

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850



State Demonstrations Group

December 1, 2017

Allison Taylor
Medicaid Director
Indiana Family and Social Services Administration
402 West Washington Street, Room W461, MS 25
Indianapolis, IN 46204

Dear Ms. Taylor:

This letter is in response to Indiana's November 29, 2017, request regarding Indiana's Medicaid demonstration, entitled "Healthy Indiana Plan (HIP) 2.0" (Project Number 11-W-00296/5), under section 1115 of the Social Security Act (the Act). In your letter, you ask to allow for HIP Plus beneficiaries to make Personal Wellness and Responsibility (POWER) account contributions in amounts that are based on pre-defined income tiers.

As you note in your letter, the state and the Centers for Medicare & Medicaid Services (CMS) have been in discussions about extending the HIP 2.0 demonstration. As part of those discussions, the state has requested to move from charging HIP Plus beneficiaries two percent of household income for POWER account contributions to a tiered model for which the contribution is based on bands of income, as described in the state's November 29, 2017, letter. Under the state's current HIP 2.0 authority, the state has the flexibility to charge premiums in HIP Plus at levels no more than two percent of household income, except that all HIP Plus households at or below five percent of the federal poverty level (FPL) are required to contribute, at a minimum, monthly one dollar (\$1.00) POWER account contributions. Since the proposed tiers that the state references in its letter are not likely to require any beneficiary to pay more than two percent of household income, we believe the state has the authority in its current STCs to move forward with implementing this operational change of using the tiered model.

If you have questions regarding this letter, please contact your CMS project officer, Ms. Shanna Janu, Division of Medicaid Expansion Demonstrations, at Shanna.Janu@cms.hhs.gov.

Sincerely,

/s/

Judith Cash
Acting Director

cc: Ruth Hughes, Associate Regional Administrator, CMS Chicago Regional Office