1115 Waiver – Healthy Indiana Plan Expansion Proposal

Healthy Indiana Plan

Budget Neutrality Projections – 3 year

State of Indiana

Family and Social Services Administration

Amendment for Physician Specialty Network Access Fee

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EXECUTIVE SUMMARY

BACKGROUND

The Healthy Indiana Plan 1115 Waiver was originally approved for a five year period from January 2008 through December 2012. It was extended for two one-year periods: for calendar year 2013 (DY 06), and then again for calendar year 2014 (DY 07).

The State received an approved waiver for HIP 2.0, which includes enhancements from the prior program, including an optional premium assistance program. This cost neutrality demonstration has been developed for a three-year demonstration, covering calendar years 2015 through 2017 (DY 01 through DY 03).

The new waiver was approved in conjunction with a HIP eligibility expansion.

The current amendment reflects a proposed physician specialty network access fee. The impact of the fee is estimated in this report, subject to approval of the state plan amendment.

BUDGET NEUTRALITY

Budget Neutrality – new HIP expansion (DY01 – DY03)

Table 1 illustrates projected Waiver Margin for the five years of the Demonstration. Values were developed using base data through December 31, 2013.

Table 1
State of Indiana, Family and Social Services Administration
1115 HIP Waiver Budget Neutrality Summary
HIP 2.0 Initial Waiver Period
(Values in $Millions)

Calendar Year	Demonstration Year	Without Waiver Expenditures	With Waiver Expenditures	Waiver Margin	Cumulative Waiver Margin
2015	1	$ 2,764.7	$ 2,771.7	$ (7.0)	$ (7.0)
2016	2	$ 3,864.2	$ 3,856.8	$ 7.3	$ 0.3
2017	3	$ 4,160.3	$ 4,136.0	$ 24.3	$ 24.6

Expenditures in Table 1 represent incurred expenditures for each calendar year, after any unused funds remaining in POWER accounts at the end of the year have been reclaimed.

1115 waiver populations

HIP 2.0 enrollment, including the Section 1931 Caretaker population, is projected to expand to approximately 560,000 by DY 03. HIP 2.0 will include the following populations (with waiver):

1. HIP Section 1931 Parents
2. HIP New Adult Population
3. HIP Medically Frail
4. Optional program: HIP Link (premium assistance)
5. HIP Presumptive Eligibility (extension to day 60)
6. Section 1931 Uncompensated Care

Trend

Without Waiver

The Without Waiver projection model requires a baseline trend rate to project PMPM expenditures for future demonstration years. As directed by CMS, we have used the following annual trend rates:

- Section 1931 Caretakers: 5.30%
- New Adult Population: 1.10%
- Medically Frail Population: 4.30%
- HIP Link: 1.10%

Please note that the trend rates illustrated above have been adjusted by CMS to represent the President's Budget Trend applicable to a 3-year period, which differs from those over a 5-year time frame.

In some cases, most notably for the new adult population and HIP Link, actual trend rates may be higher.

With Waiver

For the Section 1931 Caretakers, the with waiver trend rate is assumed to be lower than the without waiver trend rate, as the structure of the demonstration is expected to result in more thoughtful healthcare utilization by members. The with waiver trend has been estimated as 3.50% per year:

As instructed by CMS, with waiver trend rates for other populations are the same as the without waiver trend rates.

The two additional populations that are only included with waiver use the following trend rates:

- HIP Presumptive Eligibility (extension to day 60): 1.10% (same trend as the New Adult Population)
- Section 1931 Uncompensated Care: 5.30% (same trend as the Section 1931 Caretaker trend without waiver)

The enclosures illustrate additional detail, including enrollment and expenditures for each population.

We have also included an Excel file version of the development of the waiver budget neutrality exhibits: "HIP Budget Neutrality – 2015 HIP Expansion.xlsx".

