



The Healthy Indiana Plan

Secretary Mitch Roob
September 18, 2007

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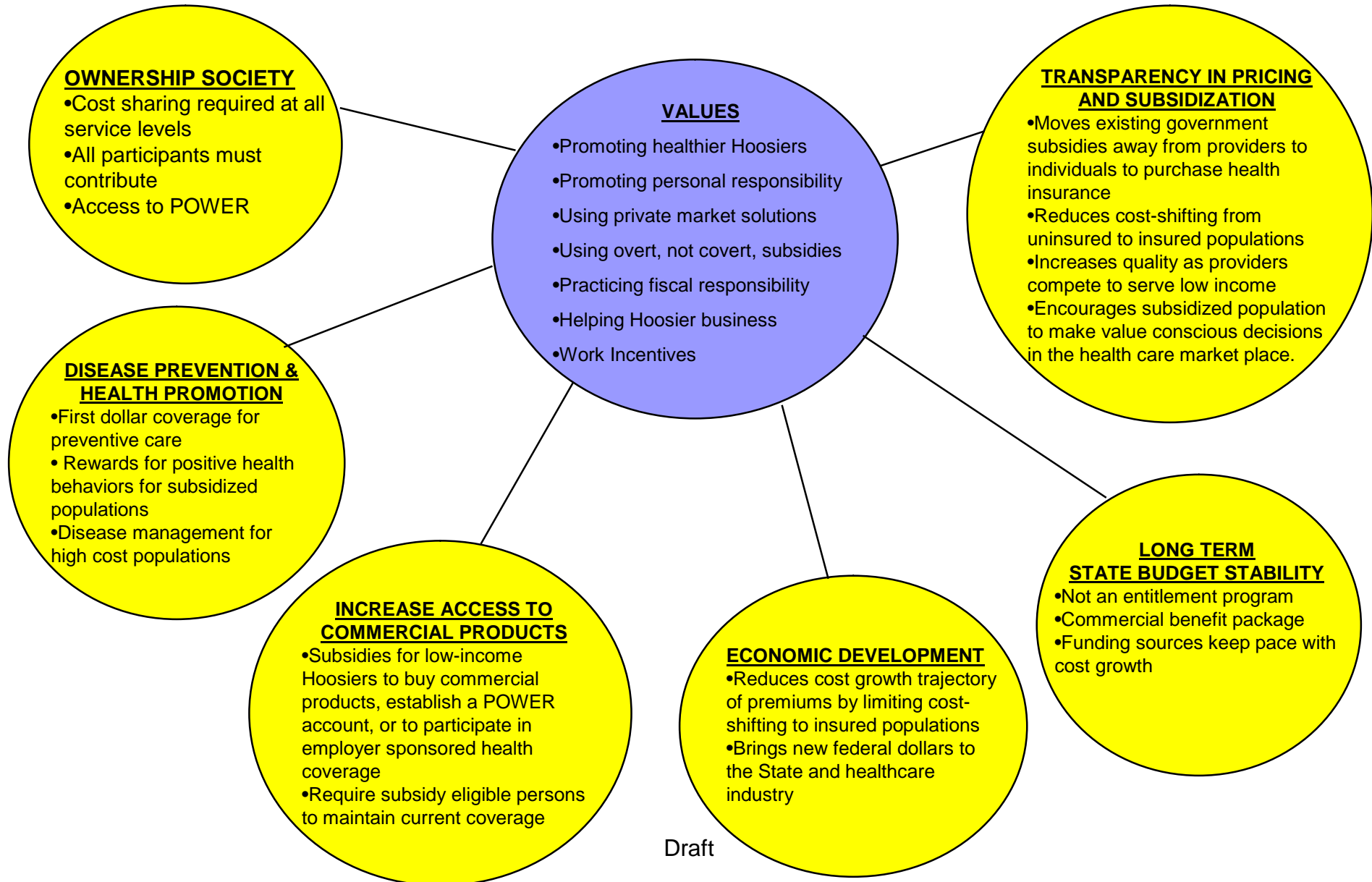


