# HBP2.0

### HEALTHY INDIANA PLAN SM

**Health Coverage = Peace of Mind** 

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#### Medicaid Reform:

#### Medicaid:

- Desgined for aged, blind, disabled, children & pregnant women
  - Retroactive coverage, presumptive eligibility
  - Limited cost sharing
  - Limited incentives for health improvement
  - Little to no disincentives for undesired behaviors
  - Plan changes
  - Better than commercial benefits

#### Results:

- Seek coverage only when sick, in ER rooms
- Lack of focus on prevention, maintaining health, & preventing disease
- Access issues
- Over-consumption/Fraud



### Governor Pence & HIP 2.0

- Original program established in 2007, Approved by CMS 4 times
- ✓ HIP 2.0:Maintain Principles of HIP
  - Preserve structure of incentives for positive behaviors & consequences for negative behaviors:
    - "Skin-in-the-game"
    - Familiarize participants with private market
    - Incentives to focus on prevention & improvement of health outcomes
- Limited tools to impose disincentives:
  - Population under 100% FPL
  - Cost sharing, benefits, & network

## Maintaining Financial Sustainability



HIP 2.0
will be
sustainable
& will not
increase
taxes for
Hoosiers

Current Annual Cigarette Tax Funds earmarked for HIP

- -Indiana hospitals will help support costs to expand HIP 2.0 starting in 2017
- -HIP Trust Fund maintained to cover 1year operational expenses

Waiver specifies HIP 2.0 continuity requires:

- -Enhanced federal funding
- -Hospital assessment program approval



#### **HSA: POWER Account**

#### Members empowered to manage their account

- Receive monthly statements
- Demand price & quality transparency
- Engaged in improving health

#### Members "own" contributions

- When member leaves the program: Remaining member portion refunded
- When member stays in program: At year end, remaining member portion rolls over to reduce required contribution
  - Remaining State contribution also rolls over if member completes required preventative services



### Monthly Contributions

- ✓ 2% of monthly income
  - 60 day grace period; outreach for missed payments
- Preserve dignity for beneficiaries & Prepare to Transition off of Public Assistance
  - "Provide a hand-up not a hand down" -Governor Mike Pence, May 2014
  - Reduce stigma of public assistance
- Create "value" for participants
  - Instill "consumer" concept
  - Member engagement



#### **Additional Features**

- Modeled after private market coverage
- No retroactive coverage
- Effective date:
  - Must make payment within 60 days to begin coverage
  - Once payment is made, plans changes only for cause

### HIP 2.0:

## Three Pathways to Coverage



## HIP Plus

- Initial plan selection for all members
- Benefits: Comprehensive coverage with enhanced benefits, including vision, dental, bariatric, pharmacy
- · Cost sharing:
  - Monthly POWER account contribution required.
  - Contribution is 2% of income with a minimum of \$1 per month.
- ER copayments only

## HIP Basic

- Fall-back for members with income <100% FPL who do not make POWER account contribution
- Benefits: Minimum coverage, no vision or dental coverage
- Cost sharing:
  - Must pay copayment ranging from \$4 to \$75 for doctor visits, hospital stays, and prescriptions

## HIP Link

- Employer plan premium assistance paired with HSA-like account
- Enhanced POWER account to pay for premiums, deductibles and copays in employer-sponsored plans
- Provider reimbursement at commercial rates

## HIP Plus Creates Value Proposition for Members



Healthy Indiana Plan (HIP) members with income below 100% federal poverty level (FPL)

#### HIP Plus

Personal Wellness and Responsibility (POWER) account contributions grant access to HIP Plus.

HIP Plus offers enhanced benefits, including dental & vision.

#### **HIP Basic**

Coverage maintained for members with income <100% FPL. Can only get into HIP Plus at rollover/eligibility determination.

Non-contributing members receive HIP Basic benefits & make copayments for all services.



### Non-Payment Penalties

- Members remain enrolled in HIP Plus as long as they make POWER account contributions (PACs) and are otherwise eligible
- Penalties for members not making the PAC contribution:

Income ≤100% FPL

Moved from HIP Plus to HIP Basic

Copays for all services

Income >100% FPL

Dis-enrolled from HIP\*

Locked out for six months\*\*

<sup>\*</sup>EXCEPTION: Individuals who are medically frail.

<sup>\*\*</sup>EXCEPTIONS: Individuals who are 1) medically frail, 2) living in a domestic violence shelter, and/or 3) in a state-declared disaster area. If an individual locked out of HIP becomes medically frail, he/she should report the change to his/her former health plan to possibly qualify to return to HIP early.

