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CENTERPIECE

FEATURED

Pence's HIP 2.0 Medicaid alternative approved

By Lauren Slavin 812-331-4376 | lslavin@heraldt.com Jan 28, 2015



Jeremy Hogan

Amy Kappel, who is studying to be a nurse, and Kenaz Bakdash, a second-year medical student, speak Tuesday at Volunteers in Medicine. The Bloomington clinic was created to provide free medical care to low-income residents of Monroe and Owen counties who are uninsured. It reported about a 30 percent decrease in clients from January through May 2014, after the Affordable Care Act marketplace was rolled out, and is likely to see a significant drop this year as Indiana expands its health insurance coverage for low-income people under the Healthy Indiana Plan 2.0. Jeremy Hogan | Herald-Times

Indiana Gov. Mike Pence declared the “coverage gap” in health care closed Tuesday by announcing that the expanded Healthy Indiana Plan, called HIP 2.0, has been approved by a waiver from the federal government as an alternative to Medicaid.

Eligible Hoosiers can begin enrolling in HIP 2.0 Wednesday, and coverage will begin Feb. 1, two weeks before the national Affordable Care Act enrollment deadline.

“This is not about policies and programs and dollars and cents. It’s about people,” Pence said at a Tuesday morning news conference at the St. Vincent Ruth Lilly Conference Center in Indianapolis. “It’s about members of our family. It’s about coworkers, neighbors, friends. The truth is these hardworking Hoosiers don’t want a handout. But they could use a hand up.”

The original HIP has provided coverage to 60,000 nondisabled, low-income Indiana residents ages 19 to 64 for the past seven years. However, an estimated 350,000 Indiana residents are still uninsured.

“Half of the people that come to Cover Monroe for help have been told they have no option for coverage,” said David Meyer, president of the ACA Volunteers of Monroe County and project director of Cover Monroe, organizations that help local residents sign up for health insurance through the ACA marketplace. “It’s been really depressing to our volunteers to deliver that message, and close to devastating for our low-income clients to hear it.”

In July, Pence submitted the HIP 2.0 plan to the Centers for Medicare and Medicaid Services for approval by the federal government. The Supreme Court’s 2012 decision that upheld the constitutionality of the Affordable Care Act also made Medicaid expansion optional for states.

States could submit waivers for federal government approval to deviate from traditional Medicaid. Indiana is the 28th state, plus the District of Columbia, to expand Medicaid under the ACA.

“This is really Medicaid reform more so than a coverage expansion,” said Jerome Adams, Indiana state health commissioner. “The idea is to help them become smarter consumers, become savvy consumers who make right choices for them instead of us telling them what they’re supposed to do.”

Without expanding Medicaid, Hoosiers with incomes too high to qualify them for free insurance through the government, but too low to qualify for ACA marketplace tax credits, often fell through the cracks in health care coverage.

“In the time it took us to negotiate the expansion of health coverage for low-income Hoosiers to HIP 2.0, there have been 1,000 Hoosiers that have died,” Meyer said. “I wonder about the balance of policy decision versus a tradeoff in human lives.”

And for the first time, those deemed able to afford insurance through the marketplace who do not enroll will be fined by the federal government.

“The Affordable Care Act, for many people, is not affordable,” said Nancy Richman, executive director of free medical clinic Volunteers in Medicine of Monroe County. “The main thing for people that have enrolled in marketplace plans is that it’s very difficult for them to afford the premiums, even for subsidized plans. This (HIP 2.0) is very good news for people living in poverty.”

And the state government maintains that unlike Medicaid, HIP 2.0 holds Hoosiers responsible for their choices as consumers of coverage they can afford.

“We don’t want this to be an entitlement. We don’t want people to be dependent on it,” Adams said. “The idea is to transition people into the traditional insurance market.”

HIP 2.0 reaction

Comments from some of Indiana’s Republican congressional delegation on the announcement of a federal waiver for HIP 2.0:

U.S. Sen. Dan Coats, R-Ind.:

“This agreement (between the U.S. Department of Health and Human Services and the State of Indiana) is great news for hundreds of thousands of low income Hoosiers and a testament of the effectiveness of the Healthy Indiana Plan. Indiana is leading the way nationally by creating state-based, innovative ideas for governing.”

U.S. Rep. Larry Bucshon, R-Ind.:

“Today’s announcement is long-awaited news for our state. I spent my career as a health care provider caring for patients regardless of their socioeconomic status or ability to pay. I know that we can do better for our patients than settling for the top-down, one-size-fits-all expansion of traditional Medicaid. Indiana has demonstrated this with the success of Healthy Indiana Plan. As I traveled the state last year with Indiana Ways and Means Chairman Dr. Tim Brown on our ‘Hoosier Healthcare Tour,’ we consistently heard the same message. I’m happy to see the Department of Health and Human Services grant Indiana the flexibility to build on our progress and expand access to quality care for 350,000 low-income Hoosiers without insurance. I commend the persistent work of Governor Pence on behalf of Hoosiers. Thanks to his leadership, Indiana will be a model for how states can implement conservative, consumer-driven solutions to innovate and meet the healthcare needs of their citizens.”

U.S. Rep. Todd Rokita, R-Ind.

“Governor Pence and his team deserve high praise for bringing this project across the finish line. Indiana has long been a leader in consumer-driven health care with the original Healthy Indiana Plan. Maintaining the principles of this highly successful program and expanding health care access to low-income Hoosiers, all without increasing costs to taxpayers, is a true victory. HIP 2.0 reminds us that states — not the federal government — are best positioned to meet the needs of their populations.”

U.S. Rep. Todd Young, R-Ind.:

“The federal approval of Gov. Pence’s HIP 2.0 program is welcome news for all Hoosiers. The expansion of this proven, market-driven model will benefit thousands of Hoosiers who might not otherwise have health insurance. For those of us who have long argued for block-granting Medicaid to allow states to deliver services tailored to the needs of their citizens, HIP 2.0 is now an important proof-of-concept that Medicaid can be more efficient than a one-size-fits-all approach. I applaud Gov. Pence for his tireless efforts on this front, and commend the White House for demonstrating an openness in this instance to reworking our nation’s health care laws to give Hoosiers more control of their individual health care.”

MORE INFORMATION

HIP 2.0 available to 350,000 uninsured low-income Hoosiers; enrollment starts now

An estimated 350,000 currently uninsured Hoosiers will have access to state-funded health care coverage starting Feb. 1 through the Healthy In...

HIP 2.0 receives federal approval

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