

# Indiana

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## 1. MANAGED CARE OPPORTUNITY ASSESSMENT <sup>(9-4-24)</sup>

In January 2023, Indiana implemented new contracts for its Medicaid managed care programs, Hoosier Healthwise and Healthy Indiana Plan (HIP), with incumbents Anthem, CareSource, Centene/Managed Health Services, and MDwise. The contracts will run for four years with the option for two additional one-year renewals. Hoosier Healthwise covers low-income parents/caretakers, pregnant women, and children, and HIP covers uninsured adults including the Medicaid expansion population.

Indiana’s new capitated Medicaid managed long-term services and supports (MLTSS) program, Pathways for Aging, launched in July 2024, alongside other changes to the state’s Aged and Disabled (A&D) waiver. Initially, in March 2023, the state recommended four managed care organizations to receive contracts for the MLTSS program: Anthem Blue Cross and Blue Shield, Humana/Arcadian Health Plan, Molina Healthcare of Indiana, and UnitedHealthcare. In October 2023, however, Indiana chose not to award a contract to Molina because the payer would not have an approved Medicare Advantage dual eligible special needs plan (D-SNP) product by January 2024, as required by federal regulations. The Pathways to Aging program serves individuals that are 60 or older, including those who are transitioning from the state’s Aged and Disabled (A&D) waiver. The Pathways for Aging contracts are set for a four-year term, with the option for two one-year renewals.

Additionally, Indiana awarded Medicaid managed care contracts in May 2020 covering 90,000 aged, blind, and disabled beneficiaries under the state’s Hoosier Care Connect program to Anthem, Centene/Managed Health Services, and UnitedHealthcare. The contracts are valued at a total of \$6.4 billion. Anthem and Centene were incumbents. Implementation began April 1, 2021, with contracts set for a four-year period, with two optional one-year renewals.

HMA Managed Medicaid Opportunity Assessment for Indiana	
Positive Metrics	Strong Indicators
<ul style="list-style-type: none"> <li>Nearly 117,000 beneficiaries enrolled in Indiana’s Pathways for Aging during July 2024, the program’s first month of implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Indiana’s new capitated Medicaid managed long-term services and supports (MLTSS) program, Pathways for Aging took effect in July 2024.</li> </ul>
Negative Metrics	Weak Indicators
<ul style="list-style-type: none"> <li>As of May 2024, Indiana disenrolled nearly 500,000 Medicaid enrollees during the COVID-19-related Medicaid eligibility redetermination process.</li> <li>In December 2023, Indiana identified a nearly \$1 billion Medicaid budget shortfall which has required the state to make financial and programmatic changes.</li> </ul>	<ul style="list-style-type: none"> <li>A federal judge vacated approval of the Healthy Indiana Plan (HIP) in June 2024 over the state’s decision to reinstate POWER account contributions.</li> </ul>
Source: HMA	

### Hot Topics:

Indiana is transitioning beneficiaries from previous systems into the new Pathways for Aging program, which involves setting up new care coordination structures and ensuring that all contractual and operational elements are in place. This transition is being closely monitored by federal and state officials and other stakeholders. The transition to Pathways is one of several associated with the former Aged and Disabled (A&D) waiver. Indiana

also is transitioning individuals under the age of 60 served by the A&D waiver program to the Health and Wellness waiver. The state also received approval to pay for parental care of seriously disabled children through Structured Family Caregiving, which pays a per diem amount.

In June 2024, a federal judge vacated approval of the Healthy Indiana Plan (HIP) over policies that would require the state’s Medicaid beneficiaries above 100 percent of the federal poverty level to pay monthly premiums through Personal Wellness and Responsibility (POWER) account contributions. The Family and Social Services Administration (FSSA) filed an appeal over the decision, saying it would have to transition HIP Plus members to different benefit designs that do not offer vision, dental, and other services. In August 2024, the same judge granted a stay to the agency because FSSA agreed not to collect contributions during the appeal, so members can keep their HIP Plus coverage during the ongoing litigation. The stay does not apply to other Medicaid programs, including CHIP and MEDWorks, whose members will be responsible for cost-sharing.