DATA, ASSUMPTIONS, AND METHODOLOGY

This section provides additional detail on the data, assumptions, and methodology associated with the 1115 waiver budget neutrality filing.

DATA

Historical Enrollment and Expenditures

Data through December 31, 2013 was used to prepare the budget neutrality exhibits for this filing. Enrollment was summarized from the State of Indiana's Enterprise Data Warehouse for each 1115 Waiver population. Expenditures were provided by FSSA, as reported on the Form CMS 64.9 Waiver, project number 11-W-00237. These were summarized by demonstration year (calendar year), according to dates of service.

Projected Enrollment

To develop estimates of those who may enroll in the program under a HIP expansion, Milliman developed population summaries by income range, health coverage status, age, and parental status. This analysis was performed using Indiana-specific data from the ACS Data sample provided by the U.S. Census Bureau.

ASSUMPTIONS AND METHODOLOGY

Baseline Budget Neutrality Model

We utilized the budget neutrality model, "IN HIP BN with 36500 noted.xls" Excel workbook provided by CMS for the first HIP waiver. We have updated the model for historical experience through December 31, 2013, as reported by Indiana in Schedule C of the Form CMS 64.

Changes to Budget Neutrality Model for HIP 2.0

As of the proposed effective date of the HIP Expansion (January 1, 2015), we have assumed the following changes to the model will be appropriate:

- Populations have been modified to reflect the proposed HIP 2.0 program. The budget neutrality program no longer includes a child population.
- Projected PMPM trend rates have been updated.

Enrollment Projections

Section 1931 Caretakers

For Section 1931 Caretakers, actual enrollment data through December 2013 (DY 06) was used, with the following adjustments:

- Exclusion of TMA: Approximately 18% of the current Section 1931 Caretaker population is enrolled through the Transitional Medical Assistance (TMA) program. These individuals will not be transitioning to HIP, and have been excluded from Section 1931 Caretaker enrollment projections for the 1115 waiver. In the future, Section 1931 Caretakers who experience a rise in income and would previously have been transitioned to TMA will instead be transitioned to the HIP new adult population.
- Eligible but Unenrolled: This population experienced additional enrollment growth during the first few months of calendar year 2014. An additional 14,000 individuals have been explicitly added to projected calendar year 2015 enrollment to reflect actual experience.

Baseline enrollment growth of 1.4% per year was used to project enrollment through the five year renewal period. The 1.4% trend reflects overall long-term historical enrollment growth for Indiana's Medicaid program.

Section 1931 Caretaker Uncompensated Care

Section 1931 Uncompensated Care enrollment is retroactive eligibility for the Section 1931 Caretaker population, for up to 90 days. Under the final approved HIP policy, retroactive eligibility will only be available to Section 1931 Caretakers who have not been covered by HIP or Medicaid during the past two years and who did not gain coverage through presumptive eligibility.

Section 1931 Uncompensated Care enrollment is estimated at approximately 1% of Section 1931 Caretaker enrollment. Historically, retroactive fee-for-service member months have constituted approximately 10% of Section 1931 Caretaker enrollment. However, most of the retroactive member months are related to members who fail to submit annual redetermination information in a timely fashion. We have estimated that only 10% of the historical retroactive eligibility (10% of 10% = 1%) will meet the additional requirement that the member has not been eligible in the prior two years and did not enter the program through presumptive eligibility.

HIP Expansion (New Adult Population, Medically Frail, and HIP Link)

Using ACS data for Indiana, we estimated the total potential number of expansion enrollees as those aged 19 to 64 with income at or below 138% FPL who are not currently enrolled in Medicaid or Medicare. We included those who are currently insured by their employer or through purchase of individual insurance, as some of these individuals may wish to switch to take advantage of the optional HIP Link program. We estimated approximately 75% of potential enrollees would ultimately enroll.

