



Eric Holcomb, Governor
State of Indiana

Indiana Family and Social Services Administration

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INDIANAPOLIS, IN 46207-7083

Dr. Jennifer Walthall, Secretary

July 25, 2019

Calder Lynch
Acting Deputy Administrator & Director
Center for Medicaid and Chip Services
7500 Security Boulevard
Baltimore, Maryland 21244

Re: Healthy Indiana Plan Section 1115 Demonstration HIP Workforce Bridge Amendment
(Project No. 11-W-00296/5)

Dear Director Lynch,

The Indiana Family and Social Services Administration is pleased to submit the HIP Workforce Bridge Amendment.

As you know, in January of this year Indiana implemented changes to the Gateway to Work program, a part of the Healthy Indiana Plan that connects members with resources to support further education, meaningful employment, and opportunities to engage in the community. Gateway to Work is expected to increase employment and income among Healthy Indiana Plan members. HIP members who earn income over the HIP income limit will lose HIP eligibility and need to transition to commercial coverage. To support this transition and mitigate the disincentive associated with increasing income and, thus, losing access to HIP coverage, the HIP Workforce Bridge Account is proposed with the goal of supporting continuity of coverage and addressing the coverage cliff between HIP and commercial coverage.

HIP Workforce Bridge is a first-in-the-nation approach to eliminating a common obstacle that can prevent HIP members from pursuing meaningful employment. The program would give qualifying outgoing HIP participants the ability to continue to use up to \$1,000 for premiums, deductibles, copayments and coinsurance for the next 12 months during their transition to commercial coverage.

In addition to the HIP Workforce Bridge Account, this amendment request includes changes to Gateway to Work exemptions. It requests an exemption for members of federally recognized tribes and to change the exemption for caretakers of dependent children to exempt HIP members from the Gateway to Work requirement when they are a caretaker of a dependent child under the age of 13.

Since 2008, the Healthy Indiana Plan, Indiana's consumer-driven health care plan has demonstrated remarkable success providing coverage to its beneficiaries, empowering enrollees to become active participants in their health care coverage and improving member health outcomes. Gateway to Work and HIP Workforce Bridge continue this record of ground-breaking innovation in Medicaid.

Thank you for your consideration of this proposal.

Sincerely,

A solid black rectangular redaction box covering the signature of Jennifer Walthall.

Jennifer Walthall, MD, MPH
Secretary

Indiana Family and Social Services Administration

**Healthy Indiana Plan (HIP)
Workforce Bridge Account Amendment
Section 1115 Waiver
(Project Number 11-W-00296/5)**



Submitted July 25, 2019

Executive Summary

Implementation of Gateway to Work is expected to increase employment and income among Healthy Indiana Plan members. HIP members who earn income over the HIP income limit will need to transition to commercial coverage. The HIP Workforce Bridge Account (Account) is designed with the goal of supporting continuity of coverage and addressing the coverage cliff between HIP and commercial coverage.

The HIP Workforce Bridge Account will provide \$1,000 of support for HIP members' who need to transition to commercial insurance. This account will be available for up to 12-months when a HIP member is no longer HIP-eligible solely due to income and will be funded with remaining POWER Account dollars. Providers may directly bill the Account for services, and individuals may request premium reimbursement from the Account. No benefits are provided once the Account is exhausted.

To align with the full implementation of the Gateway to Work program, and the first enforcement of the requirement, the HIP Workforce Bridge Account will begin in 2020.

In addition to the HIP Workforce Bridge Account, this amendment request includes changes to Gateway to Work exemptions. It requests an exemption for members of federally recognized tribes and to change the exemption for caretakers of dependent children to exempt HIP members from the Gateway to Work requirement when they are a caretaker of a dependent child under the age of 13.

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Overview: HIP Workforce Bridge Account Waiver Amendment

In February 2018, Indiana received CMS approval to modify Gateway to Work, an existing voluntary work referral program, to incorporate a broader range of community engagement activities and to transition to a mandatory program for non-exempt Healthy Indiana Plan (HIP) enrollees. Gateway to Work successfully rolled out in January 2019 and will follow an 18-month ramp-up with full implementation of 80 hours per month reached in July 2020. One of the goals of Gateway to Work is to increase employment and correlated health outcomes among HIP members. Increased employment will likely correlate to increases in member income, which may require individuals to transition from HIP to sources of coverage in the commercial market. The HIP Workforce Bridge Account (Account) will provide support for the transition from HIP to commercial coverage and help address the disincentives built into the coverage cliff when eligibility for HIP is lost solely due to increased income. To align with the implementation of the Gateway to Work program, the HIP Workforce Bridge Account will become an option to qualified participants in 2020.

Section 1: Summary of the HIP Workforce Bridge

The challenge of enrolling in commercial health coverage when leaving HIP presents barriers to workforce participation. The key barriers are cost related, where premiums and required payments towards the cost of care are substantially higher under commercial insurance.¹ With Indiana's improving economy and focus on workforce development, minimizing barriers to workforce participation for individuals currently enrolled in HIP is a key objective. To achieve this objective, Indiana proposes to implement the HIP Workforce Bridge Account, which will support HIP members' ability to maintain continuous coverage and promote successful transitions to commercial insurance products.

The HIP Workforce Bridge Account will help ensure uptake of commercial market insurance, continued workforce engagement, and reduce churn in the HIP program.

1.2 HIP Workforce Bridge Goals

The HIP Workforce Bridge Amendment will incorporate the following goals into the HIP Demonstration.

1. Reduce the benefit cliff faced by individuals transitioning from HIP to commercial coverage.
2. Support successful uptake of and continued enrollment in commercial coverage.
3. Increase insurance uptake and reduce the number of individuals who leave HIP and are uninsured.
4. Reduce churn between HIP and commercial coverage or uninsured status.

¹ While expanded availability of short-term health insurance policies helps to address the issue of transitioning between commercial market coverage, due to the high out of pocket costs of these policies they may not be appropriate for individuals transitioning from Medicaid to commercial insurance.