Indiana Medicaid Managed Care Programs						
Program	Population	Carved In (Y/N)				
		Behavioral	LTSS	Pharmacy	SUD	Dental
Hoosier Care Connect	Individuals who are aged 65 years and older, blind, or disabled and who are also not eligible for Medicare.	Y	N	Y	Y	Y
Hoosier Healthwise	Children up to age 19 and pregnant women. The Children's Health Insurance Program (CHIP) falls under the Hoosier Healthwise program.	Y	N	Y	Y	Y
Healthy Indiana Plan	Expansion population	Y	N	Y	Y	Y
Pathways for Aging	Aged, blind, or disabled populations who are 60 years and older	Y	Y	Y	Y	Y

## 2. MANAGED MEDICAID PLAN FINANCIALS

Medical loss ratio for four Medicaid managed care plans in Indiana averaged 91.5% in 2022, compared to 91.2% in 2021 and 88.8% in 2020. Per member per month premiums averaged \$436 among the four plans.

(Note: Financial metrics and comparisons presented in this overview are based on health plan NAIC filings in the state. Measures like per member per month premiums and medical loss ratios may vary greatly by plan and by state depending on the mix of business (e.g., TANF, ABD, etc.), scope of the state's Medicaid benefit package, geographic variations in the cost of care, and other factors.)

Indiana Medicaid Managed Care Plan Financials, 2022							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR <sup>(1)</sup>
Anthem	Y	783,086	9,027,701	\$479.21	\$4,326,126	\$3,869,386	89.5%
CareSource Indiana Inc.	N	168,355	1,897,951	\$335.54	\$636,844	\$595,043	96.3%
Centene Corp./Coordinated Care	Y	382,375	4,409,145	\$454.34	\$2,003,245	\$1,858,083	92.8%
MDWise/McLaren	N	418,361	4,924,806	\$379.65	\$1,869,721	\$1,746,446	93.4%
<b>Totals, Indiana Plans</b>		<b>1,752,177</b>	<b>20,259,603</b>	<b>\$436.14</b>	<b>\$8,835,936</b>	<b>\$8,068,959</b>	<b>91.5%</b>

(1) After reinsurance recoveries.

Source: S&P Global Market Intelligence, NAIC, HMA

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### 3. RFP DEVELOPMENTS AND ANALYSIS (5-23-24)

Hoosier Healthwise is Indiana's traditional Medicaid program that covers pregnant woman, children (including those enrolled in CHIP), and some low-income parents/caretakers. Meanwhile, HIP covers low-income adults, including the Medicaid expansion population and the majority of low-income parents or caretakers, through a consumer-driven health insurance model. Beneficiaries in HIP receive a high-deductible health plan and a POWER account, modeled after a Health Savings Account (HSA), into which members and the state contribute. The state received federal approval in October 2020 to extend HIP 2.0 for 10 years through December 2030, and to extend the substance use disorder and serious mental illness components for five years through 2025.

The state awarded Anthem Blue Cross and Blue Shield, Humana/Arcadian Health Plan, and UnitedHealthcare, with contracts for the capitated Medicaid MLTSS program, Pathways to Aging, which took effect in July 2024. The new statewide, risk-based MLTSS program serves Medicaid beneficiaries who are aged 60 years and older and are classified as aged, blind, or disabled. These beneficiaries include individuals who are dually eligible for Medicare and Medicaid, those in a nursing facility, and those who are receiving LTSS in a home or community-based setting.

Beneficiaries in this program receive all traditional Medicaid services, delivered through a capitated managed care arrangement. Those who meet a specified level of care will be eligible to receive home and community-based services (HCBS) waiver services. The Medicaid Rehabilitation Option (MRO), Adult Mental Health Habilitation Services Program (AMHH), and Behavioral and Primary Care Coordination (BPHC) will be carved out of the capitated arrangement. For dually eligible beneficiaries, Medicare will be the first payer for all Medicare covered services, including services that are covered by both Medicare and Medicaid.

The Hoosier Care Connect program, implemented in April 2020, provides coordinated care to individuals who are aged 65 years and older, blind, or disabled and who are also not Medicare eligible and do not receive institutional care. Through the program, the state seeks to improve clinical and functional status, enhance quality of life, improve member safety, and enhance member autonomy and adherence to treatment plans for beneficiaries. Members complete a health screening to determine a level of need for care coordination. Medicaid managed care organizations (MCOs) are required to maintain a minimum Medical Loss Ratio (MLR) of 90 percent. The program includes voluntary enrollment for foster care children, former foster care children, children receiving adoption assistance, and wards of the state. The current HCC contracts with Anthem, Centene/Managed Health Services, and UnitedHealthcare expire in March 2025, with two optional one-year extensions available.