Population allocation

The expansion population has been allocated to the three programs as follows:

1. HIP Link: For DY 02 through DY 03, 20% of expansion enrollees are projected to enroll in the optional HIP Link program. HIP Link is projected to be implemented as of April 1, 2015, after most employer open enrollment periods have ended. Consequently, enrollment for DY 01 is lower.
2. Medically Frail: 9.7% of the expansion population that is not enrolled in HIP Link is assumed to be medically frail.
3. New Adult Population: Expansion population members that are not enrolled in HIP Link and are not medically frail have been allocated to the New Adult population.

Phase-In

Enrollment has been assumed to phase in gradually over the first two years, DY01 and DY02, with participation reaching target level at the beginning of DY 03. Underlying eligible enrollment is projected to grow at 1.4% per year for all HIP 2.0 populations. Phase in-projections are illustrated in Table 2.

Table 2 State of Indiana Family and Social Services Administration Projected HIP 2.0 Enrollment and Participation Percentages			
	DY01	DY02	DY03
Estimated Eligible Population			
Section 1931 Caretakers	119,879	121,557	123,259
Medically Frail New Adults	36,154	36,660	37,173
Other New Adults	526,424	533,794	541,267
Total eligible adult population	**562,578**	**570,454**	**578,440**
Projected Enrollment			
Section 1931 Caretakers	107,891	109,402	110,933
New Adult Population	217,600	296,786	314,723
Medically Frail Population	22,041	30,498	32,341
HIP Link	9,337	81,821	86,766
Total projected HIP 2.0 Enrollment	**356,869**	**518,506**	**544,763**
Participation Percentages			
Section 1931 Caretakers	90%	90%	90%
Medically Frail New Adults	61%	83%	87%
New Adult Population (Total)	43%	71%	74%
New Adults in regular HIP	*41%*	*56%*	*58%*
New Adults in HIP Link	*2%*	*15%*	*16%*

As of DY 03, medically frail and new adult participation is assumed to reach its target level. From that point, enrollment is projected to grow by 1.4% per year, consistent with the underlying eligible population's growth rate.

HIP Presumptive Eligibility (extension to day 60)

HIP Presumptive Eligibility enrollment is estimated at 0.1% of New Adult enrollment. This is based on historical experience for HHW adults during CY 2014.

Without Waiver Cost Trend Rate

The Without Waiver projection model requires a baseline trend rate to project PMPM expenditures for future demonstration years. As directed by CMS, we have used the following annual trend rates:

- Section 1931 Caretakers: 5.30%
- New Adult Population: 1.10%
- Medically Frail Population: 4.30%
- HIP Link: 1.10%

Please note that the trend rates illustrated above have been adjusted by CMS to represent the President's Budget Trend applicable to a 3-year period, which differs from those over a 5-year time frame.

In some cases, most notably for the new adult population and HIP Link, actual trend rates may be higher.

HIP 2.0: Proposed Modifications to the Healthy Indiana Plan Program

Under HIP 2.0, Section 1931 Parents and the Medically Frail are provided all benefits covered under the State Plan.

HIP for Section 1931 Parents and the Medically Frail

- All State Plan benefits are covered, including long term care services, MRO, and non-emergency transportation
- $2,500 POWER account
- Choice of monthly POWER account contribution or cost sharing
- For those who do not make monthly contributions, cost sharing will apply, as described under the HIP 2.0 waiver, consistent with CMS regulations.

Indiana proposes to provide other Healthy Indiana Plan enrollees with a choice between two plans.

HIP Plus

- For those who make monthly POWER Account contributions
- Enhanced to include optional benefits, including dental and vision benefits, TMJ, and bariatric surgery.
- POWER accounts increased to $2,500

HIP Basic

- No monthly POWER Account contributions
- Cost sharing will apply, as described under the HIP 2.0 waiver, consistent with CMS regulations.
- No optional benefits, such as dental, vision, TMJ, and bariatric surgery.

