



"People  
helping people  
help  
themselves"

Michael R. Pence, Governor  
State of Indiana

*Indiana Family and Social Services Administration*  
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## **FSSA's Family Impact Statement for Proposed Rule LSA #13-533**

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:**

Pursuant to recent changes to state law, Indiana will change the method by which it conducts eligibility determinations for Medicaid. Under the new scheme (known as the "1634 conversion" in reference to section 1634 of the Social Security Act, 42 U.S.C. § 1383c), the federal Social Security Administration ("SSA") will accept applications for medical assistance and make eligibility determinations for blind and disabled individuals seeking Medicaid coverage. Indiana will now use the criteria for disability and blindness set forth by SSA and will defer to SSA's determination of eligibility and its standards for counting income and resources. In addition, the proposed rule eliminates Indiana's Medicaid "spend-down" program, as the federal standards do not require Medicaid recipients to meet a monthly amount of medical expenses before receiving coverage for Medicaid services.

FSSA received approval to proceed with formal rulemaking on November 8, 2013. The Indiana Register published the notice of intent on December 4, 2013, and the proposed rule and economic impact statement on February 26, 2014. The public hearing is scheduled to be held on **March 21, 2014**, at 9:00am. Pursuant to the Order, the Office of Management and Budget ("OMB") must respond to FSSA's statement no later than **March 14, 2014**, seven (7) days before the public hearing.

### **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. In general, the proposed changes to Indiana's method for conducting Medicaid eligibility determinations for aged, blind and disabled individuals do not discourage traditional family formation or encourage family dissolution. The proposed rule merely aligns Indiana's existing eligibility criteria with those set forth by the SSA and eliminates the Medicaid spend-down program. Accordingly, 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) **Whether or not this action by government strengthens or erodes the stability of the family and the marital commitment.**

Response: The proposed rule simply aligns Indiana's eligibility criteria for Medicaid with the federal standards articulated by SSA and eliminates the spend-down program. Therefore, the proposed rule neither strengthens nor erodes the stability of the marital commitment.

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

Response: The proposed rule simply aligns Indiana's eligibility criteria for Medicaid with the federal standards articulated by SSA and eliminates the spend-down program. 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 simply aligns Indiana's eligibility criteria for Medicaid with the federal standards articulated by SSA and eliminates the spend-down program. 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: The proposed rule simply aligns Indiana's eligibility criteria for Medicaid with the federal standards articulated by SSA and eliminates the spend-down program. Therefore, the proposed rule neither increases nor decreases family earnings or the incentive for parents to provide for their children.

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

Response: The proposed rule simply aligns Indiana's eligibility criteria for Medicaid with the federal standards articulated by SSA and eliminates the spend-down program. 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 simply aligns Indiana's eligibility criteria for Medicaid with the federal standards articulated by SSA and eliminates the spend-down program. The

proposed rule does not send a positive or negative message concerning the parent/child relationship.



## 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.

*Delma J. Minatt*  
Agency Head Signature

3-5-14  
Date

FSSA  
Agency