## Indiana Medicaid RFP Calendar

Contract	Key Deadlines	# of Beneficiaries
Hoosier Healthwise and Healthy Indiana Plan (HIP) MCO	RFP Released: June 2021 Proposals Due: August 9, 2021 Awarded: January 10, 2022 Implementation: January 1, 2023	~1.5 million
Hoosier Care Connect (ABD)	RFP Released: October 2019 Proposals Due: January 6, 2020 Awarded: May 2020 Implementation: April 1, 2020	~80,000
Medicaid MLTSS	RFP Released: June 2022 Recommended Award: March 2023 Implementation: July 1, 2024	~117,000

*Source: HMA, Indiana Family & Social Services Administration*

## 4. MANAGED CARE ENROLLMENT UPDATE

Indiana's total Medicaid managed care enrollment was up by 3.1% to 1.71 million in July 2024 compared to year-end 2023, after decreasing 8.4% in 2023 and increasing 10.3% in 2022, 14.9% in 2021, 28.9% in 2020, and 0.1% in 2019.

Indiana Medicaid Managed Care Enrollment by Program, 2013-23, July 2024

Program	2020	2021	2022	2023	Jul-24
<b>HIP</b>	<b>622,130</b>	<b>739,973</b>	<b>834,288</b>	<b>778,383</b>	<b>757,461</b>
+/- between reporting periods	202,055	117,843	94,315	(55,905)	(20,922)
% chg. between reporting periods	48.1%	18.9%	12.7%	-6.7%	-2.7%
<b>Hoosier Healthwise</b>	<b>711,588</b>	<b>802,290</b>	<b>876,606</b>	<b>786,977</b>	<b>760,324</b>
+/- between reporting periods	112,362	90,702	74,316	(89,629)	(260,653)
% chg. between reporting periods	18.8%	12.7%	9.3%	-10.2%	-3.4%
<b>Hoosier Care Connect</b>	<b>96,563</b>	<b>101,548</b>	<b>102,150</b>	<b>95,582</b>	<b>78,254</b>
+/- between reporting periods	5,932	4,985	602	(6,568)	(17,328)
% chg. between reporting periods	6.5%	5.2%	0.6%	-6.4%	-18.1%
<b>Pathways for Aging</b>					<b>116,759</b>
+/- between reporting periods					116,759
% chg. between reporting periods					NA
<b>Indiana Total</b>	<b>1,430,281</b>	<b>1,643,811</b>	<b>1,813,044</b>	<b>1,660,942</b>	<b>1,712,798</b>
+/- between reporting periods	320,349	213,530	169,233	(152,102)	51,856
% chg. between reporting periods	28.9%	14.9%	10.3%	-8.4%	3.1%

