

**News Release
For Immediate Release**

State makes final attempt to save Healthy Indiana Program

INDIANAPOLIS (December 28, 2011) – Governor Mitch Daniels today made a last attempt to save the Healthy Indiana Program (HIP), the state’s health insurance program for low-income citizens, which is scheduled to expire in 2012. In a letter to Health and Human Services (HHS) Secretary Kathleen Sebelius, the governor requested the state be allowed to continue the program for as long as is allowed.

The state wants to utilize HIP to provide health care services to approximately 500,000 Hoosiers who will be newly eligible for Medicaid in 2014 when the federal Affordable Care Act is scheduled for implementation. Currently, 50,000 Hoosiers participate in the program, and the state has made only minimal efforts to grow participation because of HIP’s uncertain future.

“Our intent is to make HIP a permanent part of our Medicaid program. However, due to the delinquent release of regulations, your agency was unwilling to respond to our original request to amend our State Medicaid Plan. This waiver submission is our final attempt to save the HIP program,” the governor wrote.

Without approval of the request, the state will be forced to end coverage for current HIP participants and would need to begin to shut down the program next summer.

The HIP program opened to participants on January 1, 2008, the result of bi-partisan legislation passed by the Indiana General Assembly, and after the state received permission from the federal government to move ahead with the plan. HIP participants have Personal Wellness and Responsibility Accounts that they use for preventive health services. Contributions to the account are made by the state and participants, who are required to make a modest contribution not to exceed 5 percent of their gross annual income. Coverage for preventive services of up to \$500 annually is included.

“HIP has proven to be far superior to a traditional Medicaid program. Over 99 percent of HIP participants who were surveyed would re-enroll in the program,” Daniels wrote.

The governor’s letter may be found at this link: http://www.in.gov/gov/files/12-28-11_HHS_letter.pdf

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