



Michael R. Pence, Governor
State of Indiana

Indiana Family and Social Services Administration
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FSSA's Family Impact Assessment for Proposed Rule - End stage renal disease rule

Executive Order 13-05 (the "Order") requires the Family and Social Services Administration ("FSSA") to assess a policy or proposed rule's impact on family formation and general well-being and to certify its compliance with the Order. FSSA hereby submits this certification that it has assessed the proposed rule's impact on family formation and general well-being pursuant to the enumerated considerations listed in the Order.

Background and summary of the rule

The FSSA Office of Medicaid Policy and Planning ("OMPP") intends to provide Medicaid eligibility and access to invaluable health services to certain individuals with End Stage Renal Disease ("ESRD") who would have otherwise lost access to such services when Indiana converted to a 1634 state on June 1, 2014¹. Due to their ESRD diagnosis, these individuals are not eligible for Medigap or Medicare Advantage. Additionally, their Medicare eligibility causes them to be ineligible to receive a tax credit to purchase insurance on the Federal Marketplace. Therefore, Medicaid coverage through this new rule is the only supplemental coverage option available to ensure continued access to potentially life-saving services, including continued placement on the kidney transplant list.

In order to implement and administer this program, FSSA must have Federal approval of its plan and fully promulgated administrative rules. FSSA submitted its proposal to the Federal government on June 30, 2014, and is working closely with it to be sure it is approved as soon as possible. In the interim, FSSA is requesting to proceed with the proposed rule in order to meet pressing internal deadlines.

Impact of the proposed rule on family well-being or family formation

FSSA assessed the proposed rule's impact on family formation and well-being in light of the six considerations enumerated in the Order. FSSA's analysis focused on the impact its eligibility requirements could have on the family. Overall, FSSA expects that the proposed rule will have a **neutral** impact on family well-being or family formation. FSSA's response to the enumerated measures is as follows:

¹ As a 1634 state, the federal Social Security Administration will make eligibility determinations for aged, blind and disabled individuals seeking medical coverage, and FSSA will defer to that determination.



1) Whether or not this action by government strengthens or erodes the stability of the family and the marital commitment.

Response: FSSA does not expect the proposed rule's eligibility requirements to destabilize the family or marital commitment. Eligibility under this program is based on the individual's income, not the spouse's. Additionally, eligibility rules would allow an individual with ESRD to reduce his countable income and achieve eligibility by allocating it to his spouse without incurring any penalty. Finally, when calculating an individual's income, FSSA will apply allocations and deductions for dependent children. FSSA has utilized such income protecting policies for eligibility in the past and has no evidence that they have disrupted family unity or marital bonds. The proposed rule should not deter individuals with ESRD from making important family decisions based on their eligibility for ESRD services.

2) Whether or not this action encourages or discourages non-marital childbearing.

Response: For the reasons noted in section one, eligibility rules do not have the effect of encouraging individuals to remain unmarried in order to maintain ESRD eligibility. Moreover, FSSA only considers the individual's income, less deductions and income allocations, not the number of children in the individual's household when making eligibility determinations. Therefore, the proposed rule neither encourages nor discourages non-marital childbearing.

3) Whether or not this action respects or inhibits the rights of parents to raise their children and make the best choices about their children's education, health, and well-being.

Response: The proposed rule merely creates a new program that will ensure continued Medicaid coverage for certain individuals with ESRD. Therefore, the proposed rule neither respects nor inhibits the rights of parents to raise their children and make parental choices.

4) Whether or not this action increases or decreases private family earnings or the incentive for parents to provide materially and emotionally for their children.

Response: As described in section one, eligibility rules protect a spouse's income from impacting an ESRD individual's eligibility for services under the program. Thus, an ESRD individual's income from a higher paying job would not have a negative impact on her eligibility. Moreover, there would be minimal adjustments to spousal allocations and deductions when an ESRD individuals' spouse increases his income. Accordingly, FSSA does not expect the proposed rule to provide a disincentive for parents to provide for their children or reduce family earnings.

5) What message, intended or otherwise, does this program send to the public concerning the status of the family?

Response: The proposed rule merely creates a new program that will ensure continued Medicaid coverage for certain individuals with ESRD. The proposed rule does not send a positive or negative message concerning the status of the family.

6) What message does the action send to children about the relationship between their present choices and their future well-being?

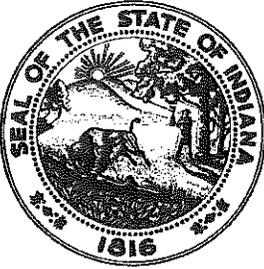
Response: The proposed rule merely creates a new program that will ensure continued Medicaid coverage for certain individuals with ESRD. The proposed rule does not send a positive or negative message concerning the parent/child relationship.

Office of the Secretary of Family and
Social Services



Michael Gargano
Interim Secretary

CC: Joe Moser, Medicaid Director
Tiffany Mulligan, General Counsel
Kim Crawford, Staff Counsel
Matt Cesnik, Eligibility Director
Angie Amos, OMPP
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Family Impact Assessment

Documentation of new Policies and Rules

Pursuant to Section 2(a)-(f) of Executive Order 13-05:

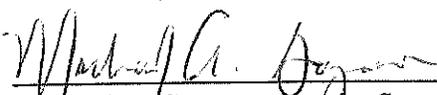
In formulating and implementing policies and rules that may have a significant impact on family formation and general well-being, the agencies listed in Section 1 of Executive Order 13-05 shall assess such measures in light of the following considerations:

- 1) **Whether or not this action by government strengthens or erodes the stability of the family and the marital commitment.**
- 2) **Whether or not this action encourages or discourages non-marital childbearing.**
- 3) **Whether or not this action respects or inhibits the rights of parents to raise their children and make the best choices about their children's education, health, and well-being.**
- 4) **Whether or not this action increases or decreases private family earnings or the incentive for parents to provide materially and emotionally for their children.**
- 5) **What message, intended or otherwise, does this program send to the public concerning the status of the family?**
- 6) **What message does the action send to children about the relationship between their present choices and their future well-being?**

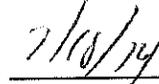
These assessments should be answered on a separate document attached to this submission form and clearly marked as answers to considerations 1-6. If an agency does not think that a consideration applies to their proposal, the agency must include an explanation of why the consideration does not apply. Additionally, if the proposal contains a potentially negative impact on family well-being or family formation, the agency must include an explanation of why the proposal is necessary.

This submission form and the agency assessments should be submitted simultaneously with the proposed policy or rule to the Office of Management and Budget.

By signing below, the agency head certifies that they are aware of the Family Impact Assessment, and all information submitted is accurate to the best of their knowledge.



Michael A. Gargano, Interim Secretary, FSSA



Date

FSSA

Agency

Proposed Rule: End Stage Renal Disease