Section 2: HIP Workforce Bridge Account

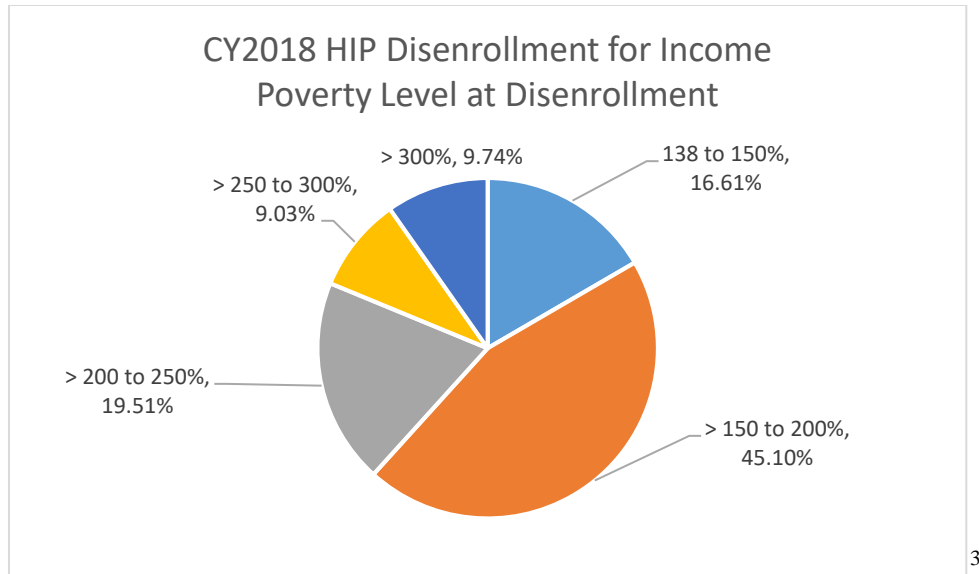
HIP Workforce Bridge Account targets the main challenges of maintaining continuous coverage and successfully transitioning to commercial insurance by providing support for the increased costs of enrolling in commercial insurance compared to HIP.

The HIP Workforce Bridge Account will provide \$1,000 to pay for health care expenses that occur during a transition to commercial coverage. This will include payment for premiums, deductible costs, copayments, and co-insurance incurred through enrollment on the commercial plan. HIP members who lose eligibility for HIP due to increased income will be qualified for the Account. This Account will help to bridge the gap between the costs of HIP and costs of commercial insurance.

Under HIP, the maximum contribution amount is \$20 per month, or \$30 with a tobacco surcharge, and this amount is split among enrolled spouses. For individuals who pay this premium amount, the only cost sharing requirement is an \$8 copayment for non-emergency use of the emergency department. In addition, total out of pocket costs are limited to 5 percent of quarterly income for the enrolled family. These costs would be inclusive of premiums and required contributions and any direct payments to providers in the form of copayments, co-insurance, or deductible costs.

For an individual transitioning from HIP to the Marketplace or other commercial coverage, the cost of coverage increases. On average, for individuals whose federal poverty level (FPL) percentage is known when exiting HIP, 62 percent of those disenrolled for being over income have incomes below 200 percent of the FPL and 90 percent have incomes under 300 percent of the FPL. A married couple enrolled in HIP who had income increase to 200 percent of the poverty level would expect to pay 6.3 percent of their income for the premium cost of Marketplace coverage. In 2019, this would result in an increase from \$20 per month under HIP to \$172.83 per month for subsidized Marketplace coverage. In addition to this monthly premium cost, the out of pocket limits for the Marketplace plans would range from \$3,500 to \$5,200 per year.² Individuals enrolling in employer coverage may have comparable or increased costs when compared to Marketplace plans. This initial substantial increase in premium and required cost-sharing creates a benefit cliff for individuals transitioning from HIP to commercial coverage.

² Coverage costs based on Indiana Health Insurance Marketplace plan designs and 2019 FPL limits.



To smooth out this benefit cliff, the Account will provide \$1,000 that eligible members can use for qualified health care expenses during the 12-month period following disenrollment from HIP. This Account is available to individuals that are in the process of enrolling in commercial insurance or have completed enrollment in commercial insurance. Qualified health expenses would include premium reimbursement and healthcare costs including cost-sharing for Medicaid covered services. Expenses not related to health care coverage would not be payable by the Account.⁴

To gain eligibility for the HIP Workforce Bridge Account, an individual (1) must be fully enrolled in HIP⁵ and (2) would otherwise be eligible for HIP except for the increase in income. For example, an individual that lost coverage due to being over income and moving out of state would not be eligible for the Account, since they no longer meet the HIP eligibility criteria due state residency. In 2018, there were an estimated 27,000 individuals who would qualify for the Account.

The HIP Workforce Bridge Account will be funded from aggregate remaining balances of the HIP \$2,500 POWER Accounts, and individuals will receive the account regardless of their POWER Account balance when leaving HIP. HIP Workforce Bridge members will be eligible for the Account for up to 12 months, or until the Account balance is used in full, whichever is sooner. Balances not used during the 12-month eligibility period are no longer available to the individual and will be returned to the State.

³ 2018 disenrollment for income over HIP limit, known FPL at disenrollment, FSSA Data Request 1/23/2019.

⁴ As individuals who receive supplementary accounts are not eligible for employer contributions to Health Savings Accounts, an opt out option will be provided.

⁵ Members conditionally eligible or presumptively eligible for HIP benefits will not qualify for the HIP Workforce Bridge Account benefit, nor will individuals that are only eligible for emergency services.

Eligibility:

To enact eligibility for the HIP Workforce Bridge Account, Indiana will adopt limited coverage for the group of adults who have income over the income eligibility level for the new adult group via an 1115 waiver amendment.

Table 1: HIP Workforce Bridge Account Eligibility

Eligibility Group Name	Social Security Act and CFR Citations	Income Level	Waiver Criteria
Individuals with MAGI-based income above 133 percent FPL	1902(a)(10)(A)(ii)(XX) 42 CFR 435.218	None	Limited to those that have lost coverage from HIP due to increase in income

There will be no income threshold on eligibility; the sole qualifying criteria will be that the individual was fully enrolled in HIP and lost eligibility solely due to an increase in income. This approach supports the understanding that regardless of future income, individuals leaving HIP face a benefit cliff as they transition to commercial coverage. The HIP Workforce Bridge Account will assist in easing this benefit cliff and in reducing churn back to HIP. Following the conclusion of the 12-month period, the Account benefit will discontinue without the option to renew.

