1115 Waiver – Healthy Indiana Plan Expansion Proposal

Healthy Indiana Plan

Budget Neutrality Projections

State of Indiana

Family and Social Services Administration

Prepared for:
Debra Minott
Secretary
Family and Social Services Administration

Prepared by:
Robert M. Damler
FSA, MAAA
Principal and Consulting Actuary

Christine Mytelka
FSA, MAAA
Consulting Actuary

111 Monument Circle
Suite 601
Indianapolis, IN 46024-5126
USA

Tel +1 317 639-1000
Fax +1 317 639-1001

milliman.com

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EXECUTIVE SUMMARY

BACKGROUND

The Healthy Indiana Plan 1115 Waiver was originally approved for a five year period from January 2008 through December 2012. It was extended for two one-year periods: for calendar year 2013 (DY 06), and then again for calendar year 2014 (DY 07).

The State is planning to request a new waiver for HIP 2.0, which includes enhancements from the prior program, including an optional premium assistance program. The waiver request will be for a new five year demonstration, covering calendar years 2015 through 2019 (DY 01 through DY 05).

The new waiver is requested in conjunction with a HIP eligibility expansion.

Indiana is transitioning from 209(b) status to 1634 status as of June 1, 2014. As part of the 1634 transition, Indiana will no longer be required to maintain a spend down program for higher income individuals with significant medical needs. To mitigate the impact on members, Indiana raised the disability income standard for full Medicaid eligibility to 100% FPL and also raised the income standards for the Medicare Savings Program.

Medicare enrollees with End Stage Renal Disease (ESRD) have significantly higher cost sharing than other Medicare enrollees. More significantly, Medicare supplement insurance of some kind (such as Medicaid) is required for members to maintain active status on kidney transplant lists.

To allow members with ESRD to remain on kidney transplant lists, Indiana is proposing a 1915(i) that will cover these members. Until Indiana is able to implement this program, Indiana proposes to cover these members through an amendment to its existing 1115 waiver. It is estimated that ESRD members will be able to transfer to the new 1915(i) program on October 1, 2014 (anticipated effective date). However, only those enrollees with income at or below 300% FPL will be able to participate in a new 1915 (i) waiver. There are estimated 50 members who will remain on the 1115 waiver due to income of higher than 300% of FPL as of December 31, 2014.

BUDGET NEUTRALITY

Budget Neutrality – New HIP Expansion (DY01 – DY05)

Table 1 illustrates projected Waiver Margin for the five years of the Demonstration. Values were developed using base data through December 31, 2013.

Table 1
State of Indiana, Family and Social Services Administration
1115 HIP Waiver Budget Neutrality Summary

HIP 2.0 Initial Waiver Period
(Values in $Millions)

Calendar Year	Demonstration Year	Without Waiver Expenditures	With Waiver Expenditures	Waiver Margin	Cumulative Waiver Margin
2015	1	$ 2,779.7	$ 3,145.3	$ (365.6)	$ (365.6)
2016	2	$ 4,064.6	$ 4,077.4	$ (12.9)	$ (378.4)
2017	3	$ 4,481.1	$ 4,349.2	$ 131.8	$ (246.6)
2018	4	$ 4,775.6	$ 4,554.6	$ 220.9	$ (25.7)
2019	5	$ 5,089.4	$ 4,796.6	$ 292.7	$ 267.0

Under this scenario, HIP 2.0 enrollment, including the Section 1931 Caretaker population, is projected to expand to approximately 580,000 by DY 05. HIP 2.0 will include the following populations:

1. HIP Section 1931 Parents
2. HIP Medically Frail
3. HIP Caretakers
4. HIP Non-Caretakers
5. Optional program: HIP Link (premium assistance)

There is only one 'waiver population' for the remaining ESRD members, as all other HIP programs are eligible under the Affordable Care Act (ACA).

The enclosures illustrate additional detail, including enrollment and expenditures for each population.

We have also included an Excel file version of the development of the waiver budget neutrality exhibits: "HIP Budget Neutrality – 2015 HIP Expansion.xlsx".

