



September 4, 2026

Secretary Mitch Roob
Family and Social Services Administration
Office of Medicaid Policy and Planning
Attention: Secretary E. Mitchell (Mitch) Roob
402 West Washington Street, Room W374
Indianapolis, Indiana 46204

By email to: HIP@fssa.IN.gov

RE: Comment on Healthy Indiana Plan (HIP) 3.0 Demonstration Waiver Proposal

Dear Secretary Roob:

Indiana Justice Project (“IJP”) and Indiana Legal Services (“ILS”) submit this comment in opposition to Indiana’s proposed HIP 3.0 Section 1115 demonstration project application. Indiana’s proposals are unworkable and will only lead to confusion and the potential for coverage loss.

The timing for this endeavor could not be worse. Indiana’s challenges ahead, from implementing work reporting requirements to six-month redeterminations will be onerous enough. Adding additional bureaucracy will further the administrative burden on the state, which will, in turn, lead to coverage loss as state resources to complete routine eligibility checks and troubleshoot individual case errors are stretched too thin.

We urge Indiana not to submit this application as an overly complicated and arbitrary attempt to put thousands of Hoosiers’ health care at risk, with no obvious benefit to HIP members, health care providers, or the state. Instead, all available resources should be committed to the monumental tasks of ensuring the new work reporting requirements and increased eligibility redeterminations are implemented faithfully to ensure all eligible Hoosiers receive the coverage they were promised under state and federal law.

About IJP and ILS

The Indiana Justice Project is a non-partisan, non-profit legal advocacy organization that uses all available legal tools to ensure equal justice and opportunity for all Hoosiers. We focus on health,

housing, and food insecurity. Our comments are based on extensive experience with the HIP program and member feedback. IJP also served as co-counsel in the case *Rose v. Kennedy* referenced in the HIP 3.0 waiver application.

Indiana Legal Services (ILS) is a nonprofit law firm and the largest statewide provider of free civil legal assistance to low-income Hoosiers. Every year, we provide legal assistance to thousands of Hoosiers with legal problems that harm their quality of life and access to the basics—food, shelter, income, medical care, and personal safety. We are submitting this comment because the HIP 3.0 Section 1115 demonstration project application will directly affect the rights and well-being of our clients on HIP.

Overall Concerns

The proposed HIP 3.0 waiver would impose a complicated copayment structure, creating additional administrative responsibilities for beneficiaries, providers, managed care entities, and the State. Additionally, after more than a decade of stability, HIP 3.0 seeks to remove the adult expansion population from the Medicaid state plan and provide coverage for that population solely through a Section 1115 demonstration--based on an unsupported rationale that doing so would allow Indiana to arbitrarily limit HIP enrollment, leaving thousands of vulnerable Hoosiers without meaningful access to health care.

Proposed Copayment Structure Will Create Confusion and Administrative Burden Rather Than Simplify HIP

Indiana describes HIP 3.0 as a simplification of the existing program, in which the state will charge different copayments based on the completion of certain healthy behaviors. The application's proposed copayment structure, however, is not simple. And, if Indiana's interest in improving the health of beneficiaries is genuine, there are much better ways to do so.

Under the proposal, beneficiaries could owe different copayments depending on the service received and whether they completed enough qualifying "healthy behaviors." The application sets full and reduced copayments for numerous service categories and provides that members who complete at least three qualifying healthy behaviors will receive reduced copayments for the rest of the current benefit period and the following one. Those reductions would have to be verified through claims submissions.

Providers and managed care plans will have to determine which copayment applies at the point of service and whether a beneficiary qualifies for a reduced amount. HIP beneficiaries would need timely, clear notices explaining these requirements and their appeal rights. They would also have to track and verify which qualifying activities were credited to them and, if they disputed

the official record, be able to submit evidence and seek correction through grievance procedures and fair hearing appeals.

This is not a trivial administrative issue. Every additional eligibility check, claim processing, communication, verification, and collection requirement creates opportunities for error. For low-income beneficiaries, even a small amount of confusion can result in delayed care, an incorrect charge, an inability to obtain a service, or an avoidable dispute with a provider. Likewise, any co-payment varying structure would still have to comply with all federal legal provisions that are not explicitly waived by CMS. This creates precisely the type of administrative complexity that Indiana says HIP 3.0 is intended to eliminate.

If Indiana wishes to encourage preventive care, it should do so through straightforward outreach, care coordination, reminders, transportation assistance, and other evidence-based strategies—not by attempting to stand up new programs with complex formulas and tracking systems.

Moving the Adult Expansion Population Entirely Into an 1115 Demonstration Does Not Give Indiana the Authority to Restrict Enrollment as Proposed

Our most significant concern is Indiana's attempt to link the proposed restructuring of Medicaid authority to an ability to limit enrollment. FSSA is attempting to treat a Section 1115 demonstration as a magic wand to allow the state to do whatever they wish to Medicaid beneficiaries.

Indiana's application states that the adult expansion population will be removed from the Medicaid state plan and covered exclusively through HIP 3.0's Section 1115 demonstration project. The application then asks CMS to recognize Indiana's authority to limit enrollment if available state appropriations are insufficient. Indiana expressly states that it is seeking a “flexible enrollment cap” based on appropriations. Although, at this time, the application does not propose an actual enrollment cap.

The fact that Indiana is proposing to deliver coverage to the ACA adult expansion population through an 1115 demonstration project rather than through its state plan would not transform otherwise eligible individuals into a discretionary population that Indiana may simply decline to enroll for any reason it deems sufficient. Under this logic, Indiana could, based on any set of arbitrary factors, enroll just one individual in HIP and claim that it is complying with the objectives of the Medicaid Act. All Section 1115 Medicaid demonstration projects are required to further the objectives of the Medicaid act. Since Medicaid, at its core, is a decades old program meant to furnish health coverage, implementing an enrollment cap would have the opposite effect.

Not only is this incorrect, it flies in the face of the origins of HIP 2.0, which then Governor Mike Pence proposed as the means of expanding coverage to all eligible Hoosiers—taking the express action to jettison any previous limits on enrollment. Indiana likes to tout HIP’s popularity amongst plan beneficiaries. But study after study has shown that the Healthy Indiana Plan is popular amongst HIP members for precisely one reason—access to coverage. And this is despite the complicated (and rarely understood) administrative red tape that had previously diminished that coverage. In this sense, HIP 3.0 is both a false reading of 1115 demonstration authority and a betrayal of the program’s history and integrity.

Conclusion

The proposed HIP 3.0 waiver would add complexity where Indiana claims to be seeking simplicity, create administrative burdens where the State claims to be reducing them, and create uncertainty about coverage where Hoosiers need stability. HIP 3.0 is an attempt to increase the unpopular administrative dysfunction of previous HIP versions while opening the door to removing the one thing members like—broad access to quality health coverage.

We therefore urge FSSA to withdraw the HIP 3.0 waiver application and preserve Medicaid coverage for eligible Hoosiers through a system that is accessible, predictable, understandable, and consistent with the objectives of the Medicaid program.

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