Benefits: The HIP Workforce Bridge Account will provide coverage for direct health care costs incurred while the individual is in a waiting period for commercial insurance and for copayments, co-insurance, coverage of deductibles, and premium costs incurred while in commercial insurance. The maximum duration of this benefit is for a period of 12 months following disenrollment from HIP. Coverage for costs assigned to copayments, co-insurance, and deductibles are limited to services that are reimbursable under regular Medicaid benefits. Providers may submit claims via standard processes for payment directly to the HIP Workforce Bridge Account. Premium reimbursement may be for family coverage, but only services received by the covered individual will be reimbursable.

As the HIP Workforce Bridge Account is a defined limited benefit, it does not meet the definition of minimum essential coverage and eligibility for this benefit will not disqualify individuals from access to premium tax credits.⁶ In addition, the provision of this benefit does not incur the 5 percent member cost-sharing limitations since the payable benefit from the Account is limited to \$1,000. Any individual will be allowed to voluntarily withdraw from the HIP Workforce Bridge Account benefit at any time.

Funding/Estimated Cost: The Account will be funded with the aggregate dollars remaining from the HIP POWER Accounts. Funding is not linked to a specific individual’s POWER Account, so individuals who have expended their POWER Account during their HIP enrollment

⁶ <https://www.medicaid.gov/federal-policy-guidance/downloads/sho-14-002.pdf>

will be eligible to receive the HIP Workforce Bridge Account. For every calendar year, each unique HIP recipient receives a \$2,500 POWER Account allocation. Over the first three years of the HIP program, from February of 2015 through December of 2017, the average amount spent from the \$2,500 POWER Account was \$1,128, leaving an average remaining POWER account balance of \$1,372.⁷ Amounts not spent are recouped during the POWER Account reconciliation process following the end of the calendar year.

HIP Workforce Bridge Accounts will track expenses spent by eligible individuals. On an annual basis, when the HIP POWER Accounts are reconciled, dollars remaining from this reconciliation will be allocated to the costs incurred by the HIP Workforce Bridge Account. HIP POWER Account amounts have already been claimed at the enhanced FMAP for the new adult population, so no new claiming or allocation is required to fund the HIP Workforce Bridge Account. Due to prior claiming, Account expenditures, like POWER Account expenditures, will be at the enhanced FMAP.⁸

There are an estimated approximately 27,000 individuals eligible for coverage each year and a coverage limit of \$1,000 per year. Milliman Inc. estimates the cost of the Account is \$25.9 million total, inclusive of \$2.6 million State. These costs will be incorporated as part of the POWER Account. The implementation of the HIP Workforce Bridge Account will not increase total paid costs of the HIP POWER Account (up to \$2,500) but will decrease the total amount recouped during the POWER Account reconciliation.

Proposed Operational Frame Work:

HIP members eligible for the HIP Workforce Bridge Account will be notified of their eligibility for the Account consecutive with their notification of disenrollment from HIP. In alignment with notification of HIP Workforce Bridge Account eligibility, individuals will be linked with Indiana Navigators to support understanding of the HIP Workforce Bridge Account benefit and appropriate selection and uptake of commercial insurance options. Providers may directly bill the Account via standard fee-for-service billing processes and individuals can send requests for reimbursement for premiums to the Account. Any valid member reimbursement requests will be paid on a monthly basis. Direct provider-billed claims will be paid per the standard claims' payment process, limited to \$1,000 of reimbursement. Claims received will be run against allowable services under Medicaid and subject to the same benefit limitations and payment as Medicaid.

Section 3: Types of Waivers Requested

The state wishes to continue all currently approved waivers and to add the below waivers as part of the HIP Workforce Bridge Account Amendment.

⁷ POWER Account values as of April 3, 2019.

⁸ Since individuals are only eligible for the HIP Workforce Bridge Account when they have income over the HIP income limit, and individuals not eligible as newly-eligible adults will qualify for TMA for this reason, all individuals eligible for the HIP Workforce Bridge Account are expected to be eligible as newly eligible adults.

Comparability- Section 1902(a)(17): To allow the HIP Workforce Bridge Account to be available solely to defined eligible individuals that are disenrolled from HIP due to an increase in income.

Amount, Duration and Scope of Services- 1902(a)(10)(B): To allow the State to provide only a limited defined benefit via the HIP Workforce Bridge Account. The benefits of the account will be limited to cost sharing assistance up to an amount of \$1,000, regardless of health care costs incurred by the member. To allow any balance payable in excess of \$1,000 to be assigned to member responsibility without regard to cost-sharing limitations.

Section 4: Evaluation of the HIP Workforce Bridge Account

Evaluation of the initial implementation of the HIP Workforce Bridge Account initiative will be incorporated into the final evaluation of the period of operations through December 2020. The evaluation will be submitted in June 2022, in alignment with the timelines in the approved HIP special terms and conditions (STCs). The HIP Workforce Bridge Account is proposed to be evaluated based on the on the following goals and hypotheses. Following approval, the HIP Workforce Bridge Account components will be incorporated into the overall HIP evaluation plan.