A Look at Indiana

“Southern state misplaced in the Midwest”

- **From 2000 to 2004, Indiana lost 138,800 jobs.**
 - Industry change away from manufacturing jobs
- **Average Hoosier income is 91¢ for every dollar that the average American earns.**
- **Indiana has the highest per capita rate of medically bankrupt families, amounting to over 77,000 Hoosiers.**
- **Indiana is unhealthy:**
 - Obesity: 9th (26% of Hoosiers)
 - Current Smokers: 5th (24% of Hoosiers)
- **Dropping Coverage**
 - From 1999 – 2004, Indiana had the second highest drop in employer-sponsored health insurance.
- **The latest census report estimates that 748,000 Hoosiers are uninsured**
 - Approximately 12% of Indiana’s total population is without health insurance
- **Limited Coverage through Public Programs**
 - Indiana Medicaid had:
 - 4th lowest coverage level (22% FPL) for non-disabled adults
 - Covers disabled, pregnant women & kids
 - Adults between the ages of 18-64 mostly excluded

Indiana's Values and Vision for Healthcare



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The Healthy Indiana Plan

Who Is Covered?

Eligible Group: 562,235 Hoosiers

■ Adults

- Uninsured, non-disabled parents of Medicaid/CHIP children from 22%-200% federal poverty level (FPL)
- Childless adults under 200% FPL
 - We will cover approximately 41,000

■ Other :

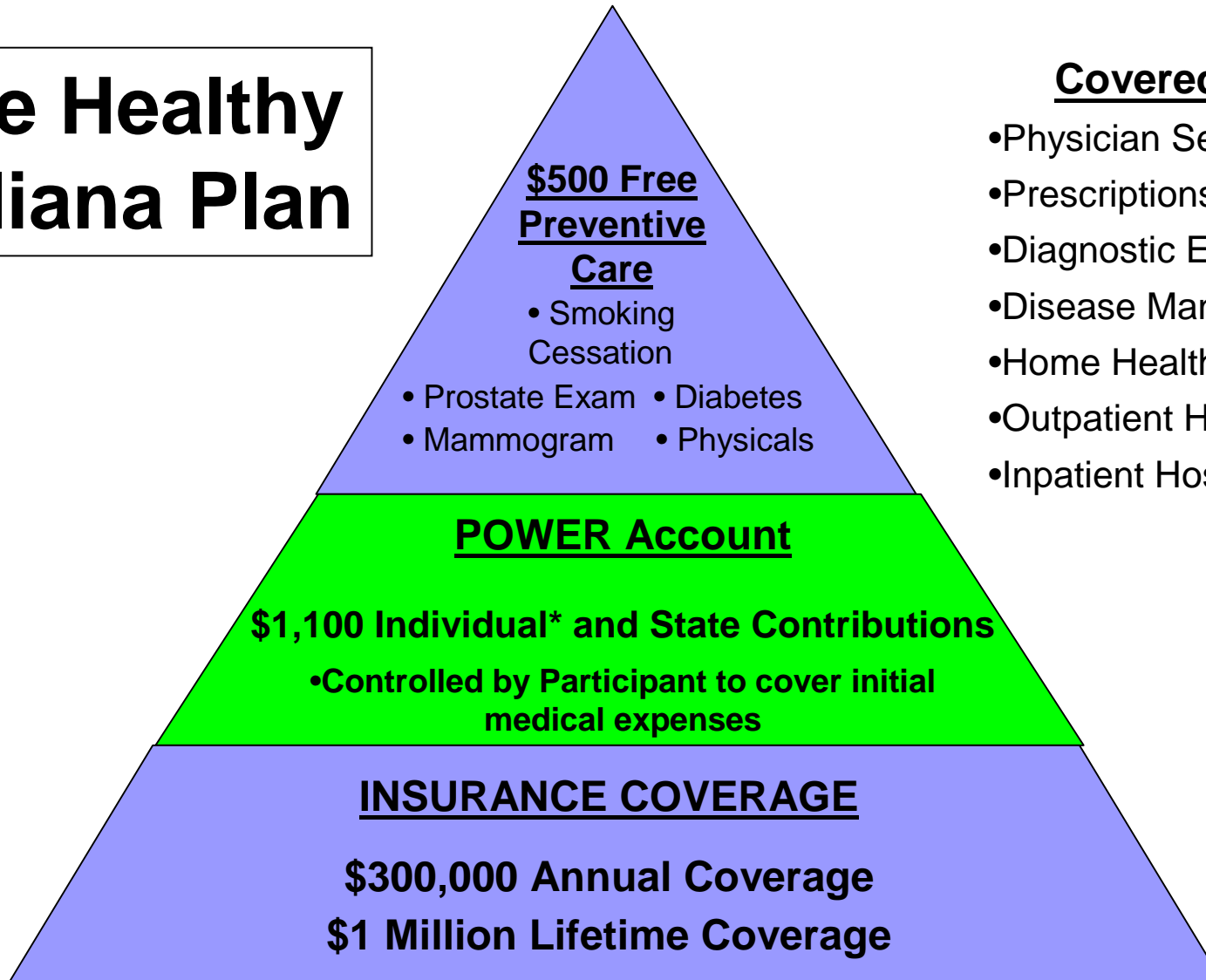
- Not** an entitlement program
- Participants must be: Uninsured for 6 months, and not eligible for employer sponsored health insurance