## HIP Plus: POWER Account Contributions



- POWER account contributions are approximately 2% of member income
- Minimum contribution of \$1 per month even for individuals with no income & maximum contribution of \$100 per month
- Employers & not-for-profits may assist with contributions

#### Maximum monthly HIP 2.0 POWER account contributions (PAC)

FPL	Monthly Income, Single Individual	Maximum Monthly PAC*, Single Individual	Maximum Monthly Income, Household of 2
<22%	Less than \$216	\$4.32	Less than \$292
23%-50%	\$216.01 to \$491	\$9.82	\$292.01 to \$664
51%-75%	\$491.01 to \$736	\$14.72	\$664.01 to \$996
76%-100%	\$736.01 to \$981	\$19.62	\$996.01 to \$1,328
101%-138%	\$981.01 to \$1,369.73	\$27.39	\$1,328.01 to \$1,853.85

<sup>\*</sup>Amounts can be reduced by other Medicaid or CHIP premium costs

<sup>\*\*</sup>To receive the split contribution for spouses, both spouses must be enrolled in HIP

## POWER Account: Incentives for H P2.0 **Completing Preventive Care**



## HIP Plus POWER account

Pays for \$2,500 deductible Member contributes May double rollover

#### Year-End Account Balance

- Unused member contribution rollover to offset next year's required contribution
- Amount **doubled** if preventive services complete – up to 100% of contribution amount
- Example: Member has \$100 of member contributions remaining in POWER account. Credit is doubled to \$200 if preventive services were completed.

## HIP Basic POWER account

Pays for \$2,500 deductible Cannot be used to pay HIP Basic copays Capped rollover option

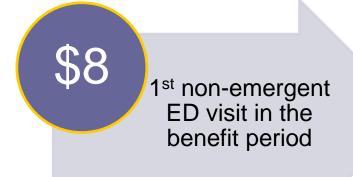
#### Year-End Account Balance

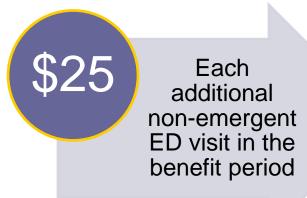
- If preventative services completed, members can offset required contribution for HIP Plus by up to 50% the following year
- Example: Member receives preventive services and has 40% of original account balance remaining at year end. May choose to move to HIP Plus the following year and receive a 40% discount on the required contribution.

## Emergency Department (ED) Copayment Collection



- HIP features a graduated ED copayment model
- ✓ HIP requires non-emergent ED copayments unless:
  - Member calls MCE Nurse-line prior to visit or
  - The visit is a true emergency







#### Addresses Access Issues

- Continues Medicare rates for providers in HIP 2.0
- Addresses access issues for current Medicaid participants:
  - HIP 2.0 financing includes rate increase for providers
  - Approximately 75% of Medicare rates
  - Translates to an average 25% increase in rates

## Application Features: Gateway to Work



HIP 2.0 applicants and members referred to existing State workforce training programs and job search resources if:

- ✓ Unemployed or working less than 20 hours per week <u>AND</u>
- ✓ Not full-time students
- 3,200 have used the program

#### Notes:

SNAP recipients who have already been sent to Gateway to Work will not be referred again

Not participating in the Gateway to Work program does not impact HIP 2.0 eligibility



### Final Agreement

#### ✓ Nation's first

- Ends traditional Medicaid for non-disabled adults
- ER copayment
- Defined contribution premium assistance program
- Minimum contributions for HIP Plus at all levels of poverty
- Two-tiered benefit structure

#### Preservation of HIP

- Lock-out
- Effective date
- Retroactivity
- Plan changes

## Healthy Indiana Plan (HIP 2.0) Success



## HIP improves health care utilization

ER use lower by 42% for individuals moving from Medicaid into HIP

5,300 new providers enrolled to serve Medicaid and HIP enrollees

In HIP 1, 80% of HIP members choose generic drugs, compared to 65% of commercial populations

## HIP results in high member satisfaction

87% are satisfied or very satisfied with HIP coverage

83% would pay more to be in the program.

94% would enroll again

## HIP promotes personal responsibility

70% of members make required contributions. Of this group 83% are below the poverty level & 94% make contributions consistently.

52% of HIP members check the balance of their POWER account and just over one-third check that balance at least once a month.



### Early Results

- Program began same day as announcement
- Transitioned 130,000 from Medicaid
- √ 377,000 Eligible
- 71% Average Making Contributions
  - 92% above 100% FPL
  - 63% < 50% FPL
  - .1% Assisted by employers/not-for-profits
- √ 6% Non-Payment Rate





## **QUESTIONS?**

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