DATA, ASSUMPTIONS, AND METHODOLOGY

This section provides additional detail on the data, assumptions, and methodology associated with the 1115 waiver budget neutrality filing.

DATA

Historical Enrollment and Expenditures

Data through December 31, 2013 was used to prepare the budget neutrality exhibits for this filing. Enrollment was summarized from the State of Indiana's Enterprise Data Warehouse for each 1115 Waiver population. Expenditures were provided by FSSA, as reported on the Form CMS 64.9 Waiver, project number 11-W-00237. These were summarized by demonstration year (calendar year), according to dates of service.

ESRD Enrollment

ESRD members who will be eligible for the proposed 1915(i) must meet the following conditions:

- Dual eligible (non-dual eligible members are eligible for commercial exchange coverage)
- Spend down status with income below 300% FPL (those with income below 150% FPL are already eligible for appropriate coverage)
- ESRD diagnosis (diagnosis code 585.6)

Members with spend down status and Medicare eligibility were identified from the Medicaid enrollment data. Those with an ESRD diagnosis were identified from Medicaid claims data from the prior year. The list of members who met these requirements was provided to the Indiana's Division of Family Resources (DFR), which is responsible for eligibility determinations. They matched ESRD members to income data, and were able to determine that there were approximately 50 dual eligible ESRD members with income above 300% FPL.

Projected Enrollment

To develop estimates of the eligible but unenrolled populations that may enroll in regular Medicaid in 2014, and to develop estimates of those who would enroll in the program under a HIP expansion, Milliman developed population summaries by income range, health coverage status, age, and parental status. This analysis was performed using Indiana-specific data from the ACS Data sample provided by the U.S. Census Bureau.

ASSUMPTIONS AND METHODOLOGY

Baseline Budget Neutrality Model

We utilized the budget neutrality model, "IN HIP BN with 36500 noted.xls" Excel workbook provided by CMS for the first HIP waiver. We have updated the model for historical experience through December 31, 2013, as reported by Indiana in Schedule C of the Form CMS 64.

Changes to Budget Neutrality Model

As of the proposed effective date of the Medicaid Expansion (January 1, 2015), we have assumed the following changes to the model will be appropriate:

- Populations have been modified to reflect the proposed HIP 2.0 program. The budget neutrality program no longer includes a child population.
- There are no longer any 'waiver populations', as this waiver is proposed in conjunction with an eligibility expansion to 138% FPL.

Enrollment Projections

For Section 1931 Caretakers, actual enrollment data through December 2013 (DY 06) was used. Baseline enrollment growth of 1.4% per year was used to project enrollment to DY 01 and through the five year renewal period. The 1.4% trend reflects overall long-term historical enrollment growth for Indiana's Medicaid program.

Eligible but Unenrolled

Using ACS data, we have estimated there are approximately 122,000 individuals (106,000 children and 16,000 adults) in the State of Indiana who are eligible for Medicaid but not currently enrolled. We have assumed 14,000 of the 16,000 eligible parents will ultimately enroll.

HIP Expansion

Using ACS data for Indiana, we estimated the total potential number of expansion enrollees as those aged 19 to 64 with income at or below 138% FPL who are not currently enrolled in Medicaid or Medicare. We included those who are currently insured by their employer or through purchase of individual insurance, as some of these individuals may wish to switch to take advantage of the optional HIP Link program. We estimated approximately 75% of potential enrollees would ultimately enroll.

Phase-In

Enrollment has been assumed to phase in gradually over the first two years, DY01 and DY02, with participation reaching target level at the beginning of DY 03. For the remainder of the demonstration period, enrollment is projected to grow at 1.4% per year, as with the Section 1931 Caretaker population. A small enrollment spike has been projected as of January 2016, corresponding to the implementation of HIP Link. Phase in-projections for the expansion population (not including Section 1931 Caretakers) is illustrated in Table 2.

ESRD Enrollment

As of December 31, 2014 there will be approximately 50 enrollees with income of above 300% of FPL. These enrollees will lapse off the waiver at a rate of 25% due to a receipt of a transplant or death.