Source: IN Family and Social Services Administration, HMA

Indiana Managed Medicaid Enrollment by Plan, 2013-23, July 2024

Plan	2020	2021	2022	2023	Jul-24
<b>MDwise</b>					
Hoosier Healthwise	212,578	232,027	240,552	209,158	197,972
Hoosier Care Connect	0	0	0	0	0
HIP	141,495	165,623	178,021	161,760	155,289
Pathways for Aging	0	0	0	0	0
<b>MDwise Total</b>	<b>354,073</b>	<b>397,650</b>	<b>418,573</b>	<b>370,918</b>	<b>353,261</b>
<i>+/- between reporting periods</i>	<i>66,298</i>	<i>43,577</i>	<i>20,923</i>	<i>(47,655)</i>	<i>(17,657)</i>
<i>% chg. between reporting periods</i>	<i>23.0%</i>	<i>12.3%</i>	<i>5.3%</i>	<i>-11.4%</i>	<i>-4.8%</i>
<i>% of total</i>	<i>24.8%</i>	<i>24.2%</i>	<i>23.1%</i>	<i>22.3%</i>	<i>20.6%</i>
<b>Anthem</b>					
Hoosier Healthwise	271,451	311,558	347,758	316,365	308,460
Hoosier Care Connect	60,431	61,988	61,415	56,735	44,863
HIP	278,621	333,992	376,774	339,223	321,191
Pathways for Aging	0	0	0	0	44,460
<b>Anthem Total</b>	<b>610,503</b>	<b>707,538</b>	<b>785,947</b>	<b>712,323</b>	<b>718,974</b>
<i>+/- between reporting periods</i>	<i>155,069</i>	<i>97,035</i>	<i>78,409</i>	<i>(73,624)</i>	<i>6,651</i>
<i>% chg. between reporting periods</i>	<i>34.0%</i>	<i>15.9%</i>	<i>11.1%</i>	<i>-9.4%</i>	<i>0.9%</i>
<i>% of total</i>	<i>42.7%</i>	<i>43.0%</i>	<i>43.3%</i>	<i>42.9%</i>	<i>42.0%</i>
<b>MHS (Centene)</b>					
Hoosier Healthwise	164,230	184,288	202,321	182,281	175,274
Hoosier Care Connect	36,132	35,836	34,887	32,758	27,789
HIP	106,526	127,198	145,031	136,843	132,828
Pathways for Aging	0	0	0	0	0
<b>MHS Total</b>	<b>306,888</b>	<b>347,322</b>	<b>382,239</b>	<b>351,882</b>	<b>335,891</b>
<i>+/- between reporting periods</i>	<i>61,039</i>	<i>40,434</i>	<i>34,917</i>	<i>(30,357)</i>	<i>(15,991)</i>
<i>% chg. between reporting periods</i>	<i>24.8%</i>	<i>13.2%</i>	<i>10.1%</i>	<i>-7.9%</i>	<i>-4.5%</i>
<i>% of total</i>	<i>21.5%</i>	<i>21.1%</i>	<i>21.1%</i>	<i>21.2%</i>	<i>19.6%</i>
<b>CareSource</b>					
Hoosier Healthwise	63,329	74,417	85,975	79,173	78,618
Hoosier Care Connect	0	0	0	0	0
HIP	56,828	70,133	83,007	81,126	80,611
Pathways for Aging	0	0	0	0	0
<b>CareSource Total</b>	<b>120,157</b>	<b>144,550</b>	<b>168,982</b>	<b>160,299</b>	<b>159,229</b>
<i>+/- between reporting periods</i>	<i>33,008</i>	<i>24,393</i>	<i>24,432</i>	<i>(8,683)</i>	<i>(880)</i>
<i>% chg. between reporting periods</i>	<i>37.9%</i>	<i>20.3%</i>	<i>16.9%</i>	<i>-5.1%</i>	<i>-0.5%</i>
<i>% of total</i>	<i>8.4%</i>	<i>8.8%</i>	<i>9.3%</i>	<i>9.7%</i>	<i>9.3%</i>
<b>UnitedHealthcare</b>					
Hoosier Healthwise		0	0	0	0
Hoosier Care Connect		3,724	5,848	6,089	5,602



HIP	0	0	0	0	0
Pathways for Aging	0	0	0	0	36,817
<b>UnitedHealthcare Total</b>	<b>3,724</b>	<b>5,848</b>	<b>6,089</b>	<b>6,089</b>	<b>42,419</b>
<i>+/- between reporting periods</i>	3,724	2,124	241	241	36,330
<i>% chg. between reporting periods</i>	NA	57.0%	4.1%	4.1%	596.6%
<i>% of total</i>	0.2%	0.3%	0.4%	0.4%	2.5%
<b>Humana</b>					
Hoosier Healthwise					0
Hoosier Care Connect					0
HIP					0
Pathways for Aging					35,482
<b>Humana Total</b>					<b>35,482</b>
<i>+/- between reporting periods</i>					35,482
<i>% chg. between reporting periods</i>					NA
<i>% of total</i>					2.1%
<b>Unassigned</b>					
HIP	38,660	43,027	51,455	59,431	67,542
<b>Unassigned Total</b>	<b>38,660</b>	<b>43,027</b>	<b>51,455</b>	<b>59,431</b>	<b>67,542</b>
<i>+/- between reporting periods</i>	4,935	4,367	8,428	7,976	6,867
<i>% chg. between reporting periods</i>	14.6%	11.3%	19.6%	15.5%	11.3%
<i>% of total</i>	2.7%	2.6%	2.8%	3.6%	3.9%
<b>Total Indiana</b>	<b>1,430,281</b>	<b>1,643,811</b>	<b>1,813,044</b>	<b>1,660,942</b>	<b>1,712,798</b>
<i>+/- between reporting periods</i>	320,349	213,530	169,233	(152,102)	51,856
<i>% chg. between reporting periods</i>	28.9%	14.9%	10.3%	-8.4%	3.1%