All HIP plans will continue to reimburse providers using Medicare reimbursement, remove annual and lifetime limits, and will be enhanced to include maternity benefits and ESPDT services for enrollees under age 21.

HIP Link

- Optional program requiring monthly POWER account contributions, scaled with income
- $4,000 annual combined POWER account to fund monthly employer premium payments and other plan cost sharing (deductibles, coinsurance, copayments)
- Wrap-around benefits for FQHC visits and family planning services

Cost Per Eligible

In general, costs were developed from baseline enrollment and expenditures summarized from data through December 31, 2013. Enrollment and expenditures are consistent with values reported for budget neutrality under the current HIP 1115 demonstration waiver. Expenditures were provided by FSSA, as reported on the Form CMS 64.9 Waiver, project number 11-W-00237. These were summarized by demonstration year (calendar year), according to dates of service.

A $2,500 POWER account is fully funded for each enrollee at the beginning of each year. This results in an unusual payment pattern pre-funded payment pattern that varies from the normal fee-for-service or capitation model. Under a fee-for-service payment pattern, payments are generally made after services are provided. Under a capitation model, payments are made during the month services are provided. Under a POWER account model, the $2,500 POWER account represents an advance payment. We have estimated that on average, $1,000 of the funding will not be used during the year. In cases where some or all of the POWER account funding has not been spent on medical care, there will be reconciliation three months after the end of the year, and remaining funds will be refunded to the state.

At CMS' request, we have removed illustration of the POWER account pre-funding. PMPM costs calculated in this section represent incurred PMPMs, after any unused funds remaining in POWER accounts at the end of the year have been reclaimed.

Physician Specialty Network Access Fee

Indiana proposes to assure continued access to physician specialty networks by providing enhanced reimbursement to these groups. The proposal is currently being drafted and will be submitted to CMS in the form of a state plan amendment.

The access fee was estimated using CY 2013 data to identify physician utilization attributable to eligible physician specialty networks. The estimated CY 2013 impact was increased with trend to CY 2015, and adjusted for morbidity as applicable.

Providing enhanced reimbursement for eligible services is estimated to increase the overall PMPM by between 0.8% and 0.9%, varying modestly by eligibility group. The enhanced reimbursement under will be consistent between the managed care and fee-for-service programs.

Section 1931 Caretaker

This population was developed based on experience from the HHW Caretaker population under the current HIP 1115 demonstration. DY 01 (CY 2015) Cost per eligible was projected from the CY 2013 cost per eligible from the current HIP 1115 demonstration as illustrated in Table 3:

Table 3
State of Indiana
Family and Social Services Administration
Development of Cost Per Eligible (PMPM)
Section 1931 Caretakers

Section 1931 Caretakers	Cost Per Eligible
CY 2013 Cost per Eligible (PMPM)	**$ 474.20**
Actual CY 2014 Capitation Rate Increase	5.7%
Section 9010 Insurer Fee Impact	3.0%
CY 2014 Projected Cost per Eligible (PMPM)	**$ 516.27**
Cost Trend to CY 2015	5.7%
Morbidity adjustment (excluding TMA enrollees)	4.2%
Physician Reimbursement Increase to 100% FPL	16.2%
CY 2015 Projected Cost per Eligible (PMPM) before access fee	**$ 660.73**
Physician Specialty Network Access Fee (estimated)	$ 5.42
CY 2015 Projected Cost per Eligible (PMPM)	**$ 666.15**

Notes on the calculation In Table 3:

