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Indiana Family and Social Services Administration
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FSSA's Family Impact Statement for HIP Link

Executive Order 13-05 (the "Order") requires the Family and Social Services Administration ("FSSA") to assess a policy or proposed rule's impact on family formation and general well-being and to certify its compliance with the Order. FSSA hereby submits this certification that it has assessed the proposed rule's impact on family formation and general well-being based on the enumerated considerations listed in the Order.

Background and Summary of the Rule

In 2007, the legislation creating HIP also authorized the optional creation of a premium assistance program to promote private market coverage for individuals with access to employer-sponsored insurance ("ESI"). Specifically, Ind. Code §12-15-44.2-20 provides that the premium assistance program must: (i) contain eligibility requirements similar to HIP; (ii) include a health savings account ("HSA") component; and (iii) ensure the individual's payment to either the HSA or the premium not exceed 5% of his or her annual household income.

The FSSA – OMPP intends to implement the HIP Employer Benefit Link (HIP Link), an optional defined contribution premium assistance program for all HIP-eligible individuals with access to ESI and meeting the HIP Link eligibility criteria. HIP Link will allow individuals the choice to participate in their ESI plan or to select the traditional HIP program for their health insurance. This structure empowers Hoosiers with a greater choice and increased access to providers while also addressing potential crowd-out of private plans.

In order to implement the HIP Link program, FSSA adopted an emergency rule on June 1, 2015 that will expire on June 1, 2016. FSSA has also submitted a protocol document to the Centers for Medicare and Medicaid Services ("CMS") for approval. CMS is reviewing the protocol document and discussing it with FSSA. In order to continue the HIP Link program, FSSA needs to adopt the proposed rule on or before June 1, 2016.

Impact of the proposed rule on the family well-being or family formation

FSSA assessed the proposed rule's impact on family formation and well-being in light of the six considerations enumerated in the Order. In order to be eligible for HIP Link, the proposed rule

will consider whether the HIP 2.0 eligible individual's ESI plan that has been approved as meeting certain cost and coverage requirements.

In general, HIP Link does not discourage traditional family formation or encourage family dissolution. Accordingly, FSSA expects that the proposed rule will have a **positive** impact on family well-being or family formation. The FSSA is submitting this certification to the OMB that it has considered the requisite criteria in Executive Order 13-05 in developing the proposed rule. FSSA's response to the enumerated measures is as follows:

1) Whether or not this action by government strengthens or erodes the stability of the family and the marital commitment.

Response: The proposed rule is not expected to destabilize the family unit or effectively erode the marital commitment. The HIP Link program is one of several options for healthcare coverage that individuals may be eligible for under healthcare reform. HIP Link program makes health insurance coverage available to HIP 2.0 eligible individuals who are eligible for health insurance coverage through an employer but cannot afford the health insurance coverage premiums.

2) Whether or not this action encourages or discourages non-marital childbearing.

Response: The proposed rule has a neutral effect on the encouragement or discouragement of non-marital childbearing.

3) Whether or not this action respects or inhibits the rights of parents to raise their children and make the best choices about their children's education, health, and well-being.

Response: The proposed rule does not establish any requirements that invade or diminish a parent's inherent decision making authority over his or her children.

4) Whether or not this action increases or decreases private family earnings or the incentive for parents to provide materially and emotionally for their children.

Response: The proposed rule provides a mechanism for low income individuals to receive health care coverage through their employer sponsored health insurance by assisting those individuals with their ESI premiums. Accordingly, FSSA believes the proposed rule could increase private family earnings and incentivize parents to provide for their families.

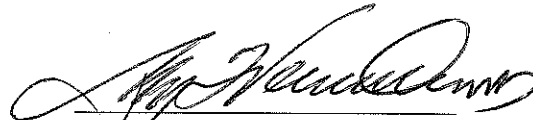
5) What message, intended or otherwise, does this program send to the public concerning the status of the family?

Response: The proposed rule does not send any message, positive or negative, concerning the status of the family.

6) What message does the action send to children about the relationship between their present choices and their future well-being?

Response: FSSA does not expect the proposed rule to convey a message that is either positive or negative to children about the relationship between their present choices and their future well-being.

Office of the Secretary of Family and
Social Services



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