Table 2: HIP Workforce Bridge Account Draft Evaluation Plan

Hypothesis	Methodology	Data Source
Goal 1: Reduce the benefit cliff faced by individuals transitioning from HIP to commercial coverage.		
<p>1A. The HIP Workforce Bridge Account will reduce the amount of out-of-pocket costs (copayments, co-insurance, deductible, and premium costs) for individuals who transition into commercial health insurance.</p>	<p>Track total costs covered by the HIP Workforce Bridge Account, that in absence of the account would have been covered by member cost sharing.</p> <p>Collect member perceptions of significance of HIP Workforce Bridge Account cost sharing support.</p> <p>Analyze impact and significance of HIP Workforce Bridge Account in supporting health insurance enrollment and health care costs when enrolled in a commercial plan following disenrollment from HIP.</p>	<p>Claims Data</p> <ul style="list-style-type: none"> Number and percentage of members with HIP Workforce Bridge Account expenditures paid with coordination of benefits to a primary commercial plan. Amount paid from Accounts for member claims. <p>Member Data (Survey/Focus Groups/Or interviews)</p> <ul style="list-style-type: none"> Member perceptions of affordability Member knowledge and perceptions of HIP Workforce Bridge Account impact on affordability Member decisions to seek or delay health care, or enroll in health

Hypothesis	Methodology	Data Source
<p>1B. The HIP Workforce Bridge Account will support members who face a coverage gap when transitioning to commercial insurance.</p>	<p>Track and compare health care costs among individuals who leave HIP but have a gap in commercial insurance coverage and accessed the HIP Workforce Bridge Account during this gap.</p> <p>Analysis of impact and significance of HIP Workforce Bridge Account in supporting health insurance enrollment and health care costs following disenrollment from HIP.</p>	<p>insurance, as a result of HIP Workforce Bridge Account access.</p> <p>Claims Data</p> <ul style="list-style-type: none"> • Number and percentage of members with HIP Workforce Bridge Account expenditures without coordination of benefits with a primary insurance plan. • Amount of claims applied to accounts without coordination of benefits. <p>Member Data (Survey/Focus Groups/Or interviews)</p> <ul style="list-style-type: none"> • Member perceptions of access and affordability of coverage when in a coverage gap. • Member knowledge and perceptions of the HIP Workforce Bridge Account impact on access and affordability. • Member decisions to seek or delay health care, or enroll in health insurance, as a result of HIP Workforce Bridge Account access.
<p>Goal 2: Support successful uptake and continued enrollment in commercial coverage.</p>		
<p>2A. The HIP Workforce Bridge Account will increase the number of successful enrollments in Marketplace insurance among individuals leaving HIP and eligible for the Account.</p>	<p>Track and compare Marketplace health insurance coverage among individuals who leave HIP due to increased earnings.</p> <p>Analyze the impact and significance of HIP Workforce Bridge Account support on uptake of Marketplace insurance.</p>	<p>HIP Workforce Bridge Account Premium Payments</p> <ul style="list-style-type: none"> • Track use of the Account to pay for premiums for enrollment in commercial insurance. <p>Member Survey Data</p> <ul style="list-style-type: none"> • Member self-report of Marketplace health insurance coverage.

Hypothesis	Methodology	Data Source
<p>2B. The HIP Workforce Bridge Account and contribution policies will increase the number of successful enrollments in employer-sponsored insurance among individuals leaving HIP and eligible for the Account.</p>	<p>Track and compare employer-sponsored health insurance coverage among individuals who leave HIP due to increased earnings.</p> <p>Analyze the impact and significance of HIP Workforce Bridge Account and contribution policies on uptake of employer sponsored-insurance.</p>	<p>HIP Workforce Bridge Account Premium Payments</p> <ul style="list-style-type: none"> Track use of the Account to pay for premiums for enrollment in commercial insurance. <p>POWER Account Contributions</p> <ul style="list-style-type: none"> Track if reports of third-party coverage increase with HIP Workforce Bridge Account policies that allow individuals that already have other coverage to request contribution waivers. <p>Member Survey Data</p> <ul style="list-style-type: none"> Member self-report of employer-sponsored health insurance coverage.
<p>Goal 3: Reduce the number of individuals who leave HIP and are uninsured.</p>		
<p>3A. The HIP Workforce Bridge Account will reduce the number of individuals who leave HIP due to increased earnings and are uninsured following disenrollment.</p>	<p>Track and compare rates of insurance among individuals who leave HIP due to increased earnings and who leave HIP for other reasons.</p>	<p>HIP Workforce Bridge Account Payments</p> <ul style="list-style-type: none"> Track payments from Account for health services incurred without coordination of benefits. <p>Member Survey Data</p> <ul style="list-style-type: none"> Member self-report of health insurance coverage.
<p>Goal 4: Reduce churn between HIP and commercial coverage or uninsured status.</p>		
<p>4A. The HIP Workforce Bridge Account will reduce churn back to HIP among eligible individuals.</p>	<p>Track and compare churn rates among individuals who leave HIP due to increased earnings and return.</p> <p>Analyzing program prior to and after HIP Workforce Bridge Account implementation (pre-post analysis) and analysis compared to non-HIP Workforce Bridge Account</p>	<p>Enrollment and Eligibility Data</p> <ul style="list-style-type: none"> Number and percentage of individuals who return to HIP after disenrollment due to increased income. <p>Member Survey Data</p> <ul style="list-style-type: none"> Member perceptions on the causes of churn.

Hypothesis	Methodology	Data Source
	<p>eligible individuals may be leveraged.</p> <p>Analyze impact and significance of the HIP Workforce Bridge Account on rates of churn back to Medicaid.</p>	

Section 5: Modification to Existing Demonstration

In addition to inclusion of the HIP Workforce Bridge Account, the State requests to add an exemption to Gateway to Work for members of federally recognized tribes enrolled in managed care.⁹ The current demonstration includes a qualified activity for members of Indiana’s federally recognized tribe, the Pokagon Band of the Potawatomi; however, the new exemption will override the qualified activity. Consideration for this exemption was specifically requested by the Pokagon Band of Potawatomi. Further, in response to member submitted exemption requests related to being a caretaker of a dependent child, this amendment requests that the current Gateway To Work exemption for caretakers of dependent children under age 7 be modified to apply to caretakers of dependent children under age 13.

Section 6: Public Comment

Public notice of the HIP Workforce Bridge Account Amendment request was provided May 15th, 2019 in the Indiana Register and distributed via e-mail to the HIP Stakeholder list. The public notice and waiver documents and can be accessed at <https://www.in.gov/fssa/hip/>. Public hearings were conducted on:

- Thursday May 23, 2019, 10:00 at the Indiana Government Center South, Conference Room C 302 W Washington St, Indianapolis, IN 46204. This hearing also included FSSA’s presentation of the HIP Waiver to the Medicaid Advisory Committee.
- Tuesday May 28, 2019, 9:30 at the Indiana State Library, History Reference Room 211, 315 W. Ohio St., Indianapolis, IN 46202. This public hearing was also be accessible via web conference at <https://indiana.adobeconnect.com/fssaadmin/>.

