% FPL	81	4
23 - 50% FPL	249	14
51 - 100% FPL	755	41
101 - 150% FPL	549	30
≥ 151% FPL	201	11

Source: OMPP data request number 7257, June 3, 2010.

POWER Accounts Encourage Personal Responsibility

- **Preventive services in excess of \$500 can be charged against the POWER account**
 - In 2008, no preventive services were charged to POWER accounts
 - In 2009, MDwise continued to provide all preventive services at no charge to POWER accounts and Anthem did as well until July 1
- **If the member obtains the required preventive services, remaining POWER account funds**
 - Roll over to the next year and are used to reduce subsequent monthly contributions

Preventive Care Required for POWER Account Rollovers

- **2008**
 - Physical exam

- **2009**
 - Physical exam
 - Blood glucose screen
 - Tetanus-diphtheria screen
 - Cholesterol test, men age 35 and older and women age 45 and older
 - Pap smear, women only
 - Mammogram, women age 35 and older
 - Flu shot, all members age 50 and older

POWER Account Reconciliations Began in 2009

- **The first group included 7,534 members who enrolled in January-June 2008**
 - 36 percent (2,732 members) in this group had POWER account funds eligible for a rollover
 - 80 percent (5,994 members) met the preventive care requirement

- **Of the 2,732 members who had funds to roll over**
 - 71 percent met the preventive care requirement and rolled over both the remaining member contributions and state subsidy
 - 29 percent did not meet the preventive care requirement and only rolled over remaining member contributions

HIP Copayments

- **Non-emergency ER visits require a copayment**
- **Copayment is determined by income and caretaker status**
- **Health plans review ER utilization and make final determination of copayment**

Most ER Visits Are Among Caretakers with Emergencies

Number of ER Visits: October – December 2009

Copayment Category	ER Copayment Requirement	Number of ER Visits	Percentage of ER Visits
Total	—	10,667	100
Caretakers			
Emergency visits	\$0	6,376	60
Non-emergency visits			
≤ 100% FPL	\$3	1,176	11
101% - 150% FPL	\$6	262	2
151 - 200% FPL	\$25 or 20% of cost, whichever is less	118	1
Non-Caretakers			
< 200% FPL	\$25	2,735	26

Source: HIP Quarterly Reports to CMS, Quarters 3 and 4, 2009.

Service Utilization

Preliminary Assessment

- **Recent analysis**
 - Physician office visits
 - Preventive services

- **Ongoing analysis**
 - Service costs
 - Emergency room visits
 - Pharmacy

91 Percent Visited a Physician During the First Year

Percentage Who Had a Physician Office Visit During the First 6 and 12 Months of Enrollment

Subgroup	First 6 Months	First 12 Months
All HIP Members	78	91
Men	69	85
19-34	63	79
35-49	71	86
50-64	70	88
Women	83	94
19-34	82	92
35-49	83	94
50-64	84	94

Source: Mathematica analysis of HIP encounter records extracted January 12, 2010.

Note: Members who enrolled January-June 2008 and stayed enrolled for at least 12 months.

Nearly 60 Percent Obtained a Preventive Service

Percentage Who Obtained a Preventive Service During the First 6 and 12 Months of Enrollment

Subgroup	First 6 Months	First 12 Months
All HIP Members	39	59
Men	23	40
19-34	10	22
35-49	23	39
50-64	29	49
Women	47	69
19-34	43	63
35-49	44	67
50-64	50	73

Source: Mathematica analysis of HIP encounter records extracted January 12, 2010.

Note: Members who enrolled January-June 2008, stayed enrolled for at least 12 months, and received at least one of the services required in 2009.

Fiscal Conditions

The HIP Program Costs Are Shared

- **Federal funds cover the majority of costs**
 - In 2009, approximately 74 percent of costs were covered by the federal government
 - The amount would have been approximately 64 percent if not for the enhanced funding Indiana received through the American Recovery and Reinvestment Act of 2009
- **Indiana pays the balance**

The HIP Must Be Budget Neutral at the Federal Level

- **The authority governing the demonstration requires budget neutrality**
 - **Indiana's Hoosier Healthwise program plus the HIP cannot cost more than the Hoosier Healthwise program alone would have cost the federal government**
- **The HIP has been meeting this requirement, but projections suggest concern for the future**
 - **Costs for the Hoosier Healthwise population less than expected**
 - **Health care costs for HIP members higher than expected, which required increased payment rates for the health plans**
 - **Among other strategies, addressing the problem by carving out pharmacy costs**

Cigarette Tax Revenue Funds the State Costs

- **In 2009, the costs of the HIP for Indiana exceeded tax revenue collected for the year**
 - The HIP had to use reserved funds
- **Early signs indicate that tax revenue may decline in 2010, partly due to the federal excise tax increase in 2009**
 - State economic climate may reduce sales as well
- **New regulations prevent the HIP from changing eligibility criteria**
 - State costs could be an issue if the enrollment of caretakers continues to climb

Summary

Summary

- **The HIP has been well received**
 - Strong enrollment
 - Reports of high levels of satisfaction
- **HIP member characteristics are notable**
 - Age – many are soon to be eligible for Medicare
 - High level of chronic conditions
 - Willingness to contribute to the costs of their care
- **Most HIP members visit physicians and get recommended preventive care**

Future Work

Assessment of Seven Goals

- 1. Reduce the number of uninsured low-income Hoosiers**
- 2. Improve statewide access to health care services for low-income Hoosiers**
- 3. Promote value-based decision making and personal responsibility**
- 4. Promote primary prevention**
- 5. Prevent chronic disease progression with secondary prevention**
- 6. Provide appropriate and quality-based health care services**
- 7. Assure state fiscal responsibility and efficient management of the program**

Current Work

- **More analyses of claims records**
 - More in-depth analyses of service utilization patterns, particularly ER services
 - Patterns in the cost of care to better understand the key components of HIP costs

- **Survey of HIP members**
 - Survey in the field right now
 - Scheduled to end in September 2010
 - Results available in early 2011