

# HIP 2.0 >>>

HIP 2.0 builds upon the framework and success of the Healthy Indiana Plan by establishing an even more robust health coverage model to replace traditional Medicaid for all non-disabled adults ages 19-64. HIP 2.0 provides low-income Hoosiers with three pathways to coverage grounded in personal responsibility and consumer behavior. All HIP 2.0 plans include a Personal Wellness and Responsibility (POWER) account which functions like a Health Savings Account (HSA) to help pay for deductible expenses.



HEALTHY INDIANA PLAN<sup>SM</sup>

## Employer Benefit Link

- Provides financial support to members who wish to access employer-sponsored insurance options
- Empowers Hoosiers with greater choices and increased access to providers while also encouraging use of existing private insurance options
- Eligible individuals can choose the employer-sponsored plan that works best for them
- Allows HIP-eligible individuals to choose to either enroll in HIP Plus or receive a defined contribution POWER account funded by the State
- Defined POWER account contribution can be used for all cost-sharing including premiums, co-pays or deductibles
- Enrollment is optional



HEALTHY INDIANA PLAN<sup>SM</sup>

## Plus

- Consumer-driven Medicaid alternative for Hoosiers with incomes below 138% of federal poverty level
- Available to all members who successfully make their monthly POWER account contributions
- Members and the State of Indiana jointly fund a \$2,500 POWER account, to which members contribute based on a sliding income scale
- Required POWER account contributions range from \$3 - \$25 per month
- No other required cost-sharing
- Offers enhanced benefits, including vision and dental services
- Includes comprehensive prescription drug benefit
- Covers maternity services with no cost-sharing for duration of pregnancy



HEALTHY INDIANA PLAN<sup>SM</sup>

## Basic

- Default plan for Hoosiers below 100% of federal poverty level who do not make required POWER account contributions
- Requires co-payments for all services, which may exceed the cost of monthly POWER account contributions under HIP Plus
- HIP Basic plan members will use an entirely State-funded POWER account to cover their \$2,500 annual deductible
- Reduced benefit package
- More limited prescription drug benefit
- Preserves incentives for members to be cost-conscious and to receive recommended preventive care services
- Covers maternity services with no cost-sharing for duration of pregnancy

**GATEWAY TO WORK:** All individuals who complete the application for HIP coverage will be connected to job training and job search programs offered by the State of Indiana.

# HISTORY OF CONSUMER-DRIVEN HEALTH CARE IN INDIANA

**+ 2003**  
Congress authorizes Health Savings Accounts

**+ 2006**  
The State of Indiana introduces consumer-driven health plan options to its nearly 30,000 employees and their dependents

**+ JANUARY 1, 2008**  
HIP enrolls working-age, uninsured adults in coverage. HIP's founding principle - ensuring better access to quality health care

**+ 1992**  
Indiana-based Golden Rule Insurance Company executive, J. Patrick Rooney, pioneers the concept of medical savings accounts with his own employees

**+ 2007**  
A bipartisan bill enabling HIP passes the Indiana General Assembly. The Indiana Family & Social Services Administration immediately began negotiations for a federal waiver

**+ BY JUNE 30, 2014**  
Governor Pence and the Indiana Family & Social Services Administration submit HIP 2.0 waiver



Amount health care spending decreases with the use of consumer-driven health plans, according to an Employee Benefit Research Institute study



98% of HIP members said they would re-enroll in HIP



Since 2006, 96% of state employees chose to enroll in the consumer-directed model



83% of HIP members preferred to pay fixed monthly amount up front instead of making co-payments at the time of service



Average saved in health care costs annually in the state's first four years offering consumer-driven health plans to Indiana state employees



93% of HIP members make required POWER account contributions on time

## BY THE NUMBERS

CONSUMER-DRIVEN HEALTHCARE

EXPANSION OF HIP COVERS

**350,000**

UNINSURED HOOSIERS

Indiana is the  
**FIRST AND ONLY**  
state to successfully apply private market-based consumer-driven reforms to a Medicaid population