The web conferencing capability for the public hearings allowed the ability to both listen and to comment. Written comment was accepted through June 14th, 2019. In addition to public notice

⁹ Members of federally recognized tribes may opt-out of HIP Managed Care enrollment and receive FFS coverage. Gateway to Work is only for individuals enrolled in Managed Care and members of federally recognized tribes that opt out of Managed Care will not have a Gateway to Work status or associated requirement.

in the state administrative record, a press release covering the initiative and noting the start of the public comment period was provided.¹⁰

A copy of the abbreviated and full public notice documents are included as attachments to this amendment request.

6.1 Summary of Public Comments

A total of seven written comments were received and seven individuals provided formal comments at the first public hearing on May 23rd. No comments were provided during the second hearing on May 28th. Three of the comments provided in writing were in addition to testimony at the first public hearing providing for a total of eleven commenters. Commenters included health plans, health systems, associations and advocacy organizations.

The majority of comments received were supportive of the HIP Workforce Bridge Account Amendment. General themes included support for the goals of the HIP Workforce Bridge Account in mitigating the coverage cliff and increasing uptake and maintenance of commercial insurance. Reduction of coverage gaps following HIP disenrollment was also noted as an area where the amendment would help Hoosiers. Multiple commenters indicated that the HIP Workforce Bridge Account will provide meaningful assistance to individuals leaving HIP and enrolling into commercial market insurance.

One commenter suggested that individuals eligible for the HIP Workforce Bridge Account should be linked with Indiana Navigators to help guide commercial market plan enrollment and increase understanding of how to use the HIP Workforce Bridge Account as they complete the transition to commercial insurance. This commenter also supported robust evaluation of the impact of the HIP Workforce Bridge Account and suggested that FSSA review the need for transition support more broadly for individuals leaving Medicaid and supported.

Three commenters acknowledge that coverage transitions are difficult but commented that the HIP Workforce Bridge Account would only provide limited help and would not be sufficient to address the problem. One of these commenters requested that the HIP Workforce Bridge only be permitted to provide coverage for fully compliant ACA health plan products. Two of these commenters noted that the addition of the HIP Workforce Bridge did not solve the problems they perceive with the community engagement requirement approved in the current demonstration.

One comment in support of the age change for the Gateway to Work exemption for caregiver of dependent children and the the exemption for federally recognized tribes was received. Two additional commenters noted the change in exemption but commented that the exemption changes did not go far enough and that there should be no Gateway to Work

¹⁰ https://www.in.gov/fssa/files/HIP_Workforce_Bridge_FINAL_PR.pdf

requirement to report hours. One commenter requested an exemption be added to Gateway to Work for individuals with cystic fibrosis.

6.2 Response to Public Comment and Changes to Request

FSSA appreciates support for the HIP Workforce Bridge Account Amendment. The State agrees with the suggestion that individuals eligible for the HIP Workforce Bridge Account be linked with Indiana Navigators and has included this detail in this final proposal. The comment regarding allowing the HIP Workforce Bridge Account to only provide coverage for fully insured ACA compliant products is acknowledged, however, this requirement is not being added to the request as one of the goals of the account is to cover individuals in coverage gaps, who may not have had time to enroll in ACA compliant coverage. Ensuring individuals are linked to Indiana Navigators following HIP disenrollment will help to ensure that individuals enroll in the insurance coverage that best suits their needs. FSSA agrees with the comment that noted the importance of evaluation, and also agrees that continued analysis of the challenges of transitioning between Medicaid and commercial coverage and identifying opportunities to support these transitions. Related to comments expressing that the HIP Bridge Account does not provide sufficient support to be meaningful, the Bridge Account design was reviewed and it was determined to remove the requirement that payment of premiums be made less the HIP Plus premium amount. While this change will not increase to total amount of the Bridge Account, it will improve the utility of the Bridge Account to the members, as they will be able to leverage the Bridge Account to cover premiums for commercial coverage in full.

Comments received covering the currently approved Gateway to Work program are taken under consideration, but no additional changes are requested to the Gateway to Work program at this time. Related to the exemption request for individuals with Cystic Fibrosis, the current Gateway to Work exemptions for the disabled and medically frail, temporary illness or incapacity, and good cause should be able to apply to individuals with Cystic Fibrosis who are not able to meet the Gateway to Work requirement due to their health condition.

Section 7: Tribal Notice and Comments

Notice of the waiver renewal request was provided to Indiana's federally recognized tribe, the Pokagon Band of Potawatomi Indians, on May 15th, 2019. The notice and opportunity for consultation was provided in accordance with 42 CFR 431.408(b).

The State received comments from the Pokagon Band of the Potawatomi concerning the changes to the Gateway to Work Exemptions and the enrollment process and managed care opt out for members of federally recognized tribes.

Related to the requested exemption for members of federally recognized tribes, the tribe commented that as worded the exemption seems to apply only to individuals that opt into managed care and requested that the exemption also apply to tribal members that opt out of managed care. As the Gateway to Work requirement only applies to HIP enrollees who have a managed care plan, members of federally recognized tribes that opt out of managed care will not

be subject to the requirement. The request to include an exemption for Gateway to Work for members of federally recognized tribes has been updated to provide clarification.

Related to the application and enrollment process, the tribe commented that members of federally recognized tribes should be allowed to opt out of managed care earlier than under current process. Modifications to the existing application and enrollment process for members of federally recognized tribes is out of the scope of this amendment request.

Section 8: Amendment Process Required Elements

8.1 Budget Neutrality Impact

This amendment has no impact on the HIP demonstration's existing budget neutrality.

8.2 CHIP Allotment

This requirement is not applicable to this amendment request, as the demonstration does not impact the CHIP program.

Section 9: Conclusion

HIP has proven successful in meeting program goals since initial implementation in 2008. The State believes that the changes requested in this waiver amendment request will build on this success and further the goals of the HIP demonstration, including promoting uptake of private market and family coverage options and supporting the reduction of the coverage cliff between HIP and commercial coverage.