- Actual CY 2014 capitation rate increase This increase is based on certified rates approved by CMS. The CY 2014 rate increase reflects changes to fee-for-service rate reductions effective January 2014. These rate reductions were implemented on a temporary basis in 2011. Effective January 2014, inpatient and outpatient hospital rate reduction declined from 5% to 3%. In addition, 5% rate reductions on various professional services were removed and the pharmacy dispensing fee was allowed to increase from $3.00 to $3.90.
- Section 9010 insurer fee: This impact was not included in initial CY 2014 certified rates. As the fee becomes known, both it and the corporate income tax impact will be reflected retroactively in the rates. The impact is currently estimated at 3.0% (weighted average over the five year demonstration period).
- TMA Morbidity Adjustment: Transitional Medical Assistance (TMA) enrollees constitute approximately 18% of Section 1931 caretakers in the calendar year 2013 base data. Average costs for these individuals are approximately 20% lower than for other Section 1931 Caretakers. These individuals will not be transitioning to HIP under the new expansion waiver, so a morbidity adjustment has been applied to the remaining Section 1931 caretakers to reflect actual cost experience.
- Physician reimbursement increase: As of DY 01, Indiana proposes to transition the Section 1931 Caretakers to the Healthy Indiana Plan (HIP 2.0). The Section 1931 Caretakers will retain full access to the state plan service benefit package, but will have POWER accounts established and may experience changes in the cost sharing structure. In addition, reimbursement for professional services will be increased to Medicare rates, or 130% of Medicaid for services where there are no Medicare rates, such as dental services. In aggregate, the current Indiana Medicaid program is estimated to reimburse for professional services at approximately 60% of Medicare reimbursement.
- Physician Specialty Network Access: Indiana proposes to assure continued access to physician specialty networks by providing enhanced reimbursement to these groups. The proposal will be submitted to CMS in the form of a state plan amendment.

HIP New Adult Population

The New Adult population corresponds to the HIP Caretaker and HIP Adult populations under the current HIP 1115 demonstration, with the medically frail excluded. DY 01 (CY 2015) Cost per eligible was projected from the CY 2013 cost per eligible from the current HIP 1115 demonstration as illustrated in Table 4:

Table 4
State of Indiana
Family and Social Services Administration
Development of Cost Per Eligible (PMPM)
HIP New Adult Population

HIP New Adult Population	HIP Caretakers	HIP Adults
CY 2013 Cost per Eligible	**$ 421.35**	**$ 653.24**
Actual CY 2014 Capitation Rate Increase	5.3%	5.3%
ACA Section 9010 Insurer Fee Impact	3.0%	3.0%
CY 2014 Projected Cost per Eligible	**$ 456.99**	**$ 708.50**
Cost Trend to CY 2015	1.75%	1.75%
Benefit Improvements	4.8%	4.8%
Selection Adjustment		99.00%
CY 2015 Projected Cost per Eligible Including Medically Frail	**$ 487.31**	**$ 747.95**
Percent of Population Assumed Medically Frail	**6.00%**	**12.00%**
Medically Frail Average Morbidity Factor	**2.9**	**2.9**
Morbidity Factor for Non-Medically Frail	**89.77%**	**81.43%**
CY 2015 Projected Cost per Eligible Excluding Medically Frail	**$ 437.44**	**$ 609.08**
Blended to reflect relative projected proportion of the New Adult Population	40.2%	59.8%
CY 2015 Projected Cost per Eligible (PMPM) before access fee		**$ 540.05**
Physician Specialty Network Access Fee (estimated)		$ 5.09
CY 2015 Projected Cost per Eligible (PMPM)		**$ 545.14**

Notes on the calculation:

