

Study Conducted by FSSA and the IDOI  
In reference to the assignment in Section 33(a)

- (1) A plan to provide health insurance coverage to individuals who:
  - (A) have a family income that is more than two hundred percent (200%) of the federal income poverty level; and
  - (B) are uninsured.

***This section is being addressed by the HIP Level 3 plan which became available to the public as of July 1, 2008.***

- (2) A health insurance program that would require local government employers, school corporations, and other public employers to join together to purchase employee health insurance coverage.

***This section is addressed by the following comments, as a result of the study:***

Whereas under IC 5-10-8-6.6 there currently exists the opportunity for a local unit of government group to join a 'pool' with other local units of government and have access to a group health plan with benefits equivalent to the state of Indiana employee healthplan, our comments will be confined to the portion of the section indicating this program would be mandatory.

For any purchasing pool to maintain its basic integrity to provide the lowest possible costs for the product or program it serves, maximum participation is the key driver, and this is especially true for health insurance coverage. Mandatory participation of all the school corporations, governmental units, and any other public employers in Indiana would help accomplish this. It will also impact the expenditure each of these participants will have since not every employer is paying the same amount of premium from group to group. Ultimately, every employer would pay the same amount of premium within a mandatory participation arrangement. For some participants this would be an advantage, and for others an obvious disadvantage. Our study committee's only concern in this regard is that since public employers depend on tax dollars or other fees paid by the public to support their budgets, forcing all these public employers into the same program will result in higher premiums for some which could translate to fiscal difficulties.

Our study did not do any comparison research into other states that may have a similar program since health insurance coverage is priced according to the medical charges in a specific geographical area as well as the ages of the employees and the amount of claim dollars paid in previous years. Accordingly, Indiana's data would vary widely from those employer groups in other states' pools.