Attachment A: Abbreviated Public Notice

INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION

Notice of Public Hearing

In accordance with 42 CFR § 431.408(a)(3), the Indiana Family and Social Services Administration (FSSA) will be holding public hearings on its Healthy Indiana Plan 2.0 Section 1115 demonstration waiver amendment application (HIP Waiver) that will be submitted to the Centers for Medicare and Medicaid Services (CMS). The proposed HIP Waiver submission includes an amendment to the current HIP demonstration to incorporate the HIP Workforce Bridge Account which is designed to support successful transition from HIP to commercial insurance. The HIP Workforce Bridge Account would become effective in 2020, in the final year of the currently approved demonstration period. The proposed HIP Waiver submission also includes a request to exclude members of the Pokagon Band of Potawatomi from the current Gateway to Work requirement. This exemption will replace the current qualified activity available to the Pokagon Band of Potawatomi for participation in the Pathways program. Additionally, the submission will include a request to change the Gateway to Work exemption for caregivers of a dependent child from members who are caregivers of a dependent child under age 7 to members who are caregivers of a dependent child under age 13. Both of these additional exemption requests would become effective immediately upon approval from CMS. At both public hearings, FSSA will briefly describe the HIP Waiver and take public comment on the proposals.

Pursuant to 42 CFR § 431.408(a)(2)(ii), FSSA hereby gives notice of the following public hearings:

- 1) Thursday May 23, 2019, 10:00 AM at the Indiana Government Center South, Conference Room C 302 W Washington St, Indianapolis, IN 46204. This hearing also includes FSSA's presentation of the HIP Waiver to the Medicaid Advisory Committee.
- 2) Tuesday May 28, 2019, 9:30 AM at the Indiana State Library, History Reference Room 211, 315 W. Ohio St., Indianapolis, IN 46202. This public hearing will also be accessible via web conference at <https://indiana.adobeconnect.com/fssaadmin/>.

Overview

Since 2008, the HIP model has demonstrated remarkable success in activating beneficiaries into engaged participants and improving health outcomes. In February 2015, CMS provided approval for HIP to incorporate coverage for the newly-eligible adult population and all low-income parents and caretakers. CMS then reauthorized the State of Indiana (State) to continue the program for an additional three-year period and to incorporate program changes and additional program components. Changes authorized in 2018 included a community engagement initiative called Gateway to Work, a tobacco use surcharge, substance use disorder services, and changes that streamlined operations.

The expanded HIP program has seen consistent results since 2015, proving that HIP's consumer-driven model is scalable and remains successful in empowering enrollees to become active consumers of healthcare services. Through this HIP Waiver amendment, the State's objective is to implement the HIP Workforce Bridge Account and make minor modifications to the qualifications for Gateway to Work exemptions. The HIP Workforce Bridge Account is designed to complement the Gateway to Work community engagement initiative and provide support for the transition from HIP to commercial coverage.

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The HIP Bridge Account will provide \$1,000 that eligible members can use for qualified health care expenses during the 12-month period following disenrollment from HIP. This account is available to individuals who are no longer eligible for HIP due to an increase in income and who have completed enrollment in commercial insurance or will need to complete enrollment in commercial insurance to have continued coverage.

In addition to implementation of the HIP Workforce Bridge components listed above, the State also seeks CMS approval to exempt members of federally recognized tribes, this exemption will replace the current activity available to the Pokagon Band of the Potawatomi participating in the tribal workforce program Pathways. In addition, the amendment requests to change the Gateway to Work exemption for caregivers of dependent children from applying to members who are caregivers of dependent children under age 7 to applying to members who are caregivers of dependent children under the age of 13.

Written Comments

The proposed HIP Waiver documents are available for public review at the FSSA, Office of General Counsel, 402 W. Washington Street, Room W451, Indianapolis, Indiana 46204. The full Public Notice and HIP Waiver documents are also available to be viewed online at <https://www.in.gov/fssa/hip/>.

Written comments regarding the HIP Waiver will be accepted through 5:00 pm on June 14th, 2019, and may be sent to the FSSA via mail at 402 West Washington Street, Room W374, Indianapolis, Indiana 46204, Attention: Natalie Angel or via electronic mail at HIP@fssa.in.gov.

FSSA will publish a summary of the written comments, once compiled, for public review at <https://www.in.gov/fssa/hip/>.

Attachment B: Public Notice

INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION NOTICE OF PUBLIC COMMENT PERIOD TO AMEND THE HEALTHY INDIANA PLAN 1115 DEMONSTRATION

Pursuant to 42 CFR § 431.408(a), notice is hereby given that the Indiana Family and Social Services Administration (FSSA) will provide the public the opportunity to review and provide input on a proposed amendment to the Healthy Indiana Plan Section 115 demonstration waiver (HIP Waiver). This notice provides details about the waiver amendment submission and serves to open the 30-day public comment period, which closes on June 14th, 2019.

In addition to the 30-day public comment period in which the public will be able to provide written comments to the FSSA via US postal service or electronic mail, the FSSA will host two public hearings in which the public may provide verbal comments. Hearings will be held at the following dates, times, and locations:

- 3) Thursday May 23, 2019, 10:00 AM at the Indiana Government Center South, Conference Room C 302 W Washington St, Indianapolis, IN 46204. This hearing also includes FSSA's presentation of the HIP Waiver to the Medicaid Advisory Committee.
- 4) Tuesday May 28, 2019, 9:30 AM at the Indiana State Library, History Reference Room 211, 315 W. Ohio St., Indianapolis, IN 46202. This public hearing will also be accessible via web conference at <https://indiana.adobeconnect.com/fssaadmin/>.

Prior to finalizing the proposed waiver amendment, the FSSA will consider all the written and verbal public comments received. The comments will be summarized and addressed in the final draft of the waiver amendment to be submitted to the Centers for Medicare and Medicaid Services (CMS).

AMENDMENT PROPOSAL SUMMARY

The proposed amendment to the current HIP demonstration adds the HIP Workforce Bridge Account, designed to support successful transition from HIP to commercial insurance. The HIP Workforce Bridge Account would become effective in 2020, the final year of the currently approved demonstration period. The proposed amendment also includes a request to exclude members of federally recognized tribes from the current Gateway to Work requirement, this exemption will replace the current qualified activity limited to members of the Pokagon Band of the Potawatomi available for participation in the tribal Pathways program. Additionally, the submission will include a request to exempt beneficiaries from the Gateway to Work requirement if they are a caregiver for a dependent child below the age of 13, this is a change from the current exemption which applies to caregivers of dependent children under the age of 7.

