Who is covered by the Healthy Indiana Plan?

The Healthy Indiana Plan (HIP) is a consumer-driven health-care program available to uninsured Indiana residents ages 19-64 with income below the federal poverty level.

In its current form, HIP is not an entitlement program. Enrollment is capped based on available funding. Enrollment has consistently hovered around 40,000, with over 116,000 individuals having been served by the program since it began in 2008.

What makes HIP “consumer driven”?

HIP is premised on the principle that when patients manage their own health care payments, they make more prudent financial decisions about their care and have an incentive to live healthier lifestyles.

Each HIP member is covered by a high-deductible insurance plan paired with a modified Health Savings Account called a POWER account. Money in the POWER account is used to pay the member’s portion of his/her medical bills.

The POWER account consists of state-provided funds and contributions by the member. Members’ required contributions are set using a sliding scale based on income, with the highest-income members contributing 2% of their income.

How is HIP funded?

Indiana operates HIP under a Medicaid waiver from the U.S. Department of Health and Human Services. This allows Indiana to use federal funds to help pay for the program.

The state’s share of funding for HIP comes from cigarette tax revenue. Under the original waiver, Indiana also diverted a portion of its federal Disproportionate Share Hospital (DSH) dollars to meet federal budget neutrality requirements, but now cigarette tax revenue alone is sufficient to cover the state’s share.

In Fiscal Year 2013, HIP cost $281 million. State funds covered $123 million of that total.

HIP Has Demonstrated Results

- 60% of HIP members receive preventative care, a rate similar to customers in the commercial insurance market.
- 80% of HIP members choose generic drugs, vs. 65% of customers in the commercial insurance market.
- In 2012, 32% of HIP members visited the emergency room, compared to 38% of traditional Medicaid enrollees.
- 83% of HIP members prefer the HIP design to copayments in traditional Medicaid.

INDIANA STATE SENATOR
Patricia Miller
Senator.Miller@iga.in.gov
317-232-9489