- Actual CY 2014 capitation rate increase This is based on certified rates approved by CMS. Aside from normal trend, the CY 2014 rate increase reflects population aging.
- Section 9010 insurer fee: This impact was not included in initial CY 2014 certified rates. As the fee becomes known, both it and the corporate income tax impact will be reflected retroactively in the rates. The impact is currently estimated at 3.0% (weighted average over the five year demonstration period).
- Benefit improvements: These include the addition of maternity services, removal of annual and lifetime limits, and additional of dental and vision services for those who select the HIP Enhanced plan. In addition, average contributions are projected to be slightly lower than under the HIP 1.0 program.
- Selection Adjustment: This is to remove adverse selection from the starting cost, which was developed using those currently enrolled in HIP. This is projected to be offset by pent-up demand from the previously uninsured population.
- Medically Frail Adjustment: the medically frail will be enrolled in a separate population (developed in the next section of this report). Based on results from other states and data on the current HIP population, we have estimated approximately 10% of the expansion population will qualify as medically frail, with an average morbidity factor of 2.9. The morbidity factor was developed based on claims-based identification of those meeting medically frail criteria and a comparison of experience costs. Please also note that we have estimated a higher percentage of the HIP Adult population will be medically frail due to the underlying demographics. The HIP Caretaker population is likely to be younger (most parents are below age 45), and thus less likely to be medically frail.
- Population blending: The new HIP waiver will no longer make a distinction between Caretakers and Non-caretakers, so experience for these populations has been blended. The blending percentage is based on the percentage in the eligible non-medically frail population, based on ACS census data.

- Physician Specialty Network Access: Indiana proposes to assure continued access to physician specialty networks by providing enhanced reimbursement to these groups. The proposal will be submitted to CMS in the form of a state plan amendment.

HIP Medically Frail

The starting cost for the HIP Medically Frail corresponds to the average cost for those identified from the HIP Caretaker and HIP Adult populations.

Table 5
State of Indiana
Family and Social Services Administration
Development of Cost Per Eligible (PMPM)
HIP Medically Frail

HIP Medically Frail	HIP Caretakers	HIP Adults	Total
HIP Medically Frail Enrollment CY 2015			
Total Enrolled Member Months (excluding HIP Link)	1,111,217	1,764,479	2,875,696
Percent Assumed Medically Frail	**6.00%**	**12.00%**	
Estimated HIP Medically Frail Enrollment (Member Months)	66,673	211,737	278,410
CY 2015 Projected Cost per Eligible Medically Frail Enrollee (PMPM)			
Cost per Eligible for those not Medically Frail (before POWER pre-funding)	**$ 437.44**	**$ 609.08**	
Medically Frail Average Morbidity Factor	**2.9**	**2.9**	
CY 2015 Projected Cost per Eligible Medically Frail (PMPM)	**$ 1,268.58**	**$ 1,766.33**	**$ 1,647.13**
Physician Specialty Network Access Fee (estimated)			$ 15.52
CY 2015 Projected Cost per Eligible (PMPM)			**$ 1,662.65**

Notes on the calculation:

- Projected CY 2015 enrolled member months: These estimates were developed in Table 2, and allocated between HIP Caretakers and HIP Adults based on their proportion in the eligible expansion population (before excluding the medically frail), as estimated from ACS data.
- Medically Frail Percentage: The percentage of each population assumed to be medically frail is consistent with assumptions used in Table 4.
- Cost Per Eligible (Not Medically Frail) These values were developed in Table 4.
- Medically Frail average morbidity factor: This is consistent with the assumption in Table 4.
- Projected Cost per Eligible These values are the product of the non-Medically Frail cost and the estimated morbidity factor. The Total is a composite of the Caretaker and Adult costs, weighted by projected medically frail enrollment.
- Physician Specialty Network Access: Indiana proposes to assure continued access to physician specialty networks by providing enhanced reimbursement to these groups. The proposal will be submitted to CMS in the form of a state plan amendment.

HIP Presumptive Eligibility (extension to day 60)

The HIP Presumptive Eligibility cost for CY 2015 has been estimated at the midpoint of the certified rate range: $2,296.65. Costs for the HIP Presumptive Eligibility population represent the incremental cost of extending the presumptive eligibility period to last a full 60 days rather than ending it at the end of the month following the month on which the presumptive eligibility began. On average, this will result in an additional half month of enrollment for each individual, so the cost per eligible has been estimated at half the presumptive eligibility capitation rate.