Table 2 State of Indiana Family and Social Services Administration Enrollment Ramp-Up Under HIP Expansion				
Month	Estimated Eligibles	Participation Assumption	Participation Increase	Estimated Enrolled
Jan-15	559,000	15.0%	15.0%	83,850
Feb-15	559,648	25.0%	10.0%	139,912
Mar-15	560,297	33.0%	8.0%	184,898
Apr-15	560,946	39.0%	6.0%	218,769
May-15	561,597	44.0%	5.0%	247,102
Jun-15	562,248	48.0%	4.0%	269,879
Jul-15	562,899	51.0%	3.0%	287,079
Aug-15	563,552	53.0%	2.0%	298,683
Sep-15	564,205	54.5%	1.5%	307,492
Oct-15	564,859	55.5%	1.0%	313,497
Nov-15	565,514	56.0%	0.5%	316,688
Dec-15	566,170	56.5%	0.5%	319,886
Jan-16	566,826	68.5%	12.0%	388,276
Feb-16	567,483	69.5%	1.0%	394,401
Mar-16	568,141	70.0%	0.5%	397,699
Apr-16	568,800	70.5%	0.5%	401,004
May-16	569,459	71.0%	0.5%	404,316
Jun-16	570,119	71.5%	0.5%	407,635
Jul-16	570,780	72.0%	0.5%	410,962
Aug-16	571,442	72.5%	0.5%	414,295
Sep-16	572,104	73.0%	0.5%	417,636
Oct-16	572,767	73.5%	0.5%	420,984
Nov-16	573,431	74.0%	0.5%	424,339
Dec-16	574,096	74.5%	0.5%	427,702

Year	DY	Average Participation	Average Enrollment
2015	01	44%	248,978
2016	02	72%	409,104
2017	03	75%	433,830

As of DY 03, participation is assumed to reach its target level. From that point, enrollment is projected to grow by 1.4% per year.

Without Waiver Cost Trend Rate

The Without Waiver projection model requires a baseline trend rate to project PMPM expenditures for future demonstration years. For purposes of the projections, we have used 5.1%, which is the maximum cost trend available (President's Budget Trend).

HIP 2.0: Proposed Modifications to the Healthy Indiana Plan Program

Under HIP 2.0, Section 1931 Parents and the Medically Frail are provided all benefits covered under the State Plan.

HIP for Section 1931 Parents and the Medically Frail

- All State Plan benefits are covered, including long term care services, MRO, and non-emergency transportation
- $2,500 POWER account
- Choice of monthly POWER account contribution or cost sharing
- For those who do not make monthly contributions, cost sharing will apply, as allowed under Medicaid

Indiana proposes to provide other Healthy Indian Plan enrollees with a choice between two plans.

HIP Enhanced Benefit Plan

- For those who make monthly POWER Account contributions
- Enhanced to include optional benefits, including dental and vision benefits, TMJ, and bariatric surgery.
- POWER accounts increased to $2,500

HIP Limited Benefit Plan

- No monthly POWER Account contributions
- Cost sharing will apply, as allowed under Medicaid
- No optional benefits, such as dental, vision, TMJ, and bariatric surgery.

All HIP plans will continue to reimburse providers using Medicare reimbursement, remove annual and lifetime limits, and will be enhanced to include maternity benefits.

With Waiver Cost Per Eligible

In general, costs were developed from baseline enrollment and expenditures summarized from data through December 31, 2013. Enrollment and expenditures are consistent with values reported for budget neutrality under the current HIP 1115 demonstration waiver. Expenditures were provided by FSSA, as reported on the Form CMS 64.9 Waiver, project number 11-W-00237. These were summarized by demonstration year (calendar year), according to dates of service.

