

Health Insurance Premium Payment (HIPP)

The Health Insurance Premium Payment program (HIPP) is a Medicaid program that helps families pay for private health insurance. This program is for families who have:

- A parent or a spouse with private health insurance.

AND

- A child or a spouse with Medicaid.

Medicaid will pay the family's private health insurance if the total cost of that insurance is less than the total cost of care with Medicaid. The total cost of the private insurance includes the premium, coinsurance and deductibles.

If approved, Medicaid may pay the private health insurance costs for the entire family and not just for the family members who get Medicaid. The family will get services through the private health insurance plan.

To learn more or to apply, call us toll-free at 1-800-440-0493 or write to the Texas Health and Human Services Commission, TMHP-HIPP, PO Box 201120; Austin, Texas 78720-1120

Premium Assistance Under Medicaid Programs

The Health Insurance Premium Payment (HIPP) program, implemented in Texas in 1994, is a Medicaid program that reimburses eligible individuals for their share of an employer-sponsored health insurance premium payment. In 2011, an average of 9,096 Medicaid clients were enrolled in the Texas HIPP program.

To qualify for HIPP, an employee must either be Medicaid eligible or have a family member that is Medicaid eligible. A client who is in Medicaid managed care can be considered for enrollment in HIPP; however, if they qualify for HIPP enrollment they cannot stay enrolled in Medicaid managed care. There are some categories of clients that require mandatory Medicaid managed care enrollment and those clients are not eligible to be enrolled in HIPP.

The reimbursement may pay for clients and their family members to get employer-sponsored health insurance benefits when it is determined that the cost of insurance premiums is less than the cost of projected Medicaid expenditures. For example, a Medicaid eligible child and the child's parent could be enrolled in the parent's employer-sponsored health insurance (ESI) plan reimbursed through HIPP, if the cost of enrolling both individuals is less than the cost of the Medicaid expenditures.

Medicaid eligible HIPP enrollees do not have to pay out-of-pocket deductibles, co-payments, or co-insurance for health care services that Medicaid covers when seeing a provider that accepts Medicaid. Instead, Medicaid reimburses providers for these expenses.

HIPP enrollees who are not Medicaid eligible must pay deductibles, co-payments, and co-insurance required under the employer's group health insurance policy. Additionally, if a Medicaid eligible HIPP enrollee needs a Medicaid covered service that is not covered by their ESI plan, Medicaid will provide this wrap-around service at no cost to the enrollee as long as the services are provided by an enrolled Medicaid provider.

In certain circumstances, employers may receive a one-time tax refund of up to \$2,000 per employee for employees that participate in HIPP. The Texas Workforce Commission administers the tax refund program, while the HHSC Office of Inspector General (OIG) oversees the administration of the Texas Medicaid HIPP program.

Currently, it takes three to five days to process reimbursement checks for eligible individuals. In an effort to shorten the reimbursement timeframes even more, the use of electronic funds transfer (EFT) began in August 2009 and in 2011 an average of 72% of all premium reimbursements were made by EFT.