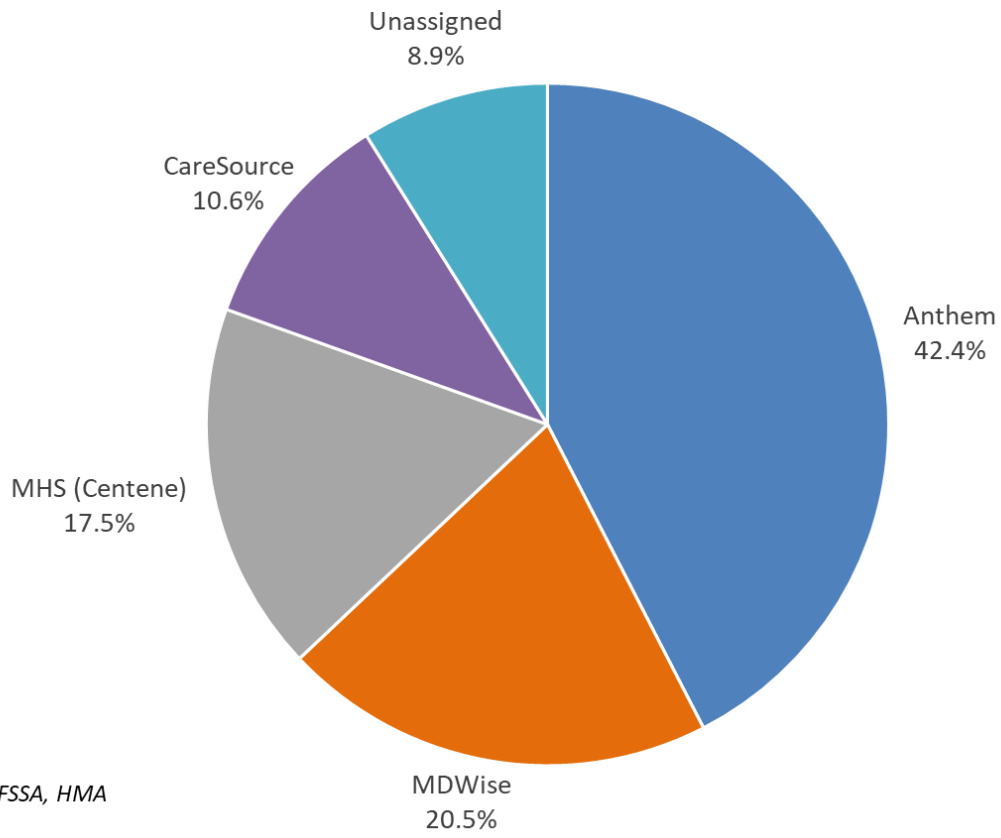
Source: IN Family and Social Services Administration, HMA

Hoosier Healthwise, Care Select, Hoosier Care Connect, HIP Enrollment,  
Share by Plan, 2013-23, July 2024

<u>Plan</u>	<u>2022</u>	<u>2022 Share</u>	<u>2023</u>	<u>2023 Share</u>	<u>Jul-24</u>	<u>Jul-24 Share</u>
<b>Hoosier Healthwise</b>	876,606	100%	786,977	100%	760,324	100%
Anthem	347,758	39.7%	316,365	40.2%	308,460	40.6%
CareSource	85,975	9.8%	79,173	10.1%	78,618	10.3%
MDwise	240,552	27.4%	209,158	26.6%	197,972	26.0%
MHS/Centene	202,321	23.1%	182,281	23.2%	175,274	23.1%
<b>Hoosier Care Connect</b>	102,150	100%	95,582	100%	78,254	100%
Anthem	61,415	60.1%	56,735	59.4%	44,863	57.3%
MDwise	NA	NA	NA	NA	NA	NA
MHS/Centene	34,887	34.2%	32,758	34.3%	27,789	35.5%
UnitedHealthcare	5,848	5.7%	6,089	6.4%	5,602	7.2%
<b>Healthy Indiana Plan</b>	834,288	100.0%	778,383	100.0%	757,461	100.0%
Anthem	376,774	45.2%	339,223	43.6%	321,191	42.4%
CareSource	83,007	9.9%	81,126	10.4%	80,611	10.6%
MDwise	178,021	21.3%	161,760	20.8%	155,289	20.5%
MHS	145,031	17.4%	136,843	17.6%	132,828	17.5%
Unassigned	51,455	6.2%	59,431	7.6%	67,542	8.9%
<b>Pathways for Aging</b>					116,759	100%
Anthem					44,460	38.1%
Humana					35,482	30.4%
UnitedHealthcare					36,817	31.5%