Section 1931 Caretakers

This population corresponds to the HHW Caretaker population under the current HIP 1115 demonstration. DY 01 (CY 2015) Cost per eligible was projected from the CY 2013 cost per eligible from the current HIP 1115 demonstration as illustrated in Table 3:

Table 3 State of Indiana Family and Social Services Administration Development of Cost Per Eligible (PMPM) Section 1931 Caretakers	
Section 1931 Caretakers	**Cost Per Eligible**
CY 2013 Cost per Eligible (PMPM)	**$ 474.20**
Actual CY 2014 Capitation Rate Increase	5.1%
Section 9010 Insurer Fee Impact	2.0%
CY 2014 Projected Cost per Eligible (PMPM)	**$ 508.35**
Cost Trend to CY 2015	5.1%
Physician Reimbursement Increase	14.3%
CY 2015 Projected Cost per Eligible before POWER account (PMPM)	**$ 610.51**
POWER Account Pre-funding (PMPY)	$ 1,000
CY 2015 Projected Cost per Eligible with POWER account pre-funding (PMP	**$ 693.84**

Notes on the calculation In Table 3:

- The actual CY 2014 capitation rate increase is based on certified rates approved by CMS. The CY 2014 rate increase reflects the changes to fee-for-service rate reductions effective January 2014. These rate reductions were implemented on a temporary basis in 2011. Effective January 2014, inpatient and outpatient hospital rate reduction declined from 5% to 3%. In addition, 5% rate reductions on various professional services were removed and the pharmacy dispensing fee was allowed to increase from $3.00 to $3.90.
- The section 9010 insurer fee impact was not included in the CY 2014 certified rates. As the fee becomes known, it will be reflected retroactively in the rates. The impact is currently estimated at 2.0%.
- Physician reimbursement increase: As of DY 01, Indiana proposes to transition the Section 1931 Caretakers to the Healthy Indiana Plan (HIP 2.0). The Section 1931 Caretakers will retain full access to the state plan service benefit package, but will have POWER accounts established and may experience changes in the cost sharing structure. In addition, reimbursement for professional services will be increased to Medicare rates. In aggregate, the current Indiana Medicaid program is estimated to reimburse for professional services at approximately 60% of Medicare reimbursement.
- POWER account prefunding: As part of the transition to HIP 2.0, Section 1931 Parents will each have a POWER account established and pre-funded with $2,500. The pre-funding level reflects the value of the deducible under the HIP program. Although funds are expended in the POWER account, the cost of the HIP program is reduced to reflect the deductible. POWER account funds will be used to reduce medical expenditures as needed. However, due to variation in the utilization of medical services on a per person basis, we project the accounts will contain unused funds, estimated to average $1,000 per member. Unused funds will revert to the program after the reconciliation process is complete, and can be used to offset account prefunding costs in the next demonstration year. As a result, the impact of prefunding the accounts is most noticeable in DY 01. Should the demonstration end after DY 05, unused funds would revert to the program.

HIP Caretakers and HIP Adults

These populations correspond to the HIP Caretaker and HIP Adult populations under the current HIP 1115 demonstration, with the medically frail excluded. DY 01 (CY 2015) Cost per eligible was projected from the CY 2013 cost per eligible from the current HIP 1115 demonstration as illustrated in Table 4:

Table 4
State of Indiana
Family and Social Services Administration

Development of Cost Per Eligible (PMPM)
HIP Caretakers and HIP Adults

	HIP Caretakers	HIP Adults
CY 2013 Cost per Eligible	**$ 421.35**	**$ 653.24**
Actual CY 2014 Capitation Rate Increase	5.3%	5.3%
ACA Section 9010 Insurer Fee Impact	2.0%	2.0%
CY 2014 Projected Cost per Eligible	**$ 452.56**	**$ 701.62**
Cost Trend to CY 2015	5.1%	5.1%
Benefit Improvements	4.1%	4.1%
Selection Adjustment (Adults Only)		90.00%
CY 2015 Projected Cost per Eligible Including Medically Frail	**$ 495.19**	**$ 690.94**
Percent of Population Assumed Medically Frail	**6.00%**	**12.00%**
Medically Frail Average Morbidity Factor	**2.5**	**2.5**
Morbidity Factor for Non-Medically Frail	**91.74%**	**84.75%**
CY 2015 Projected Cost per Eligible Excluding Medically Frail	**$ 454.30**	**$ 585.54**
POWER Account Pre-funding (CY 2015)	$ 1,000	$ 1,000
CY 2015 Projected Cost per Eligible with POWER account pre-funding (PMP	**$ 537.63**	**$ 668.87**

