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**OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES**

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**Public Notice  
Indiana Medicaid Program  
State Plan Amendment Regarding Alternative Benefit Plans and Cost Sharing**

In accordance with the requirements set forth in 42 CFR § 440.386 and 42 CFR § 447.57(c), the Indiana Family and Social Services Administration (FSSA) proposes to establish alternative benefit plans (ABPs) for the new Medicaid adult eligibility group described at 42 CFR § 435.119 and to document the existing cost sharing requirements for Medicaid beneficiaries, via submission of State Plan amendments (SPAs). These SPAs are only applicable to HIP 2.0 members receiving HIP Plus and HIP Basic benefits. HIP 2.0 members receiving HIP State Plan Plus or HIP State Plan Basic benefits will only be affected by the out-of-pocket expense limitations set forth below. Implementation will coincide with the Centers for Medicare & Medicaid Services' (CMS) approval of the state's Healthy Indiana Plan (HIP) 2.0 § 1115 Demonstration Waiver (11-W-00296/5) and will correspond to the waiver start date of February 1, 2015. FSSA is seeking public comment on this proposal.

The HIP 2.0 waiver will provide coverage to individuals nineteen (19) to sixty-four (64) years of age with annual household incomes of not more than one hundred thirty-three percent (133%) of the federal poverty level (FPL) as calculated based on the modified adjusted gross income guidelines with a five percent (5%) income disregard in accordance with 42 CFR § 435.603.

Under the proposed ABP SPA, HIP 2.0 members will receive coverage in accordance with the essential health benefit requirements set forth at 42 CFR § 440.347 and will receive benefits aligned with the requirements set forth at 42 CFR § 440.345. In addition, the proposed ABP SPA will provide HIP 2.0 members access to family planning services and supplies and will comply with all mental health parity requirements.

The HIP Basic ABP will be available to all HIP 2.0 members under one hundred percent (100%) FPL while the HIP Plus ABP will be available to all HIP 2.0 members under one hundred thirty three-percent (133%) FPL. Both plans will meet ABP requirements; however, HIP Basic will have fewer benefits and require copayments consistent with the HIP 2.0 waiver, while HIP Plus will offer additional benefits and require a monthly contribution. Specifically, the HIP ABPs will cover:

- Ambulatory patient services;
- Emergency services;
- Hospitalization;
- Maternity and newborn care;
- Mental health and substance use disorder services, including behavioral health treatment;
- Prescription drugs;
- Rehabilitative and habilitative services and devices;
- Laboratory services;
- Preventive and wellness services and chronic disease management;
- Early periodic screening, diagnostic, and treatment services for those age 19 & 20;
- Vision services (HIP Plus only); and
- Dental services (HIP Plus only).

HIP 2.0 members who become pregnant and elect to remain enrolled in HIP will receive additional benefits that will only be available for pregnant HIP members. The additional pregnancy-only benefits ensure coverage for services, including, but not limited to, nonemergency transportation, vision, and dental, regardless of the member's benefit plan.

Section 1931 parents and caretaker relatives and recipients of transitional medical assistance (TMA) will be enrolled in HIP 2.0, but will receive all benefits as described in the State Plan. Beneficiaries in the new adult group who qualify as medically frail will be enrolled in HIP 2.0, but will also receive ABP coverage equivalent to coverage in the State Plan.

Effective April 1, 2015, American Indian/Alaska Natives (AI/AN) may choose not to participate in HIP 2.0 and to receive coverage through a fee-for-service delivery system. AI/AN individuals in the new adult population who "opt-out" will receive ABP coverage equivalent to the coverage in the State Plan in the HIP Plus ABP. Those who "opt-out" and are eligible as Section 1931 parents and caretaker relatives, or who are receiving TMA, will receive all benefits specified in the State Plan. This election to "opt-out" will not affect an AI/AN individual's ability to access covered benefits through any Indian Health Service (IHS), Tribal or Urban Indian Organization facility

funded through the IHS.

The proposed cost sharing SPA documents the state's current cost sharing policies and adds the methods by which member cost sharing will be monitored in HIP to ensure that members' out-of-pocket expenses do not exceed five percent (5%) of the members' income on a quarterly basis. Cost sharing amounts and consequences for nonpayment for non-HIP populations remain unchanged from the policies documented on the current State Plan. Pursuant to federal law, cost sharing will not be imposed on any member who is pregnant (including sixty (60) days postpartum) or whom, pursuant to 42 CFR § 136.12, the state identifies as American Indian or Alaska Native. Further, a member's out-of-pocket cost sharing amount shall not exceed five percent (5%) of his or her quarterly household income. With respect to HIP members, the state will implement this cost sharing limitation in accordance with the Special Terms and Conditions for the HIP 2.0 waiver.

The fiscal impact for these SPA submissions is encompassed in the HIP 2.0 waiver submission. Through 2016, federal matching funds for the newly covered populations is set at one hundred percent (100%), so there will be no state fiscal impact.

Documents detailing these proposed actions will be available for public review during normal business hours, 8:00 a.m. to 4:30 p.m., at the FSSA, Office of General Counsel, 402 West Washington Street, Room W451, Indianapolis, Indiana 46204. The documents may also be viewed on-line at <http://www.in.gov/fssa/hip/2447.htm>.

There will be no public hearing. Anyone who wishes to comment on the proposed submissions may submit written comments to the Indiana FSSA, Office of Medicaid Policy and Planning, beginning February 11, 2015, and ending thirty calendar days later on March 13, 2015. Comments may be submitted electronically to [HIP2.0@fssa.in.gov](mailto:HIP2.0@fssa.in.gov) under the subject of COMMENT RE ABP AND COST SHARING or by mail to Steven Holt, Indiana Family and Social Services Administration Office of Medicaid Policy and Planning, RE: COMMENT RE ABP AND COST SHARING, 402 West Washington Street, Indiana Government Center South, Room W374, Indianapolis, IN 46204.

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