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INDIANA WINS APPROVAL OF PLAN TO COVER 350,000 UNINSURED

Governor Pence Praises Healthy Indiana Plan as "Proven Model for Medicaid Reform"

INDIANAPOLIS—Governor Mike Pence announced today that the State has received approval from the federal government to use an updated version of the consumer-driven Healthy Indiana Plan known as HIP 2.0 instead of Medicaid to offer access to quality health care to 350,000 uninsured Hoosiers. The Family and Social Services Administration (FSSA) will begin taking applications immediately, and coverage will begin February 1.

"Since the beginning of my administration, we have worked hard to ensure that low-income Hoosiers have access to a health care plan that empowers them to take charge of their health and prepares them to move to private insurance as they improve their lives," said Governor Pence. "This has been a long process, but real reform takes work."

HIP 2.0 participants are required to contribute to a POWER account, which they manage like a health savings account and are rewarded for using preventive care. Consequences for non-payment range from mandatory co-pays for services to loss of coverage. In addition, the plan includes a co-pay for emergency room use, designed to encourage appropriate use of the emergency room.

The plan also offers low-income Hoosiers an option to receive assistance in purchasing private-market insurance through their employers, called HIP Link. The use of a health savings account as part of a premium assistance program is the first of its kind in the nation. The plan also refers applicants to job training and job search programs offered by the State of Indiana.

With this approval, Indiana will end traditional Medicaid for all non-disabled Hoosiers between 19 and 64 and will continue to offer the first-ever consumer-driven health care plan for a low-income population. In addition, the State will reform its traditional Medicaid program by increasing reimbursement for healthcare providers, which will improve access to care. The State negotiated the rate increase as part of its agreement with the Indiana Hospitals Association, which will help fund the Healthy Indiana Plan so it can be offered at no additional cost to taxpayers.

"The expanded and updated HIP 2.0 is based on a program that has been serving 60,000 low-income Hoosiers in our state for seven years," said Governor Pence. "It is a proven model for Medicaid reform across the nation."

For information on how to enroll in the Healthy Indiana Plan, visit www.HIP.IN.gov or call 1-877-GET-HIP-9.

The State submitted its formal waiver to the Centers for Medicare and Medicaid (CMS) on July 1, 2014.