Notes on the calculation:

- The actual CY 2014 capitation rate increase is based on certified rates approved by CMS. Aside from normal trend, the CY 2014 rate increase reflects population aging.
- The section 9010 insurer fee impact was not included in the CY 2014 certified rates. As the fee becomes known, it will be reflected retroactively in the rates. The impact is currently estimated at 2.0%.
- Benefit improvements include the addition of maternity services, removal of annual and lifetime limits, and additional of dental and vision services for those who select the HIP Enhanced plan. In addition, average contributions are projected to be slightly lower than under the HIP 1.0 program.
- Selection Adjustment: This is to remove adverse selection from the starting cost, which was developed using those currently enrolled in HIP.
- Medically Frail Adjustment: the medically frail will be enrolled in a separate population (developed in the next section of this report). Based on results from other states, we have estimated approximately 10% of the expansion population will qualify as medically frail, with an average morbidity factor of 2.5. For reference, HIP Enhanced Service Plan (ESP) enrollees constituted approximately 4% of the population with an average morbidity factor above 3.0. ESP identification criteria was less broad than medically frail criteria, as it was limited to certain disease states and excluded mental and behavioral conditions. Please also note that we have estimated a higher percentage of the HIP Adult population will be medically frail due to the underlying demographics. The HIP Caretaker population is likely to be younger (most parents are below age 45), and thus less likely to be medically frail. For reference, the ESP-eligible percentage of the HIP Adult population was approximately 2.6 times as high as for the HIP Caretakers.
- POWER account prefunding: As part of the transition to HIP 2.0, members will each have a POWER account established and pre-funded with $2,500. The pre-funding level reflects the value of the deducible under the HIP program. Although funds are expended in the POWER account, the cost of the HIP program is reduced to reflect the deductible. POWER account funds will be used to reduce medical expenditures as needed. However, due to variation in the utilization of medical services on a per person basis, we project the accounts will contain unused funds, estimated to average $1,000 per member. Unused funds will revert to the program after the reconciliation process is complete, and can be used to offset account prefunding costs in the next demonstration year. As a result, the impact of prefunding the accounts is most noticeable in DY 01. Should the demonstration end after DY 05, unused funds would revert to the program.

HIP Medically Frail

The starting cost for the HIP Medically Frail corresponds to the average cost for those identified from the HIP Caretaker and HIP Adult populations.

Table 5
State of Indiana
Family and Social Services Administration
Development of Cost Per Eligible (PMPM)
HIP Medically Frail

	HIP Caretakers	HIP Adults	Total
HIP Medically Frail Enrollment CY 2015			
Total Enrolled Member Months	1,154,512	1,833,224	2,987,736
Percent Assumed Medically Frail	**6.00%**	**12.00%**	
Estimated HIP Medically Frail Enrollment (Member Months)	69,271	219,987	289,258
CY 2015 Projected Cost per Eligible Medically Frail Enrollee (PMPM)			
Cost per Eligible for those not Medically Frail (before POWER pre-funding)	**$ 454.30**	**$ 585.54**	**$ 554.11**
Medically Frail Average Morbidity Factor			**2.5**
CY 2015 Projected Cost per Eligible Medically Frail (PMPM)			**$ 1,385.28**
POWER Account Pre-funding (CY 2015)			$ 500
CY 2015 Projected Cost per Eligible with POWER account pre-funding			**$ 1,426.95**

Notes on the calculation:

- Projected CY 2015 enrolled member month estimates were developed in Table 2, and allocated between HIP Caretakers and HIP Adults based on their proportion in the eligible expansion population, as estimated from ACS data.
- The percentage of each population assumed to be medically frail is consistent with assumptions used in Table 4.
- Cost Per Eligible (Not Medically Frail) was developed in Table 4. The Total value is a weighted by population.
- The Medically Frail average morbidity factor is consistent with the assumption in Table 4. Projected Cost per Eligible is the product of the non-Medically Frail cost and the estimated morbidity factor.
- The average cost of POWER Account pre-funding is lower for this population due to higher average costs.