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The Healthy Indiana Plan



Covered Services

- Physician Services
- Prescriptions
- Diagnostic Exams
- Disease Management
- Home Health Services
- Outpatient Hospital
- Inpatient Hospital

*Individual contribution not to exceed 4.5% of gross annual income

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Plan Structure

POWER Account provides:

■ **Personal Responsibility:**

- POWER Accounts give participants a financial incentive to adopt healthy behaviors that keep them out of the doctor's office. When they do seek health care, plan participants will seek price transparency so they can make value conscious decisions.
- Debit card technology allows participant to manage account and pay for initial expenses. Card can only be used for plan providers and authorized services.

■ **Fiscal Responsibility**

- Required individual contributions

■ **Fosters Healthy Behaviors and Appropriate Use of Health Care Services Behaviors**

- Remaining Balances:
 - If all age, sex and pre-existing condition appropriate preventive services are completed, all (State and individual) remaining POWER Account funds will rollover to offset the following year's contribution.
 - If preventive services are not completed, only the individual's prorated contribution (not the State's) to the account rolls over.



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Benefits

■ Preventive Services

- Up to \$500 a year outside of the POWER account and not subject to deductible

■ Basic commercial plan- Starts after deductible is met or after medical costs exceed \$1,100

□ **Services include:**

- Physician services, prescriptions, diagnostic exams, home health services, outpatient hospital, inpatient hospital, hospice, preventive services, family planning, and case and disease management

□ **Mental health coverage:**

- Similar to coverage for physical health, and includes substance abuse treatment, inpatient, outpatient, and drugs

□ **Premium Assistance for Vision and/or dental coverage**

- Individuals can opt for dental or vision coverage but will be responsible for 50% of the premium cost (on top of their POWER Account contribution) for these services

□ **Enhanced Services Plan (ESP):**

- High risk individuals will be assigned to one carrier who will work with ICHIA to provide clients enhanced disease management



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Other Items

- Providers paid at Medicare rates
- Buy-In Option
 - Uninsured individuals can buy-into the HIP plan.
Rates will be based on age, sex and health status
 - If there is a wait list, individuals on the wait list may also buy-in. Costs will be based on HIP rates
- HIP Task Force is in the process of being assembled



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Next Steps: Federal Level

- HIP provides a historical opportunity to reshape the nation's Medicaid program
- 1115 Waiver pending approval from OMB & CMS
 - Give Indiana “credit” for running a modest program, raising new revenue (\$150/million) and for implementing system efficiencies immediately upon taking office
 - Need adequate funding to assure program is robust and to achieve goals
 - Need timely decision

