Health Reform WK-EDGE Wrap Up, DEMONSTRATION PROJECTS
—NEWS: Amendment of Healthy Indiana Plan implements Medicaid expansion, (Feb. 11, 2015)

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Starting February 1, 2015, Medicaid in Indiana now covers an estimated 350,000 beneficiaries, made up of almost all adults ages 19-64 with income under about $16,242 per year, or those between 0 and 138 percent of the federal poverty level. In late January, CMS approved an amendment to the Healthy Indiana Plan that implements Medicaid expansion under the Patient Protection and Affordable Care Act (ACA) (P.L. 111-148) (see CMS approves Health Indiana Plan, January 28, 2015). This plan, described by Indiana as a consumer-driven health plan, is more complex than Section 1115 waivers (designed to implement the expansion in more flexible ways) originating in other states.

One unique aspect of Indiana’s plan is the ability to delay non-medically frail adults above the federal poverty level from re-enrolling for six months after losing coverage due to failure to pay premiums. Additionally, those beneficiaries at or below the federal poverty level who do not pay premiums will receive a less generous package. To qualify for better coverage, even beneficiaries with income of less than $560 per year will need to pay premiums of $1.00 per month. Indiana also makes the coverage effective on the date of the first premium payment, rather than the date of application. This plan also establishes a two-year demonstration that studies whether non-emergency use of the ER by certain individuals in a control group will be discouraged by graduated co-payments.

CMS denied a work referral requirement for enrollment, as it has in the past. However, Indiana’s plan to allow beneficiaries to complete healthy behavior activities to reduce costs was approved, similar to those in Iowa, Michigan, and Pennsylvania. Although not in the plan, Indiana is planning on pursuing increases in Medicaid provider reimbursement to 75 percent of rates for physician and physician extender services.