ESRD Eligibles

The average cost for members with ESRD is estimated as $315.54 and includes the following components:

- $104.90 per month for the Medicare Part B premium
- $86.07 for the Medicare clawback payment
- $124.57 for other Medicaid costs (after meeting spend down)

Average Medicaid cost after spend down is based on recent historical experience for this population.

With Waiver Trend Rate

The with waiver trend rate is assumed to be lower than the without waiver trend rate, as the structure of the demonstration is expected to result in more thoughtful healthcare utilization by members. The with waiver trend is illustrated below, reflecting more impact during the early years of the program:

DY 01 to DY 02: 3.00%

DY 02 to DY 03 3.25%

DY 03 to DY 04 3.50%

DY 04 to DY 05 3.75%

HIP Link cost is assumed to grow by 5.1% per year.

ESRD eligible costs are assumed to grow at 3% per year.

LIMITATIONS

The information contained in this report has been prepared for the State of Indiana, Family and Social Services Administration (FSSA) and the Office of Medicaid Policy and Planning (OMPP). This report has been developed to assist in the development of the 1115 waiver filing to be submitted to the Centers for Medicaid and Medicare Services (CMS) associated with the Healthy Indiana Plan. The data and information presented may not be appropriate for any other purpose.

It is our understanding that the information contained in this report may be utilized in a public document. To the extent that the information contained in this correspondence is provided to any third parties, the correspondence should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the information presented.

Milliman makes no representations or warranties regarding the contents of this correspondence to third parties. Likewise, third parties are instructed that they are to place no reliance upon this correspondence prepared for OMPP by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

Milliman has relied upon certain data and information provided by the State of Indiana, Family and Social Services Administration and their vendors. The values presented in this letter are dependent upon this reliance. To the extent that the data was not complete or was inaccurate, the values presented in our report will need to be reviewed for consistency and revised to meet any revised data.

The services provided for this project were performed under the signed Consulting Services Agreement between Milliman and OMPP, approved May 14, 2010, and last amended December 30, 2013.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this report are members of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.