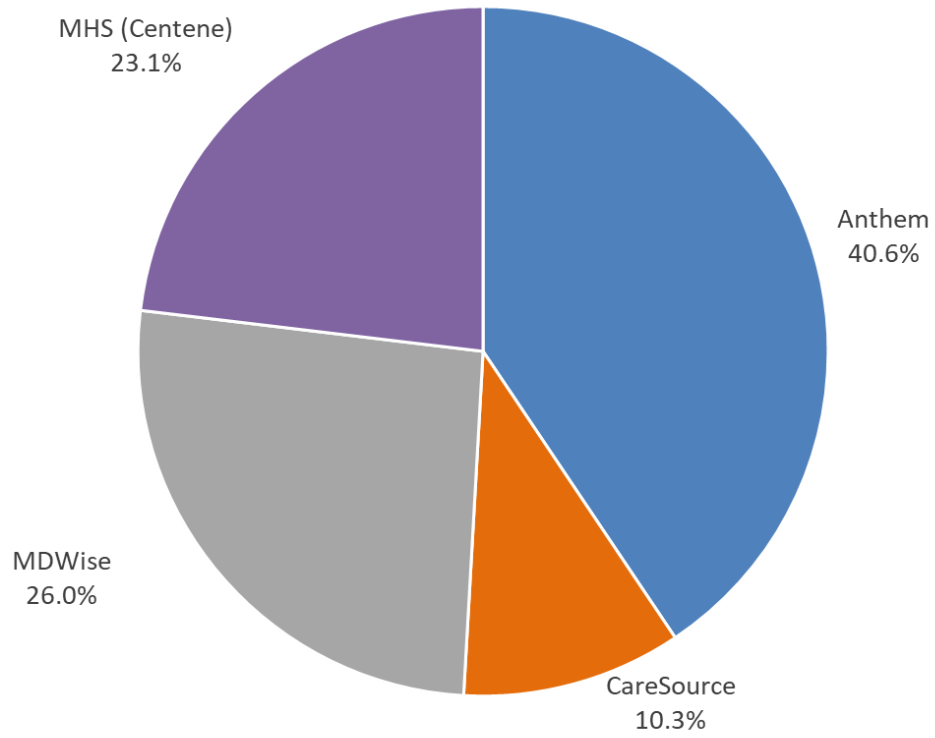
Source: IN Family and  
Social Services  
Administration, HMA

