

**LEGISLATIVE SERVICES AGENCY**  
**OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**  
**FISCAL IMPACT STATEMENT**

**LS 7078**  
**BILL NUMBER: HB 1106**

**NOTE PREPARED: Jan 15, 2025**  
**BILL AMENDED:**

**SUBJECT:** Medicaid Buy-In.

**FIRST AUTHOR:** Rep. Clere  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
**DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** *Eligibility:* The bill amends the definition of "countable resources" for purposes of the Medicaid Buy-In Program (program). It also removes consideration of income in determining an individual's eligibility for participation in the program. It increases the maximum age to be eligible for participation in the program from 64 years of age to 67 years of age. The bill allows a recipient's participation in an employment network recognized by the federal Social Security Administration to qualify as participating with an approved provider of employment services.

*Office of the Secretary of Family and Social Services:* The bill requires the Office of the Secretary of Family and Social Services (FSSA) to apply for a state plan amendment or waiver to implement this provision.

*Premiums:* The bill changes the monthly maximum premium that a recipient must pay, and it requires that the premium scale be promulgated by administrative rule. It allows the FSSA to annually review the premium amount that a recipient must pay in the program. (Current law requires annual review of the premium amount.) The bill specifies changes in circumstances that must result in an adjustment of the premium.

*Medicaid:* The bill specifies that a recipient in the program is eligible for the same services as offered in the Medicaid program. The bill states that an individual's participation in the program does not preclude the individual from participating in a Medicaid waiver program. It specifies that a recipient of the program may simultaneously participate in a Medicaid waiver program and requires the FSSA to individually determine eligibility for both programs based on the individual's medical need requirements.

**Effective Date:** July 1, 2025.

**Explanation of State Expenditures:** (Revised) The bill will increase the state share of Medicaid program expenditures by an indeterminate but likely significant amount based on the number of individuals who choose Medicaid Buy In (MedWorks) coverage. The total pool of newly eligible individuals under the bill is estimated at 97,650.

However, the estimate is overstated to the extent that some people may not qualify based on resources, even with changes to the allowable uses of accrued assets in the bill. Also, the level of disability is unknown in the data, potentially reducing the number who are eligible to participate in the program. The number of eligible individuals electing to participate in MedWorks is unknown. Most likely selection of the MedWorks program would be based on the individual’s comparison of their current coverage and the level of services or the cost of premium available in the MedWorks program.

The bill's requirements will increase the workload for Family and Social Services Administration (FSSA) to qualify additional participants in the MedWorks program. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Additional Information -

The provisions of the bill address individuals with disabilities who work or meet the limited work exceptions. The bill increases the income eligibility for individuals 16- to 64-years-old with income above 350% of the federal poverty level (FPL). The bill also adds eligibility for individuals between 65- and 67-years-old at any income level. The two new eligibility criteria will add 87,678 and 9,966, respectively, to the Medworks eligibility pool. (Information on asset held by the newly eligible population is not available.)

*Participation Rate:* Health coverage among individuals age 19- to 64-years-old with disabilities at all income levels was 94% in 2023, making the number of people with higher income level enrolling in MedWorks indeterminate. Of those with health coverage, 44% had private health insurance and 56% either received public health coverage or were uninsured. Private health insurance includes an estimated 7% who received health care coverage from the marketplace.

*Cost:* Presently, MedWorks enrollees’ health coverage through Medicaid is paid by fee-for-service (68%), Pathways (22%), or Hoosier Care Connect (10%). The forecast and contractual costs and the enrollment mix of current MedWorks programs enrollees were used to estimate the weighted average cost per enrollee. The table below shows the weighted average total cost and the state share based on average federal reimbursement of 65% of the expenditures:

	FY 2026	FY 2027
Average Total Cost	\$15,776	\$16,604
Average State Share Cost	\$5,522	\$5,811

The enrollees’ premiums would offset some of this cost. The premium for the program is increased from between \$25 and \$275 to between \$25 and \$500 per month. Presently, the average premium is \$36.04 per month, suggesting most participants qualify for no premium or are at the lower end of the premium scale. However, the newly eligible individuals added by the bill are potentially at the upper portion of the premium range.

*Medworks:* On average between FY 2019 and FY 2024, enrollment in Medworks for the population with income up to 350% FPL is about 3,263 per month.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration.

**Local Agencies Affected:**

**Information Sources:** <https://www.in.gov/fssa/ompp/files/MEDWorks-FAQ.pdf>;  
<https://data.census.gov/app/mdat/ACSPUMS1Y2023>;  
<https://www.dol.gov/sites/dolgov/files/odep/topics/medicaidbuyinqaf.pdf>;  
<https://www.in.gov/fssa/ompp/quality-and-outcomes-reporting>, HHC and Pathways contracts/;  
<https://www.in.gov/fssa/ompp/forms-documents-and-tools2/medicaid-monthly-enrollment-reports/>;  
<https://data.census.gov/table/ACSST1Y2023.S1811?q=indiana&t=Disability>;  
<https://www.cms.gov/data-research/statistics-trends-reports/marketplace-products/2023-marketplace-open-enrollment-period-public-use-files>.

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