HIP Workforce Bridge Account, is designed to complement the Gateway to Work community engagement initiative and provide support for the transition from HIP to commercial coverage. It will provide \$1,000 that eligible members can use for qualified health care expenses during the 12-month period following disenrollment from HIP. This account is available to individuals that are in the process of enrolling in commercial insurance or have completed enrollment in commercial insurance. To gain eligibility for the HIP Bridge Account, an individual must be fully enrolled in HIP and would otherwise remain eligible for HIP except for an increase in income. The HIP Bridge Account will be funded from aggregate remaining

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balances of the HIP \$2,500 POWER Accounts, and eligible individuals will qualify regardless of their POWER Account balance when leaving HIP.

GOALS AND OBJECTIVES

The objective of this amendment is to target the challenges of maintaining continuous coverage and successfully transitioning to commercial insurance by addressing the increased costs of enrolling in commercial insurance compared to HIP coverage via the HIP Workforce Bridge Account. The goals of the amendment include: reducing the benefit cliff faced by individuals transitioning from HIP to commercial coverage; supporting successful uptake of and continued enrollment in commercial coverage; reducing the number of individuals who exit the HIP program and are uninsured; and reducing churn between HIP and commercial coverage or uninsured status.

Additionally, the proposed changes to the Gateway to Work requirements for members of federally recognized tribes as well as members who are caregivers for dependent children under the age of 13 are intended to alleviate program complexity for members and administrative burden for FSSA. The current Gateway to Work program does not include an exemption from members of federally recognized tribes, but does include a qualified activity for members of the Pokagon Band of the Potawatomi who participate in the tribe's comprehensive Pathways program. Adding the exemption for members of federally recognized tribes will override this qualified activity. Additionally, while FSSA currently exempts caregivers of dependent children under the compulsory education age, FSSA has determined that it would be in members', and the State's, best interests to increase this exemption to include caregivers of dependent children under the age of 13. The State has received good cause requests from caregivers of dependent children and understands child care can be difficult to locate.

ELIGIBILITY

The proposed HIP Waiver amendment will result in the following eligibility change from the currently approved HIP program.

Indiana will adopt limited coverage for the group of adults who have income over the income eligibility level for the new adult group identified in § 1902(a)(10)(A)(ii)(XX) of the Social Security Act and in 42 CFR § 435.218. Individuals with MAGI-based income above 133% of the federal poverty level (FPL) who have lost HIP coverage solely due to an increase in income will be eligible for the defined benefit HIP Bridge Account for 12-months following HIP disenrollment. There will be no income limits on eligibility for the account.

All other current HIP eligibility limits and requirements will remain unchanged.

ENROLLMENT & FISCAL PROJECTIONS

The fiscal impact of the HIP Workforce Bridge program components is estimated at \$25.9 million, inclusive of \$2.6 million state and will apply to an estimated 27,000 individuals every calendar year as detailed below.

Program Component	Affected Individuals	Fiscal Impact (\$ in millions)	State Share (\$ in millions)	Federal Share (\$ in millions)
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Workforce Bridge Account	27,000	\$25.9	\$2.6	\$23.3
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The fiscal impact of the Gateway to Work exemption change for caretakers is estimated at (\$1.09 million), inclusive of (\$0.15 million) state, and will grant an exemption to an estimated 5,500 individuals as detailed below. The negative expenditures imply savings.

Program Component	Affected Individuals	Fiscal Impact (\$ in millions)	State Share (\$ in millions)	Federal Share (\$ in millions)
Gateway to Work Exemptions	5,500	(\$1.09)	(\$0.15)	(\$0.94)

There is no estimated fiscal impact from adding the Gateway to Work exemption for members of federally recognized tribes.

The HIP Workforce Bridge amendment and the Gateway to Work exemption modifications are not expected to have overall enrollment impacts on the HIP program. The estimated number of individuals affected by each component are included in the tables above.

BENEFITS, COST SHARING, AND DELIVERY SYSTEM

This amendment does not propose any changes to delivery system. HIP members who qualify for the HIP Workforce Bridge Account will receive the benefits and cost sharing applicable to the Account. The HIP Workforce Bridge Account will provide coverage for direct health care costs incurred while in a waiting period for commercial insurance and for copayments, co-insurance, coverage of deductibles and premium costs incurred while in commercial insurance. The maximum duration of this benefit is for a period of 12-months following an individual's disenrollment from HIP. Coverage for costs assigned to copayments, co-insurance, and deductibles are limited to services that are reimbursable under regular Medicaid benefits. Reimbursement for premium costs will be less the highest contribution amount applied in HIP. The provision of this benefit does not qualify as minimum essential coverage and will not prevent recipients from receiving coverage on the federal Health Insurance Marketplace. In addition, the HIP Bridge Account benefit will not incur the 5% member cost-sharing limitation since the payable benefit from the HIP Bridge Account is limited to \$1,000.

HYPOTHESES & EVALUATION

Evaluation of the initial implementation of the HIP Workforce Bridge initiative will be incorporated into the final evaluation of the period of operations through December 2020. The evaluation will be submitted in June 2022, in alignment with the timelines in the approved HIP special terms and conditions (STCs). Ongoing evaluation of the HIP Workforce Bridge will be incorporated into the proposed evaluation framework in the HIP renewal proposal. The HIP Workforce Bridge will be evaluated based on the following goals and hypotheses.