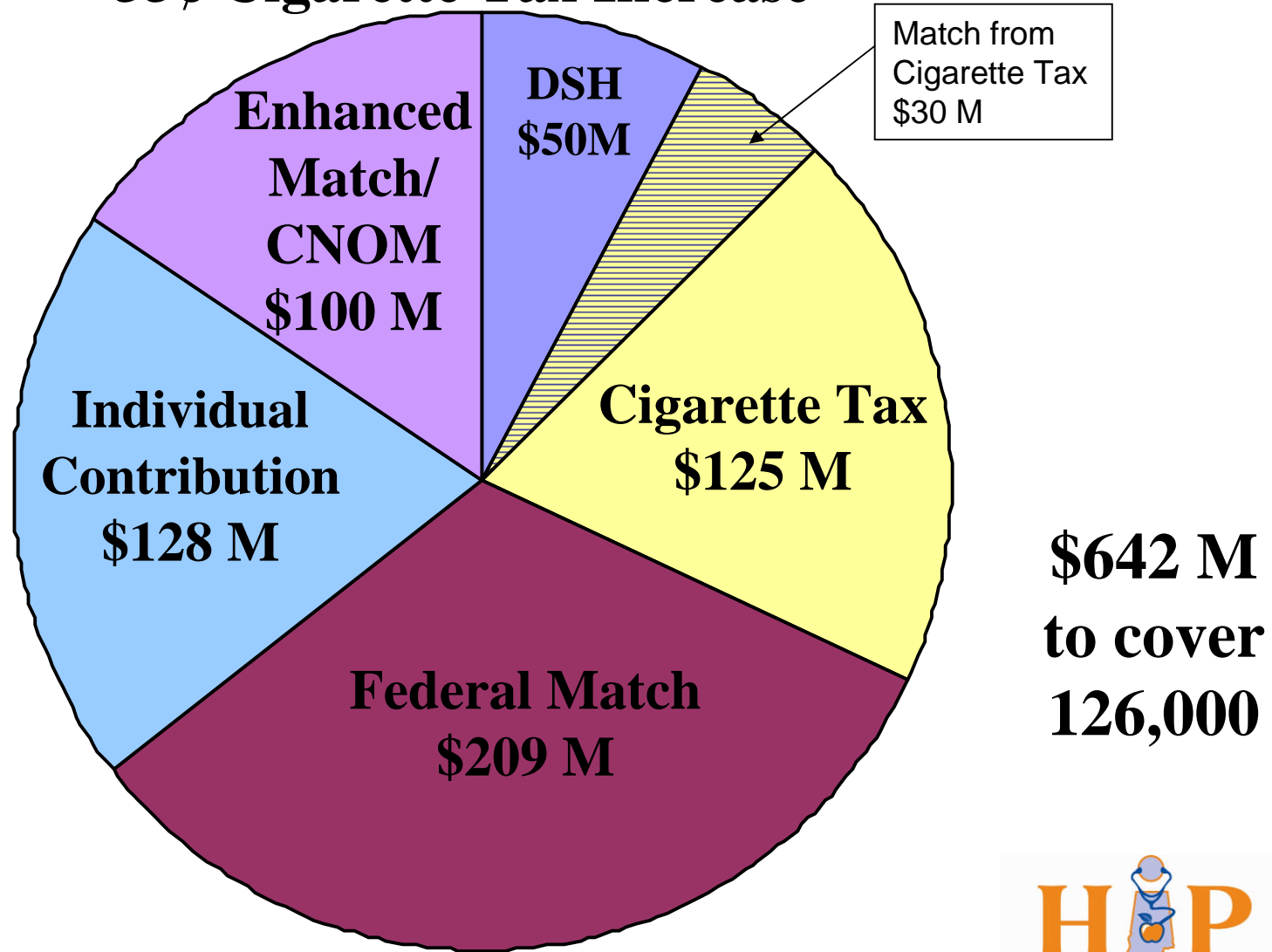


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Proposed Funding for the Healthy Indiana Plan

33¢ Cigarette Tax Increase



Estimates based on Year 5 Revenue and Enrollment

