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Government Relations

Legislative News

May 14, 2007 issue

Addressing the Uninsured Enrolled Acts

Bill: HEA 1678 – Health Matters

Author: Rep. Charlie Brown, D-Gary

Sponsor: Sen. Patricia Miller, R-Indianapolis

ISMA Position: Support

Status: Governor's action pending

The bill contains many provisions to extend health insurance coverage to the uninsured and increase provider reimbursement in the Medicaid program. It also has language to increase the cigarette tax by .44 cents. Revenue from the cigarette tax will be used to pay for the governor's plan to cover the uninsured, now called the Indiana Check-up Plan, as well as the provider rate hike.

HEA 1678 contains a provision requiring the legislative Health Finance Committee to study whether Gary Methodist Hospital should be converted to a municipal hospital or other governmental hospital. Another provision mandates study of a prohibition against smoking in public places in Indiana.

This groundbreaking legislation will continue to develop as the administration implements provisions of the bill. Exactly how that implementation will occur is not yet known, but the ISMA will be involved as this important legislation continues to develop.

Highlights of the bill and numbers of potential participants are:

- Health Coverage Components
 - CHIP expansion from 200 to 300 percent of federal poverty level (FPL) (39,000 children)
 - Pregnant women Medicaid expansion from 150 to 200 percent of FPL (14,000 women)
 - Small Business Wellness Program Tax Credit (103,295 employers/815,811 employees)
 - **Dependent coverage in group insurance increased upon request from age 18 to 24 (186,000 dependants)**
 - Small Employers' Insurance Pool (98,972 employers/717,150 employees)
 - Indiana Check-up Plan (132,000 people) *See May 14, 2007, ISMA Reports for details*
 - Employer's 125 Plan (Impact to be determined; will assist employers to establish 125 plans to encourage use of pre-tax income to pay for health insurance.

- Cigarette Tax Breakdown:
 - 33 cents – Indiana Check-up Plan
 - 3 cents – Medicaid provider reimbursement rate increases
 - 3 cents – Employer 125 Plan
 - 5 cents – Other health incentives, including \$1.2 million for the Indiana Tobacco Prevention and Cessation agency

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