Enclosure 1

Budget Neutrality Exhibits

HIP Expansion

Healthy Indiana Plan	***Summary Budget Neutrality Estimates - 1115 Waiver Application***					
	Updated June 23 2014					
Without Waiver Summary	**DY 01**	**DY 02**	**DY 03**	**DY 04**	**DY 05**	**DY 01 - DY 05**
XIX - HIP Populations						
Section 1931 Caretakers	941,415,578	1,003,285,865	1,069,208,914	1,139,466,364	1,214,350,792	5,367,727,514
Medically Frail	400,700,430	691,982,761	771,228,633	821,911,101	875,922,822	3,561,745,746
Caretakers	493,014,077	670,254,525	747,012,600	796,098,170	848,417,123	3,554,796,495
Adults	944,615,085	1,371,758,310	1,528,865,426	1,629,342,249	1,736,415,712	7,210,996,783
Subtotal	*2,779,745,170*	*3,737,281,461*	*4,116,315,573*	*4,386,817,885*	*4,675,106,450*	***19,695,266,538***
XIX - Optional Program						
HIP Link	-	327,283,333	364,760,793	388,734,146	414,281,439	1,495,059,711
Subtotal	-	*327,283,333*	*364,760,793*	*388,734,146*	*414,281,439*	*1,495,059,711*
Total Without Waiver Costs	***2,779,745,170***	***4,064,564,794***	***4,481,076,367***	***4,775,552,030***	***5,089,387,889***	***21,190,326,249***
With Waiver Summary	**DY 01**	**DY 02**	**DY 03**	**DY 04**	**DY 05**	**DY 01 - DY 05**
XIX - HIP Populations						
Section 1931 Caretakers	*1,069,911,688*	*985,038,618*	*1,031,236,357*	*1,082,200,447*	*1,138,432,471*	*5,306,819,581*
Medically Frail	*412,753,811*	*685,908,567*	*743,709,414*	*779,558,564*	*820,104,592*	*3,442,034,948*
Caretakers	*583,447,199*	*683,408,056*	*726,275,896*	*756,534,778*	*795,825,363*	*3,545,491,292*
Adults	*1,079,046,166*	*1,395,676,033*	*1,483,173,673*	*1,547,537,179*	*1,627,945,934*	*7,133,378,985*
Subtotal	*3,145,158,863*	*3,750,031,274*	*3,984,395,340*	*4,165,830,967*	*4,382,308,361*	***19,427,724,806***
XIX - Optional Program						
HIP Link	-	327,283,333	364,760,793	388,734,146	414,281,439	1,495,059,711
Subtotal	-	*327,283,333*	*364,760,793*	*388,734,146*	*414,281,439*	*1,495,059,711*
Waiver Populations						
ESRD Members	154,399	119,439	92,181	71,298	55,260	492,577
Subtotal	*154,399*	*119,439*	*92,181*	*71,298*	*55,260*	*492,577*
Total With Waiver Costs	***3,145,313,262***	***4,077,434,047***	***4,349,248,315***	***4,554,636,411***	***4,796,645,059***	***20,923,277,094***
Waiver Margin	***(365,568,093)***	***(12,869,253)***	***131,828,052***	***220,915,619***	***292,742,830***	***267,049,156***
Coverage Estimates	**DY 01**	**DY 02**	**DY 03**	**DY 04**	**DY 05**	
Anticipated Enrollment						
Section 1931 Caretakers	128,501	130,300	132,124	133,974	135,850	
Medically Frail	24,105	39,607	42,001	42,589	43,186	
Caretakers	90,437	116,983	124,053	125,790	127,551	
Adults	134,436	185,754	196,981	199,739	202,535	
HIP Link	-	81,821	86,766	87,981	89,213	
ESRD Members	40	30	22	17	13	
Total	**377,519**	**554,495**	**581,948**	**590,090**	**598,347**	

Enclosure 2

Without Waiver Projections

Healthy Indiana Plan

DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION

CY 2015

HIP POPULATIONS							
ELIGIBILITY GROUP	Trend	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WW
Section 1931 Caretakers							
Eligible Member Months		1,542,015	1,563,603	1,585,493	1,607,690	1,630,198	
Total Cost Per Eligible	5.10%	$ 610.51	$ 641.65	$ 674.37	$ 708.76	$ 744.91	
Total Expenditure		$ 941,415,578	$ 1,003,285,865	$ 1,069,208,914	$ 1,139,466,364	$ 1,214,350,792	$ 5,367,727,514
Medically Frail							
Eligible Member Months		289,258	475,289	504,015	511,072	518,227	
Total Cost Per Eligible	5.10%	$ 1,385.27	$ 1,455.92	$ 1,530.17	$ 1,608.21	$ 1,690.23	
Total Expenditure		$ 400,700,430	$ 691,982,761	$ 771,228,633	$ 821,911,101	$ 875,922,822	$ 3,561,745,746
Caretakers							
Eligible Member Months		1,085,241	1,403,792	1,488,636	1,509,477	1,530,610	
Total Cost Per Eligible	5.10%	$ 454.29	$ 477.46	$ 501.81	$ 527.40	$ 554.30	
Total Expenditure		$ 493,014,077	$ 670,254,525	$ 747,012,600	$ 796,098,170	$ 848,417,123	$ 3,554,796,495
Adults							
Eligible Member Months		1,613,237	2,229,052	2,363,774	2,396,867	2,430,423	
Total Cost Per Eligible	5.10%	$ 585.54	$ 615.40	$ 646.79	$ 679.78	$ 714.45	
Total Expenditure		$ 944,615,085	$ 1,371,758,310	$ 1,528,865,426	$ 1,629,342,249	$ 1,736,415,712	$ 7,210,996,783

