

## Public Notice for Indiana HIP 2.0 1115 Waiver Renewal

### Indiana Family and Social Services Administration

#### Notice of Public Hearing and Public Comment Period

Pursuant to 42 CFR Part 431.408, notice is hereby given that FSSA will present amendments to the HIP Waiver to the **Medicaid Advisory Committee (MAC) at its meeting on May 25th, 2017, at 10:00 a.m., at the Indiana Government Center South, Conference Center Room C, 402 West Washington Street, Indianapolis, Indiana 46204.** The public is welcome to attend and comment at the MAC meeting, or via web conference at: <https://indiana.adobeconnect.com/ompp>.

In addition, the Indiana Family and Social Services Administration (FSSA or State) will hold a public hearing on the proposed amendment to the HIP waiver on **June 8, 2017, at 1:30 p.m. at the Indiana State Library, History Reference Room, 315 West Ohio Street, Indianapolis, IN 46204.** This public hearing will also be accessible via web conference at: <https://indiana.adobeconnect.com/indiana>.

**This notice also serves to open the 30-day public comment period, which closes June 23rd, 2017 at 5:00 p.m.**

#### SUMMARY AND OBJECTIVES OF WAIVER

The Healthy Indiana Plan (“HIP”) 2.0 1115 demonstration program was implemented by the State of Indiana (“State”) on February 1, 2015, building upon the framework and successes of the original HIP program, which has offered proven consumer driven healthcare to able-bodied low-income Hoosiers since 2008. Over 400,000 individuals are fully enrolled in HIP. On January 31, 2017, the State submitted a HIP 1115 waiver extension application (“extension”), seeking to continue the HIP 2.0 demonstration waiver program for three years in its current form with technical revisions and updates, as well as program enhancements aimed at improving member health outcomes through coordinated efforts targeting tobacco cessation, substance use disorder, chronic disease management, and employment.

In addition to the technical changes and program enhancements requested in the original extension request earlier this year, the State now seeks to amend the previously submitted 1115 demonstration waiver extension application to strengthen its HIP program through the following program revisions, each of which is described in more detail below:

1. *HIP Gateway to Work Expansion.* The current HIP Gateway to Work initiative is a voluntary program that connects HIP members to available job training and employment services on a voluntary basis. To increase participation and help HIP meet its goal of increasing employment among HIP members, Indiana seeks to require member participation in Gateway to Work as a condition of eligibility for non-disabled working age members.
2. *POWER Account Income Tiers.* Currently HIP requires members to contribute 2% of income to their POWER account monthly. For purposes of easing administrative burden and to facilitate member compliance with POWER account contributions, the State will realign POWER account contributions to pre-defined income tiers that are roughly equivalent to 2% income across each income tier.
3. *HIP Employer Link Closure.* The current HIP Employer Link program puts excessive administrative burden on employers and the State around plan review and benefit wrap. Further, it excludes members whose employers do not take advantage of the optional participation through the employer portal. Finally, there has been minimal engagement in member enrollment. Therefore, the State will close this element of the HIP 2.0 program.

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4. *Technical Revisions.* To gain administrative efficiencies, the State also seeks several additional technical revisions, including the following:
- a. *Transitional Medical Assistance (TMA).* The current TMA program will be modified to assist only families who are at risk of losing coverage following an increase in income over 138% FPL. Members with changes in income within the HIP eligibility threshold will no longer be eligible for TMA, but will maintain standard HIP eligibility.
  - b. *Refugees.* Refugees will receive traditional coverage for their first 8 months of eligibility in order to acclimate to their new living situation. After 8 months, these members will be transitioned from fee for service to the HIP 2.0 program.
  - c. *Funding for Medicaid Rehabilitation Option (MRO).* The State seeks to obtain federal matching rates to allow MRO services for HIP 2.0 members to be reimbursed at the enhanced reimbursement rate to attract more providers to the program.

### FINANCING & ENROLLMENT

Over the three-year demonstration renewal period (2018 - 2020), HIP 2.0 is expected to cost approximately \$1.5 billion in state funds, and \$10.3 billion in total combined state and federal funds. The table below provides the estimated state and federal costs divided by year.