Section 1931 Uncompensated Care

The per member per month cost for Section 1931 Caretaker Uncompensated Care is based on historical (SFY 2014) experience for HHW adult retroactive member months, trended forward to CY 2015 using an annual rate of 5.30% (the Section 1931 Caretaker without waiver trend).

With Waiver Trend Rate

For the Section 1931 Caretakers, the with waiver trend rate is assumed to be lower than the without waiver trend rate, as the structure of the demonstration is expected to result in more thoughtful healthcare utilization by members. The with waiver trend has been estimated as 3.50% per year:

As instructed by CMS, with waiver trend rates for other populations are the same as the without waiver trend rates.

LIMITATIONS

The information contained in this report has been prepared for the State of Indiana, Family and Social Services Administration (FSSA) and the Office of Medicaid Policy and Planning (OMPP). This report has been developed to assist in the development of the 1115 waiver filing to be submitted to the Centers for Medicaid and Medicare Services (CMS) associated with the Healthy Indiana Plan. The data and information presented may not be appropriate for any other purpose.

It is our understanding that the information contained in this report may be utilized in a public document. To the extent that the information contained in this correspondence is provided to any third parties, the correspondence should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the information presented.

Milliman makes no representations or warranties regarding the contents of this correspondence to third parties. Likewise, third parties are instructed that they are to place no reliance upon this correspondence prepared for OMPP by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

Milliman has relied upon certain data and information provided by the State of Indiana, Family and Social Services Administration and their vendors. The values presented in this letter are dependent upon this reliance. To the extent that the data was not complete or was inaccurate, the values presented in our report will need to be reviewed for consistency and revised to meet any revised data.

The services provided for this project were performed under the signed Consulting Services Agreement between Milliman and OMPP, approved May 14, 2010, and last amended December 24, 2014.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this report are members of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.

Enclosure 1

Budget Neutrality Exhibits

HIP Expansion

Healthy Indiana Plan	*Summary Budget Neutrality Estimates - 1115 Waiver Application*			
	Updated February 12, 2015			
Without Waiver Summary	**DY 01**	**DY 02**	**DY 03**	**DY 01 - DY 03**
XIX - HIP Populations				
Section 1931 Caretakers	862,459,742	920,890,016	983,276,091	2,766,625,848
New Adult Population	1,423,472,294	1,962,844,326	2,104,364,424	5,490,681,044
Medically Frail Population	439,754,299	634,646,684	701,944,073	1,776,345,055
HIP Link	39,027,267	345,778,115	370,706,000	755,511,381
Total Without Waiver Costs	***2,764,713,601***	***3,864,159,140***	***4,160,290,587***	***10,789,163,328***
With Waiver Summary	**DY 01**	**DY 02**	**DY 03**	**DY 01 - DY 03**
XIX - HIP Populations				
Section 1931 Caretakers	*862,459,742*	*905,149,316*	*949,942,893*	*2,717,551,951*
New Adult Population	*1,423,472,294*	*1,962,844,326*	*2,104,364,424*	*5,490,681,044*
Medically Frail Population	*439,754,299*	*634,646,684*	*701,944,073*	*1,776,345,055*
HIP Link	39,027,267	345,778,115	370,706,000	755,511,381
HIP Presumptive Eligibility (extension to day 60)	2,998,517	4,134,673	4,432,799	11,565,989
Section 1931 Uncompensated Care	4,012,115	4,283,860	4,573,996	12,869,971
Total With Waiver Costs	***2,771,724,233***	***3,856,836,973***	***4,135,964,185***	***10,764,525,390***
Waiver Margin	***(7,010,632)***	***7,322,167***	***24,326,402***	***24,637,938***
Coverage Estimates	**DY 01**	**DY 02**	**DY 03**	
Anticipated Enrollment				
Section 1931 Caretakers	107,891	109,402	110,933	
New Adult Population	217,600	296,786	314,723	
Medically Frail Population	22,041	30,498	32,341	
HIP Link	9,337	81,821	86,766	
HIP Presumptive Eligibility (extension to day 60)	218	297	315	
Section 1931 Uncompensated Care	1,079	1,094	1,109	
Total	**358,166**	**519,896**	**546,187**	