## Healthy Indiana Plan Enrollment Share, July 2024



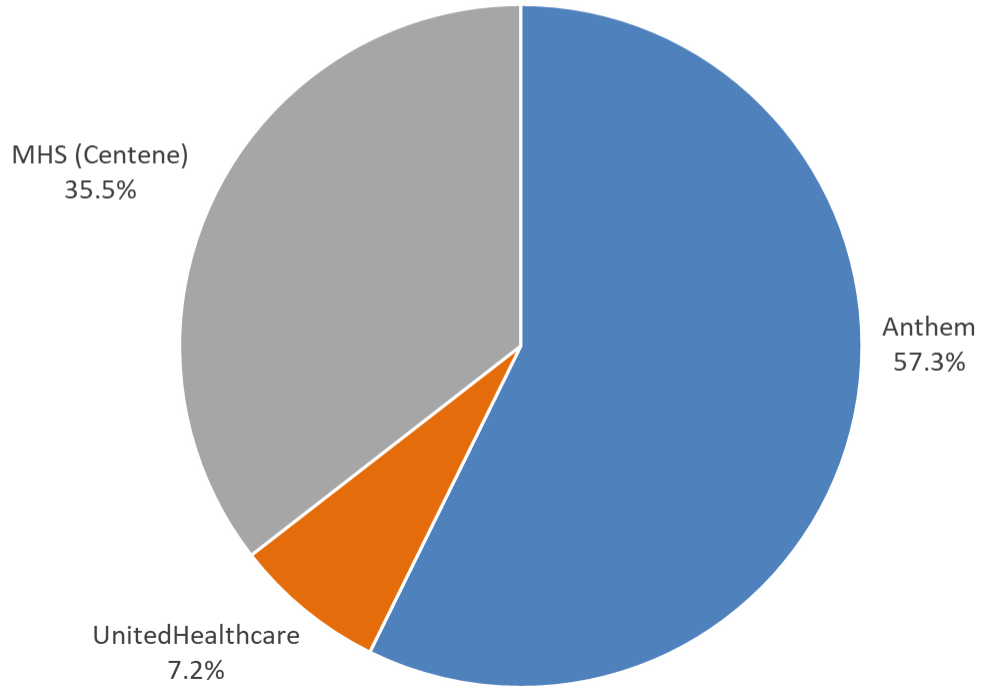
Source: IN FSSA, HMA

## Hoosier Healthwise Enrollment Share, July 2024



Source: INFSSA, HMA

## Hoosier Care Connect Enrollment Share, July 2024



Source: IN FSSA, HMA

## 5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Indiana was nearly 1.9 million in 2023. Nearly 90% of Medicaid beneficiaries were enrolled in a managed care plan. Total Medicaid expenditures were \$17.3 billion in 2023, with 47.1% through managed care and the rest through fee-for-service.

Indiana Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, Fiscal 2014-23

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures <sup>(1)</sup>	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
2023	\$17,278,391,501	\$8,134,965,812	47.1%	1,861,409	1,660,942	89.2%
2022	\$16,850,885,790	\$8,396,345,329	49.8%	2,162,152	1,813,044	83.9%
2021	\$16,284,288,131	\$9,161,037,139	56.3%	1,793,407	1,643,811	91.7%
2020	\$14,269,009,974	\$6,636,452,656	46.5%	1,779,627	1,430,281	80.4%
2019	\$12,439,243,969	\$5,604,415,248	45.1%	1,467,532	1,109,932	75.6%
2018	\$11,241,808,216	\$5,295,932,562	47.1%	1,438,852	1,109,208	77.1%
2017	\$11,106,189,855	\$4,801,848,597	43.2%	1,465,662	1,162,610	79.3%
2016	\$10,371,904,061	\$4,443,745,110	42.8%	1,508,131	1,095,161	72.6%
2015	\$9,249,771,996	\$2,523,641,400	27.3%	1,419,029	1,033,205	72.8%
2014	\$9,094,042,848	\$1,861,632,007	20.5%	1,198,066	726,619	60.6%

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

Sources: CMS-64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

## 6. SNPs AND DUAL ELIGIBLE

Indiana had 134,161 Special Needs Plan members as of March 2024.

The Pathways for Aging program, launched July 1, 2024, is for Indiana Medicaid members that meet certain criteria, including individuals 60 years and older who are eligible for full Medicaid benefits and have Medicare at the same time. From July 1, 2024 - December 31, 2024 individuals may be with one managed care entity in the Pathways program for their Medicaid benefits and receiving their Medicare Advantage D-SNP benefits from a different entity.

Beginning January 1, 2025, individuals that choose to enroll in a D-SNP must enroll in the aligned managed care plan for the Medicaid Pathways for Aging program. Dually eligible individuals can elect to be in an unaligned managed Medicaid health plan and be enrolled in traditional Medicare.

Indiana SNP Enrollment by Plan, March 2024					
Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
Elevance	46,729	46,693	36		35.9%
Humana <sup>1</sup>	37,520	36,508	1,012		28.8%
UnitedHealthcare	42,729	40,009		2,720	32.8%
Centene	2,327	2,327			1.8%
CVS Health	1,941	1,941			1.5%
OH CHS SNP <sup>2</sup>	2,008			2,008	1.5%
Zing Health	907	34	873		0.7%
<b>Totals</b>	<b>134,161</b>	<b>127,512</b>	<b>1,921</b>	<b>4,728</b>	<b>100%</b>

<sup>1</sup> Humana CSNP enrollment includes members from Kentucky

<sup>2</sup> OH CHS SNP enrollment includes members from Maryland and Ohio

Source: CMS, HMA