

# State of Indiana



# General Assembly

200 West Washington Street  
Indianapolis, IN 46204

September 19, 2014

The Honorable Secretary Sylvia Burwell  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Burwell:

As elected leaders of the Indiana General Assembly, we write to express our support for HIP 2.0, the State of Indiana's proposal to bring health care coverage to more low-income Hoosiers through an expansion of the existing Healthy Indiana Plan.

The Healthy Indiana Plan has a track record of bipartisan support in the Indiana General Assembly, both at the time of its inception in 2007 and after the Affordable Care Act presented a potential pathway for its expansion. This is further demonstrated by the Democratic Caucus' recent letter in support of HIP 2.0. We remain committed to the Healthy Indiana Plan as an innovative way of providing health care coverage to low-income Hoosiers.

Central to the Healthy Indiana Plan's success is its incentive structure. Members are required to contribute an affordable amount into an HSA-like personal responsibility and wellness (POWER) account on a sliding income scale. These contributions, along with additional State funds, are then available for members to purchase health care services. Because members have a personal stake in their available health care funds, they are empowered to make healthy and cost-conscious decisions.

Hoosiers enrolled in the Healthy Indiana Plan appreciate the program's consumer-directed design. A Mathematica study shows that 83 percent of Healthy Indiana Plan members prefer a fixed monthly amount rather than making a payment each time they visit a health professional, pharmacy, or hospital. The program is also extremely popular, achieving a member satisfaction rate near 95 percent for several consecutive years.

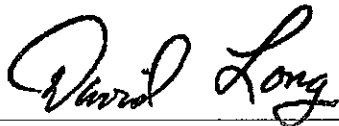
The Healthy Indiana Plan's consumer-directed design continues to produce positive results. For example, members receive preventative care more often and inappropriately use the emergency room less often when compared to those in our traditional Medicaid program. This direct correlation between individual contributions and responsible decision-making is a testament to the program's successful design.

Therefore, we ask that any future agreement with the State of Indiana to expand the Healthy Indiana Plan through HIP 2.0 preserve the State's ability to incentivize personal responsibility. The Healthy Indiana Plan functions optimally with a meaningful POWER account contribution requirement along with the ability to enforce non-payment penalties, as evidenced by the fact that 93 percent of current members make regular, on-time POWER account contributions. Due to historical "churn" of enrollees in both Medicaid and the Marketplace, aligning HIP 2.0 non-payment policies with those in the Marketplace today helps ensure members are prepared for commercial market coverage.

We are also pleased with the State's inclusion of new health care choices for Medicaid-eligible Hoosiers, most notably the HIP Employer Benefit Link program. This new aspect of the Healthy Indiana Plan allows members to participate in an optional premium assistance program to support participation in employer-sponsored health insurance plans. For example, HIP Employer Benefit Link's new defined contribution POWER account offers participants resources to pay their share of premiums and any cost-sharing associated with their employer-sponsored health plan.

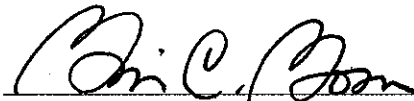
We appreciate your continued commitment to quality health care options for Medicaid-eligible Hoosiers and ask for your timely approval of the State of Indiana's request to expand the Healthy Indiana Plan through HIP 2.0.

Sincerely,



---

David C. Long, President Pro Tempore  
Senate



---

Brian C. Bosma, Speaker of the House  
House of Representatives