**Estimated State and Federal Program Costs 2018 – 2020 (in millions)**

Calendar Year	Demonstration Year	Expenditures without Waiver	Total HIP Expenditures	State Share of HIP Expenditures	Waiver Margin
2018	4	\$4,122.1	\$3,285.6	\$436.6	\$289.8
2019	5	\$4,289.3	\$3,454.2	\$483.6	\$312.4
2020	6	\$4,389.0	\$3,561.2	\$578.2	\$331.7

**Projected Enrollment 2018-2020**

Projected Enrollment – Healthy Indiana Plan with Waiver Amendment			
Population	DY 04	DY 05	DY 06
Section 1931 Parents	117,567	117,976	116,402
New Adult Group	276,864	276,917	268,723
Medically Frail	46,160	46,122	46,374
HIP Presumptive Eligibility	43	34	26
<b>Total</b>	<b>440,634</b>	<b>441,049</b>	<b>431,525</b>

### ELIGIBILITY

HIP continues to target non-disabled adults between the ages of 19 and 64 with a household income less than 138% of the federal poverty level (FPL), including individuals eligible for the adult group, low-income parents and caretakers eligible under Section 1931 of the Social Security Act (Section 1931), and individuals eligible for transitional medical assistance. Individuals who become pregnant while on HIP may continue to be covered by the HIP program for the remainder of their current benefit period.

Recognizing the strong tie between work and health, the State seeks to promote employment by strengthening its current Gateway to Work program. To this end, this proposed HIP amendment will require all able-bodied HIP participants, as a condition of continued eligibility for HIP to: (1) work at

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least 20 hours per week over eight (8) months of an eligibility cycle; (2) be enrolled in full-time or part-time education; or (3) participate in the Gateway to Work initiative to engage members in available job training, work search, and employment programs that will assist members in securing gainful employment. The Gateway to Work participation requirements will gradually increase over the member's first year of participation from five (5) hours per week up to a maximum of twenty (20) hours per week.

HIP Eligibility Period	Required Participation Hours
1-6 months	0 hours per week
7-9 months	5 hours per week
10-12 months	10 hours per week
13-18 months	15 hours per week
18+ months	20 hours per week

Pregnant women, individuals determined medically frail, adults who are the primary caregiver of a dependent (including a minor child less than age 12 or a disabled dependent), members receiving treatment for substance use disorder (SUD), and members over the age of 60 are exempt from mandatory participation in Gateway to Work. Further, the participation requirements will be suspended temporarily for members who are unable to participate due to temporary illness or incapacity as certified by a licensed physician, advanced practice nurse, licensed behavioral health professional, licensed physician assistant, or board certified psychologist.

### **BENEFITS AND HEALTH CARE DELIVERY SYSTEM**

All HIP members will continue to receive a comprehensive benefit package, consistent with private market plans and compliant with all mandated essential health benefits as required by the Patient Protection and Affordable Care Act (ACA). There are no changes to the standard HIP benefit packages or healthcare delivery system as a result of this amendment. However, Section 1931 parents and caretakers who experience an increase in income but who remain eligible for HIP due to income below 138% FPL will be transitioned to the appropriate standard HIP benefit package, rather than maintaining HIP state plan benefits through the transitional medical assistance (TMA) program. The standard TMA eligibility and benefits will be maintained for these individuals who experience an increase in income greater than 138% FPL.

Additionally, members will no longer have the option to receive benefits through the HIP Employer Link program, as the program will be closed at the end of the current demonstration period. HIP Link enrolled members will be transitioned to the HIP Plus plan after an adequate notice period.

Further, through this amendment, refugees are exempt from HIP for the first eight (8) months of arrival. Refugees will qualify for full coverage and will be protected for the first eight (8) months upon entering the United States. Benefits will be covered under traditional Indiana Medicaid Fee-For Service (FFS) for these members during this initial enrollment period.

### **COST SHARING REQUIREMENTS**

HIP utilizes two forms of cost-sharing: POWER account contributions and co-payments to promote consumerism and personal responsibility. The POWER account, which operates similarly to a health savings account, contains contributions made by the State as well as the required monthly contributions from the member. This amendment requests a flat rate tiered contribution amount that is roughly equivalent to 2% of income (the current required contribution amount) for each income bracket in accordance with the table below. However, in no event will POWER account contributions be less than \$1.00. Married members would continue to receive the benefit of splitting the POWER Account contribution (PAC) amount.

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<b>FPL</b>	<b>Monthly PAC Single Individual</b>	<b>Monthly PAC Spouses</b>
<22%	\$1.00	\$0.50
23-50%	\$5.00	\$2.50
51-75%	\$10.00	\$5.00
76-100%	\$15.00	\$7.50
101-138%	\$20.00	\$10.00

**HYPOTHESES & EVALUATION**

HIP currently utilizes a CMS-approved comprehensive evaluation plan that has been successful in tracking HIP’s progress toward achieving its stated goals. During the new demonstration period, the State will maintain the original evaluation design, but will add new components to assess the impact of the new programs and policies presented within the amendment to the waiver renewal application. Specifically, the State will include an analysis of the following new components within its updated HIP evaluation plan: (1) Expansion of Gateway to Work and (2) POWER Account Tiers.