Enclosure 2

Without Waiver Projections

Healthy Indiana Plan

DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION

CY 2015

HIP POPULATIONS

ELIGIBILITY GROUP	Trend	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	TOTAL WW
Section 1931 Caretakers					
Eligible Member Months		1,294,693	1,312,819	1,331,198	
Total Cost Per Eligible	5.30%	$ 666.15	$ 701.46	$ 738.64	
Total Expenditure		$ 862,459,742	$ 920,890,016	$ 983,276,091	$ 2,766,625,848
New Adult Population					
Eligible Member Months		2,611,205	3,561,426	3,776,677	
Total Cost Per Eligible	1.10%	$ 545.14	$ 551.14	$ 557.20	
Total Expenditure		$ 1,423,472,294	$ 1,962,844,326	$ 2,104,364,424	$ 5,490,681,044
Medically Frail Population					
Eligible Member Months		264,490	365,972	388,091	
Total Cost Per Eligible	4.30%	$ 1,662.65	$ 1,734.14	$ 1,808.71	
Total Expenditure		$ 439,754,299	$ 634,646,684	$ 701,944,073	$ 1,776,345,055
HIP Link					
Eligible Member Months		112,040	981,850	1,041,192	
Total Cost Per Eligible	1.10%	$ 348.33	$ 352.17	$ 356.04	
Total Expenditure		$ 39,027,267	$ 345,778,115	$ 370,706,000	$ 755,511,381

Enclosure 3

With Waiver Projections

Healthy Indiana Plan

DEMONSTRATION WITH WAIVER (WW) BUDGET PROJECTION

CY 2015

HIP POPULATIONS

ELIGIBILITY GROUP	Trend	DEMONSTRATION YEARS (DY) DY 01	DY 02	DY 03	TOTAL WW
Section 1931 Caretakers					
Eligible Member Months	1.4%	1,294,693	1,312,819	1,331,198	
Total Cost Per Eligible	3.5%	$ 666.15	$ 689.47	$ 713.60	
Total Expenditure		$ 862,459,742	$ 905,149,316	$ 949,942,893	$ 2,717,551,951
New Adult Population					
Eligible Member Months		2,611,205	3,561,426	3,776,677	
Total Cost Per Eligible	1.1%	$ 545.14	$ 551.14	$ 557.20	
Total Expenditure		$ 1,423,472,294	$ 1,962,844,326	$ 2,104,364,424	$ 5,490,681,044
Medically Frail Population					
Eligible Member Months		264,490	365,972	388,091	
Total Cost Per Eligible	4.3%	$ 1,662.65	$ 1,734.14	$ 1,808.71	
Total Expenditure		$ 439,754,299	$ 634,646,684	$ 701,944,073	$ 1,776,345,055
HIP Link					
Eligible Member Months		112,040	981,850	1,041,192	
Total Cost Per Eligible	1.10%	$ 348.33	$ 352.17	$ 356.04	
Total Expenditure		$ 39,027,267	$ 345,778,115	$ 370,706,000	$ 755,511,381
HIP Presumptive Eligibility (extension to day 60)					
Eligible Member Months		2,611	3,561	3,777	
Total Cost Per Eligible	1.10%	$ 1,148.33	$ 1,160.96	$ 1,173.73	
Total Expenditure		$ 2,998,517	$ 4,134,673	$ 4,432,799	$ 11,565,989
Section 1931 Uncompensated Care					
Eligible Member Months		12,947	13,128	13,312	
Total Cost Per Eligible	5.30%	$ 309.89	$ 326.31	$ 343.60	
Total Expenditure		$ 4,012,115	$ 4,283,860	$ 4,573,996	$ 12,869,971