

**CENTERS FOR MEDICARE AND MEDICAID SERVICES
EXPENDITURE AUTHORITY**

NUMBER: No. 11-W-00237/5

TITLE: Healthy Indiana Plan (HIP) Medicaid Section 1115 Demonstration

AWARDEE: Indiana Family and Social Services Administration

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by the State for the items identified below, which are not otherwise included as expenditures under section 1903, shall, for the period of this Demonstration, be regarded as expenditures under the State's Medicaid title XIX State plan.

The following expenditure authorities shall enable Indiana to implement the Medicaid section 1115 Demonstration (Healthy Indiana Plan).

1. **Demonstration Population 4 (HIP Caretakers).** Expenditures for health care related costs for uninsured adults who are custodial parents and caretaker relatives of children eligible for Medicaid and the Children's Health Insurance Program (CHIP) with family income up to and including 200 percent of the Federal poverty level (FPL) who are not otherwise eligible for Medicaid or Medicare, who do not have access to an employer-sponsored health plan, have been uninsured for 6 months, and whose health care expenditures do not exceed a \$1 million lifetime maximum on benefits under the demonstration.
2. **Demonstration Population 5 (HIP Adults).** Expenditures for health care related costs for uninsured adults who are non-custodial parents or childless adults, ages 19 through 64 with family income up to and including 200 percent of the FPL, who are not otherwise eligible for Medicaid or Medicare, who do not have access to an employer-sponsored health plan, have been uninsured for 6 months, and whose health care expenditures do not exceed a \$1 million lifetime maximum on benefits under the demonstration.
3. **Expenditures Related to MCO Enrollment and Disenrollment.** Expenditures made under contracts that do not meet the requirements in section 1903(m) of the Act specified below. Indiana managed care plans which serve HIP members will be required to meet all requirements of section 1903(m) of the Act except the following:

Section 1903(m)(2)(A)(vi) and (xi) insofar as they incorporate Federal regulations at 42 CFR 438.56, to the extent that the rules in section 1932(a)(4) of the Act are inconsistent with the disenrollment rules contained in paragraph 31 of the Demonstration's Special Terms and Conditions, such as restricting an enrollee's right to disenroll within 90 days of enrollment in a new managed care organization (MCO). Enrollees may change MCOs without cause within 60 days of enrollment in an MCO or before they make their first POWER account

contribution, whichever occurs first. Enrollees may disenroll from an MCO with cause at any time.

4. Payments for Non-Risk Contractor

Payments to the HIP Indiana Comprehensive Health Insurance Association prepaid inpatient health plan (PIHP), non-risk, non-capitated contractor more than what Medical Assistance would have paid fee-for-service under the State plan in accordance with the upper limits at 42 CFR 447.362. Payments shall not exceed Medicare reimbursement rates.

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly identified as not applicable in the list below, shall apply to Demonstration Population 4 and Demonstration Population 5 beginning January 1, 2008, through December 31, 2012.

Title XIX Requirements Not Applicable to Demonstration Population 4 (HIP Caretakers) and Demonstration Population 5 (HIP Adults)

1. Reasonable Promptness

Section 1902(a)(3)

Section 1902(a)(8)

To the extent necessary to enable Indiana to prohibit reenrollment for 12 months for individuals in Demonstration Population 4 (HIP Caretakers) and Demonstration Population 5 (HIP Adults) who are disenrolled for failure to make POWER Account contributions.

To the extent necessary to enable Indiana to delay provision of medical assistance until the first day of the month following an individual's first contribution to the POWER Account.

2. Methods of Administration: Transportation

Section 1902(a)(4)

**insofar as it incorporates
42 CFR 431.53**

To the extent necessary to enable Indiana to not assure transportation to and from providers for Demonstration Population 4 (HIP Caretakers) or Demonstration Population 5 (HIP Adults).

3. Eligibility Section

Section 1902(a)(10)(A)

To the extent necessary to allow Indiana not to provide medical assistance for Demonstration Population 4 (HIP Caretakers) or Demonstration Population 5 (HIP Adults) until the first day of the month following an individual's first contribution to the POWER Account.

4. Amount, Duration, and Scope of Services

Section 1902(a)(10)(B)

To the extent necessary to permit Indiana to offer benefits to Demonstration Population 4 (HIP Caretakers) and Demonstration Population 5 (HIP Adults) that differ from the benefits offered to the categorically needy group.

To the extent necessary to enable Indiana to vary the amount, duration, and scope of services offered to individuals in Demonstration Population 4 (HIP Caretakers) and Demonstration Population 5 (HIP Adults) who meet the annual maximum benefit of \$300,000.

5. Income and Resource Test **Section 1902(a)(10)(C)(i)**

To the extent necessary to enable Indiana to exclude funds in the POWER account from the income and resource tests established under State and Federal law for purposes of determining Medicaid eligibility for Demonstration Population 4 (HIP Caretakers) and Demonstration Population 5 (HIP Adults).

6. Freedom of Choice **Section 1902(a)(23)**
insofar as it incorporates
42 CFR 438.52(a)

To the extent necessary to enable Indiana to provide only one choice of plan for individuals in Demonstration Population 4 (HIP Caretakers) and Demonstration Population 5 (HIP Adults) who are identified as having certain high-risk conditions.

7. Retroactive Eligibility **Section 1902(a)(34)**

To the extent necessary to allow Indiana to not provide medical assistance to Demonstration Population 4 (HIP Caretakers) or to Demonstration Population 5 (HIP Adults) for any time prior to the first of the month following an individual's first contribution to the POWER Account.

8. Prepayment Review **Section 1902(a)(37)(B)**

To the extent necessary to allow Indiana to not ensure that prepayment review be available for disbursements by members of Demonstration Population 4 (HIP Caretakers) and Demonstration Population 5 (HIP Adults) to their providers.

9. Premiums **Section 1916(a)(1)**

To the extent necessary to enable Indiana to charge premiums for Demonstration Population 4 (HIP Caretakers) and Demonstration Population 5 (HIP Adults).

10. Dental and Vision Coverage for Certain HIP Caretakers and HIP Adults **Section 1902(a)(43)**

To the extent necessary to enable Indiana not to cover certain vision and dental services described in sections 1905(r)(2) and 1905(r)(3) of the Act to 19 and 20 year-old members of Demonstration Population 4 (HIP Caretakers) and Demonstration Population 5 (HIP Adults).