

NORD Rare Action Network® Policy Explainer
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[Healthy Indiana Plan 3.0 Section 1115 Waiver Application](#)

Making Changes to Medicaid Expansion Coverage, Copayments, and Presumptive Eligibility

Summary: In this 1115 waiver application, Indiana requests federal approval to remove the Medicaid adult expansion population from the state plan and instead cover it only through the section 1115 demonstration. Indiana also proposes implementing copayments for several services tied to a healthy behaviors incentive initiative, and requests for permission to either terminate coverage for the expansion population or seek to implement enrollment caps if the state does not have enough funding in the future to support the program.

Educational Note: What is an 1115 demonstration waiver?

Section 1115 of the Social Security Act lets states ask the federal government for permission to run their Medicaid programs differently than standard federal rules require, usually to test new approaches. States must periodically renew, or "re-apply" for, these waivers to keep operating them.

Who Would Be Impacted?

This waiver impacts people under Indiana's Medicaid expansion (Healthy Indiana Plan, or HIP) program: adults ages 19-64 with incomes up to 138% of the federal poverty level (FPL) that don't qualify for Medicaid another way.

What Is the Waiver Proposing?

Program/Rule	Proposed Action	What It Means
Presumptive Eligibility Expansion	Continue	Allows a wide array of health centers to make temporary, immediate Medicaid eligibility determinations for patients who appear to qualify.
Expansion Coverage Authority	Change	Medicaid expansion coverage would continue, but it would be provided through the HIP 3.0 1115 waiver demonstration instead of through the traditional Medicaid state plan, which is now required by Indiana law. This would make Medicaid coverage for this group less stable and subject to requirements not normally allowed under Medicaid programs.
Copayments	Change	HIP members will have to pay copayments for certain services, including outpatient, pharmacy, specialist visits, and home health care, with amounts ranging from \$4 to \$35, the maximum amount allowed under H.R.1. The copayments would be tied to a healthy behaviors incentive program, meaning that members who participate in at least three specified healthy behaviors, such as preventive care services (e.g. annual wellness exams, lab testing, cancer screens, vaccines), within a benefit period can have a reduced copayment fee for the rest of that benefit period and the following period.

		The healthy behaviors incentive does not apply to Indiana's proposed \$35 copayment for non-emergency use of the emergency room. Indiana seeks to implement its copayments as soon as possible.
Enrollment Cap or Termination of Coverage	Potential Change in the Future	No limits to expansion coverage for now, but Indiana seeks explicit confirmation from CMS that if its funding for the program becomes insufficient, Indiana could seek to limit enrollment through a waiver amendment or terminate HIP altogether, ending healthcare coverage for its nearly 600,000 enrollees if the state does not have enough funds to support the program in the future.

Educational Note: Changes to Copayments in HR1

All states are required by H.R.1 to impose copayments on services for the Medicaid adult expansion group by October 1, 2028, but states can choose the amounts (no higher than \$35 per service, and all copayments in the Medicaid household cannot be more than 5% of the family's income quarterly). States can also seemingly choose how many services the copayments apply to.

If Approved: The demonstration would run for 5 years.

Applicability: Indiana's adult expansion program: adults ages 19-64 with incomes up to 138% of the federal poverty level (FPL) that don't qualify for Medicaid otherwise.

Questions?

Contact action@rarediseases.org

About the National Organization for Rare Disorders

Founded in 1983, the National Organization for Rare Disorders (NORD®) is a leading independent, nonpartisan, nonprofit and patient advocacy organization dedicated to improving the health and lives of over 30 million Americans living with rare diseases. In partnership with more than 350 disease-specific member patient organizations, NORD drives progress in rare disease research, care, and policy.

About NORD's Rare Action Network®

The Rare Action Network® is (RAN) is the nation's leading advocacy network working to improve the health and well-being of the 30+ million Americans living with a rare disease. For over 10 years, NORD has educated and mobilized RAN members on key disease agnostic issues impacting our community.

Learn more at rarediseases.org