OPTIONAL PROGRAM							
ELIGIBILITY GROUP	TREND	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	DY 04	DY 05	TOTAL WW
HIP Link							
Eligible Member Months		-	981,850	1,041,192	1,055,769	1,070,550	
Total Cost Per Eligible	5.10%	$ -	$ 333.33	$ 350.33	$ 368.20	$ 386.98	
Total Expenditure		$ -	$ 327,283,333	$ 364,760,793	$ 388,734,146	$ 414,281,439	$ 1,495,059,711

Enclosure 3

With Waiver Projections

Healthy Indiana Plan

DEMONSTRATION WITH WAIVER (WW) BUDGET PROJECTION

CY 2015

HIP POPULATIONS							
ELIGIBILITY GROUP	**Trend**	**DEMONSTRATION YEARS (DY)** DY 01	DY 02	DY 03	DY 04	DY 05	**TOTAL WW**
Section 1931 Caretakers							
Eligible Member Months	1.40%	1,542,015	1,563,603	1,585,493	1,607,690	1,630,198	
Total Cost Per Eligible		$ 693.84	$ 629.98	$ 650.42	$ 673.14	$ 698.34	
Total Expenditure		$ 1,069,911,688	$ 985,038,618	$ 1,031,236,357	$ 1,082,200,447	$ 1,138,432,471	$ 5,306,819,581
Medically Frail							
Eligible Member Months		289,258	475,289	504,015	511,072	518,227	
Total Cost Per Eligible		$ 1,426.94	$ 1,443.14	$ 1,475.57	$ 1,525.34	$ 1,582.52	
Total Expenditure		$ 412,753,811	$ 685,908,567	$ 743,709,414	$ 779,558,564	$ 820,104,592	$ 3,442,034,948
Caretakers							
Eligible Member Months		1,085,241	1,403,792	1,488,636	1,509,477	1,530,610	
Total Cost Per Eligible		$ 537.62	$ 486.83	$ 487.88	$ 501.19	$ 519.94	
Total Expenditure		$ 583,447,199	$ 683,408,056	$ 726,275,896	$ 756,534,778	$ 795,825,363	$ 3,545,491,292
Adults							
Eligible Member Months		1,613,237	2,229,052	2,363,774	2,396,867	2,430,423	
Total Cost Per Eligible		$ 668.87	$ 626.13	$ 627.46	$ 645.65	$ 669.82	
Total Expenditure		$ 1,079,046,166	$ 1,395,676,033	$ 1,483,173,673	$ 1,547,537,179	$ 1,627,945,934	$ 7,133,378,985

OPTIONAL PROGRAM							
ELIGIBILITY GROUP		**DEMONSTRATION YEARS (DY)** DY 01	DY 02	DY 03	DY 04	DY 05	**TOTAL WW**
HIP Link							
Eligible Member Months		-	981,850	1,041,192	1,055,769	1,070,550	
Total Cost Per Eligible		$ -	$ 333.33	$ 350.33	$ 368.20	$ 386.98	
Total Expenditure		$ -	$ 327,283,333	$ 364,760,793	$ 388,734,146	$ 414,281,439	$ 1,495,059,711

WAIVER POPULATIONS							
ELIGIBILITY GROUP		**DEMONSTRATION YEARS (DY)** DY 01	DY 02	DY 03	DY 04	DY 05	**TOTAL WW**
ESRD Members							
Eligible Member Months		478	359	269	202	152	
Total Cost Per Eligible		$ 323.01	$ 332.70	$ 342.68	$ 352.96	$ 363.55	
Total Expenditure		$ 154,399	$ 119,439	$ 92,181	$ 71,298	$ 55,260	$ 492,577
POWER Pre-funding Expenditures		$ 365,413,694	$ 87,408,580	$ 21,316,782	$ 6,637,561	$ 6,730,487	
Not Illustrated (Program End Only)						$ (487,528,708)	