Hypothesis	Methodology	Data Source
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Goal 1: Reduce the benefit cliff faced by individuals transitioning from HIP to commercial coverage.		
<p>1A. The HIP Bridge Account will reduce the amount of out-of-pocket costs (copayments, co-insurance, deductible, and premium costs) for individuals who transition into commercial health insurance.</p>	<p>Track total costs covered by the HIP Bridge Account, that in absence of the account would have been covered by member cost sharing.</p> <p>Collect member perceptions of significance of HIP Bridge Account cost sharing support.</p> <p>Analyze impact and significance of HIP Bridge Account in supporting health insurance enrollment and health care costs when enrolled in a commercial plan following disenrollment from HIP.</p>	<p>Claims Data</p> <ul style="list-style-type: none"> • Number and percentage of members with HIP Bridge Account expenditures paid with coordination of benefits to a primary commercial plan. • Amount paid from accounts for member claims. <p>Member Data (Survey/Focus Groups/Or interviews)</p> <ul style="list-style-type: none"> • Member perceptions of affordability • Member knowledge and perceptions of HIP Bridge Account impact on affordability • Member decisions to seek or delay health care, or enroll in health insurance, as a result of HIP Bridge Account access.
<p>1B. The HIP Bridge Account will support members who face a coverage gap when transitioning to commercial insurance.</p>	<p>Track and compare health care costs among individuals who leave HIP but have a gap in commercial insurance coverage and accessed the HIP Bridge Account during this gap.</p> <p>Analysis of impact and significance of HIP Bridge Account in supporting health insurance enrollment and health care costs following disenrollment from HIP.</p>	<p>Claims Data</p> <ul style="list-style-type: none"> • Number and percentage of members with HIP Bridge Account expenditures without coordination of benefits with a primary insurance plan. • Amount of claims applied to accounts without coordination of benefits. <p>Member Data (Survey/Focus Groups/Or interviews)</p> <ul style="list-style-type: none"> • Member perceptions of access and affordability of coverage when in a coverage gap. • Member knowledge and perceptions of the HIP Bridge Account impact on access and affordability. • Member decisions to seek or delay health care, or enroll in health insurance, as a result of HIP Bridge Account access.
Goal 2: Support successful uptake and continued enrollment in commercial coverage.		
<p>2A. The HIP Bridge Account will increase</p>	<p>Track and compare Marketplace health</p>	<p>HIP Bridge Account Premium Payments</p>

<p>the number of successful enrollments in Marketplace insurance among individuals leaving HIP and eligible for the HIP Bridge Account.</p>	<p>insurance coverage (including applications for coverage) among individuals who leave HIP due to increased earnings.</p> <p>Analyze the impact and significance of HIP Bridge Account support on uptake of Marketplace insurance.</p>	<ul style="list-style-type: none"> Track use of the HIP Bridge Account to pay for premiums for enrollment in commercial insurance. <p>Member Survey Data</p> <ul style="list-style-type: none"> Member self-report of Marketplace health insurance coverage.
<p>2C. The HIP Bridge Account and contribution policies will increase the number of successful enrollments in employer-sponsored insurance among individuals leaving HIP and eligible for the HIP Bridge Account.</p>	<p>Track and compare employer-sponsored health insurance coverage (including applications for coverage) among individuals who leave HIP due to increased earnings.</p> <p>Analyze the impact and significance of HIP Bridge Account and contribution policies on uptake of employer sponsored-insurance.</p>	<p>HIP Bridge Account Premium Payments</p> <ul style="list-style-type: none"> Track use of Bridge Account to pay for premiums for enrollment in commercial insurance. <p>POWER Account Contributions</p> <ul style="list-style-type: none"> Track if reports of third-party coverage increase with HIP Bridge policies that allow individuals that already have other coverage to request contrition waivers. <p>Member Survey Data</p> <ul style="list-style-type: none"> Member self-report of employer-sponsored health insurance coverage.
<p>Goal 3: Reduce the number of individuals who leave HIP and are uninsured.</p>		
<p>3A. The HIP Bridge Account will reduce the number of individuals who leave HIP due to increased earnings and are uninsured following disenrollment.</p>	<p>Track and compare rates of insurance among individuals who leave HIP due to increased earnings.</p>	<p>HIP Bridge Account Payments</p> <ul style="list-style-type: none"> Track payments from account for health services incurred without coordination of benefits. <p>Member Survey Data</p> <ul style="list-style-type: none"> Member self-report of health insurance coverage.
<p>Goal 4: Reduce churn between HIP and commercial coverage or uninsured status.</p>		
<p>4A. The HIP Bridge Account will reduce churn back to HIP among eligible individuals.</p>	<p>Track and compare churn rates among individuals who leave HIP due to increased earnings and return.</p> <p>Analyzing program prior to and after HIP Bridge Account implementation (pre-</p>	<p>Enrollment and Eligibility Data</p> <ul style="list-style-type: none"> Number and percentage of individuals who return to HIP after disenrollment due to increased income. <p>Member Survey Data</p> <ul style="list-style-type: none"> Member perceptions on the causes of churn.

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	<p>post analysis) and analysis compared to non-HIP Bridge Account eligible individuals may be leveraged.</p> <p>Analyze impact and significance of the HIP Bridge Account on rates of churn back to Medicaid.</p>	
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WAIVER AUTHORITY

The State will request a renewal of all currently approved waivers, and only requests the following revisions and additions to the existing HIP waivers:

1. Comparability

Section 1902(a)(17)

To the extent necessary to allow the HIP Workforce Bridge Account to be available solely to defined eligible individuals who are disenrolled from HIP solely due to an increase in income.

2. Amount, Duration, and Scope

Section 1902(a)(10)(B)

To the extent necessary to allow the State to provide a defined benefit via the HIP Bridge Account that is limited to cost sharing assistance up to an amount of \$1,000, regardless of health care costs incurred by the member and to allow any balance payable in excess of \$1,000 to be assigned to member responsibility without regard to cost-sharing limitations.

REVIEW OF DOCUMENTS & SUBMISSION OF COMMENTS

All information regarding the submission, including the public notice, the HIP Workforce Bridge Waiver amendment, and other documentation regarding the proposal are available for public review at the FSSA, Office of General Counsel, 402 W. Washington Street, Room W451, Indianapolis, Indiana 46204. The full Public Notice and HIP Waiver documents are also available to be viewed online at <https://www.in.gov/fssa/hip/>.

Written comments regarding the HIP Waiver will be accepted through 5:00 pm on June 14th, 2019, and may be sent to the FSSA via mail at 402 West Washington Street, Room W374, Indianapolis, Indiana 46204, Attention: Natalie Angel or via electronic mail at HIP@fssa.in.gov.