The following table outlines the hypotheses for the new program components within the HIP waiver renewal as well as the methodology and data source the State will use for evaluation of each hypothesis:

<u>Hypothesis</u>	<u>Methodology</u>	<u>Data Source</u>
<b>1. Gateway to Work enhancements</b>		
<b>HIP’s Gateway to Work initiative will promote employment among HIP members</b>	Track and compare rates of employment among HIP members	Eligibility and Enrollment Data <ul style="list-style-type: none"> <li>Number and percentage of members who earn employment or qualifying engagement program that is sustained &gt;90 days</li> <li>Number and percentage of members who are disenrolled from HIP due to increased earnings from employment</li> </ul>
<b>HIP’s Gateway to Work participation requirements will encourage HIP members to transition to commercial health insurance coverage</b>	Track and compare rates of HIP members who secure: <ul style="list-style-type: none"> <li>Individual private health insurance;</li> <li>Private health insurance through a partner/spouse;</li> <li>Individual employer-sponsored insurance; or</li> <li>Employer-sponsored insurance</li> </ul>	Eligibility and Enrollment Data <ul style="list-style-type: none"> <li>Number and percentage of members who are disenrolled from HIP due to commercial insurance coverage</li> </ul> Member Survey Data <ul style="list-style-type: none"> <li>Self-reported member description of health insurance coverage upon disenrollment from HIP</li> </ul> Recidivism into HIP due to unemployment Analysis of demographic patterns <ul style="list-style-type: none"> <li>Age</li> </ul>

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<u>Hypothesis</u>	<u>Methodology</u>	<u>Data Source</u>
	through a partner/spouse	<ul style="list-style-type: none"> <li>• Gender</li> <li>• Race/ethnicity</li> <li>• Location of residence by population</li> </ul>
<b>HIP’s Gateway to Work participation requirement will encourage active engagement in job searches among HIP members</b>	Track and compare rates of participation in the Gateway to Work Program  Track and compare rates of self-reported job search activities	Administrative Data <ul style="list-style-type: none"> <li>• Number and percentage of members enrolled in the Gateway to Work program</li> </ul> Member Survey Data <ul style="list-style-type: none"> <li>• Self-reported member description of job search activities</li> </ul>
<b>HIP’s Gateway to Work participation requirement will encourage active engagement in employment-related training among HIP members</b>	Track and compare rates of participation in the Gateway to Work Program  Track and compare rates of self-reported job training	Administrative Data <ul style="list-style-type: none"> <li>• Number and percentage of members enrolled in the Gateway to Work program</li> </ul> Member Survey Data <ul style="list-style-type: none"> <li>• Self-reported member description of job training activities</li> </ul>
<b>2. Income Tiers for POWER Account Contributions</b>		
<b>HIP’s income tier structure for POWER account contributions will increase member compliance with POWER account payments</b>	Track and compare compliance rates with POWER account payments	Administrative Data <ul style="list-style-type: none"> <li>• Number and percentage of members making POWER account payments</li> </ul>
<b>HIP’s income tier structure for POWER account contributions will be easier for members to understand</b>	Track and compare compliance rates with POWER account payments	Administrative Data <ul style="list-style-type: none"> <li>• Number and percentage of members making POWER account payments</li> </ul> Member Survey Data <ul style="list-style-type: none"> <li>• Member description of their understanding of POWER account contributions before and after tiered structure</li> </ul>

**1. Eligibility**

Section 1902(a)(10)(A)

To the extent necessary to enable the State to require all able-bodied HIP participants, as a condition of eligibility, to: (1) work at least 20 hours per week over eight (8) months of an eligibility cycle; (2) be enrolled in full-time or part-time education; or (3) participate in the Gateway to Work initiative.

**2. Costs not Otherwise Matchable**

The State requests that expenditures related to the Gateway to Work expansion be regarded as expenditures under the State’s Medicaid Title XIX State Plan.

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### **REVIEW OF DOCUMENTS AND SUBMISSION OF COMMENTS**

The proposed HIP Waiver documents are available for public review at the FSSA, Office of General Counsel, 402 W. Washington Street, Room W451, Indianapolis, Indiana 46204. The documents may also be viewed online at [www.HIP.in.gov](http://www.HIP.in.gov).

Written comments regarding the HIP Waiver will be accepted through 5:00 p.m. on June 23, 2017 and may be sent to the FSSA via mail at 402 West Washington Street, Room W374, Indianapolis, Indiana 46204, Attention: Natalie Angel or via electronic mail at [HIP2.0@fssa.in.gov](mailto:HIP2.0@fssa.in.gov).

FSSA will publish a summary of the written comments, once compiled, for public review at [www.HIP.in.gov](http://www.HIP.in.gov).