

Legislative Update

Indiana House Enrolled Act 1678 (HEA 1678)
As of 04/24/2008

Covering Kids & Families of Indiana continues to follow the implementation of HEA 1678. This Legislative Update provides an overview of Secretary Mitch Roob's presentation on the status of HEA 1678. Secretary Roob presented an update to the Joint Health Committee on February 6, 2008. Below is a brief summary of this presentation. Updates have also been provided as made available.

- ✓ **Cigarette tax** increased by 44 cents per pack to fund various health related expenses.
 - Allocations as of 02/06/08:
 - Healthy Indiana Plan (HIP) received \$84.7 mil
 - Provider Reimbursement received \$7.7 mil
- ✓ State Department of Health established guide-lines for the **certification of small business wellness plans**.
 - Provides a **tax credit** to small businesses with qualified wellness programs that promote utilization of preventive healthcare services
 - In October 2007, public announcements of the program were made
 - As of 02/06/08, 15 registered vendors and 51 small businesses were approved for the tax credit
- ✓ As of January 2008, Section 125 of IRS code allows employers and employees to **purchase health insurance on a pre-tax basis**:
 - Tax credit equal to \$50 per employee up to \$2500 is available to all employers who currently offer no health insurance
- ✓ In July 2007, the income limit increased for **Medicaid eligibility for pregnant women to 200%** of the federal poverty level (FPL).
- ✓ In April 2008, FSSA stated that the **Presumptive Eligibility for Pregnant Women policy will NOT be implemented**.
 - CKF-IN and other partners will continue to work with FSSA to discuss the implications of this decision.
- ✓ As of November 2007, children from birth to age three are **guaranteed continuous eligibility** under Medicaid and SCHIP.
- ✓ HEA 1678 made it possible to **increase SCHIP eligibility family income limit** for children up to 300% FPL.
 - However, the federal government will not approve increase beyond 250% without proof that 95% of eligible children are already enrolled in Medicaid or SCHIP
 - In January 2008, the state's Plan Amendment was submitted to CMS to expand coverage to 250% FPL. Anticipated start date is July 2008 with projections being made that this will provide coverage for an additional 5,100 lives by June 2009
- ✓ The Indiana Check Up Plan is being marketed as the **Healthy Indiana Plan (HIP)**. Under the plan,
 - People who have been uninsured for 6 months and who make up to 200% of the federal poverty level (\$20,420 for an individual and \$41,300 for a family of four) could buy insurance under the program
 - It provides \$500 in free preventive care
 - It provides coverage for single adults up to 200% FPL and establishes a \$1,100 power account to pay annual health expenses
 - After the power account is exhausted, it also provides up to \$300,000 of annual insurance coverage from a private company
 - Depending on income, participants would pay only 2 percent to 5 percent of their adjusted gross income in premiums
 - December 10, 2007, the HIP statewide media campaign began
 - Began accepting applications December 17, 2007. **3,500** applications received by the end of the first week
 - January 1, 2008, HIP was fully implemented
 - As of March 7, 2008 **30,076** applications were received
 - State is **increasing the number of HIP staff** to meet a greater demand to process applications
 - The Buy-In Option for uninsured individuals with incomes above 200% FPL is still being developed but may be available as soon as Summer 2008
- ✓ The **ISDH began receiving allotments** from the Indiana Check Up Plan trust fund on 10/26/2007.
 - To date, over **130,000 vaccines** have been administered to children.
 - The immunization program has incurred over \$4 million for the additional purchase of vaccines for Indiana's children through this opportunity.
- ✓ **Children up to the age of 24 are allowed to stay on parents' health insurance plans**. Due to Employee Retirement Income Security Act (ERISA) laws, self-funded group plans are untouched by specific state insurance law. 70% of Hoosiers are covered in this manner and cannot take advantage of this change.
- ✓ January 1, 2008, the **physician reimbursement rate increase** went into effect.
 - This constitutes a permanent rate increase of \$32 million annually for primary care, specialists and dentists
 - 2007 Bonus Payment for approximately 5,000 primary care providers totaled approximating \$39 million