State Medicaid Innovation through Section 1115 Waivers

NCSL Capitol Forum Preconference
December 10, 2017

Lindsey Browning
Program Director
National Association of Medicaid Directors
Outline

➢ Background
➢ CMS direction on 1115 waivers
➢ State direction on 1115 waivers, including work/community engagement requirements
➢ Flexibilities to watch
➢ Takeaways for state legislators
Background: National Association of Medicaid Directors

- Bi-partisan, stand alone association
- Represent Medicaid directors in the states, DC and territories
- Our mission is to...
  - Be the **consensus voice** of state Medicaid Directors in federal policy process
  - Support **sharing of best practices** around key state priorities (e.g., delivery system and payment reform)
Background: Medicaid 1115 Waivers

➢ Give states authority to test new approaches to Medicaid coverage and care delivery
  o 50-year-old Medicaid statute often limits states ability to transform to improve quality and reduce costs; waivers offer flexibility to innovate
  o Designed to reflect the unique landscape of each state
  o Variation in scope and focus of 1115 waivers
  o Require investment of time and resources to design and implement

➢ Federal requirements for 1115 waivers
  o Must be budget neutral to the federal government
  o Must further the goals of the Medicaid program
  o **HHS has significant discretion in determining what waivers to approve**
CMS Direction on 1115 Waivers

“We commit to ushering in a new era for the federal and state Medicaid partnership where states have more freedom to design programs that meet the spectrum of diverse needs of their Medicaid population.”

HHS Secretary Price & CMS Administrator Verma
Letter to Governors
March 2017
CMS Direction on 1115 Waivers

➢ Increase state flexibility to test new innovations, including work requirements in Medicaid

➢ Improve the waiver process (e.g., 10-year approvals for certain waivers)

➢ In exchange for flexibility, hold states accountable for performance
  o Data and monitoring on standardized measure sets
  o Expectation of independent, robust waiver evaluations
  o Emphasis on budget neutrality
  o Deferrals when data collection and other expectations aren’t met
State Direction on 1115 Waivers

➢ Substance use disorder waivers
➢ Personal responsibility approaches: work requirements, time limits, drug testing, etc.
➢ Delivery system and payment reform efforts
➢ Eligibility limits (e.g., partial expansion to childless adults)
➢ Social determinants of health
➢ Innovations for dually eligible beneficiaries
➢ Medicaid drug benefit
State Direction on Waivers: Work/Community Engagement Requirements

➢ State approaches to work requirements differ:
  • Populations
    ▪ Most often low-income, able-bodied childless adults
    ▪ Some exploring application to certain parents
  • Definition of work
    ▪ Traditional employment, volunteering, healthy living activities, education, vocational training, etc.
    ▪ Hours needed to meet requirement
  • Consequences of non-compliance
  • Alignment with SNAP, TANF work requirements

➢ Pending waivers: AR, AZ, IN, KY, ME, NH, UT, WI
State Direction on Waivers: Work/Community Engagement Requirements

➢ Operational considerations for states
  • IT and system infrastructure to track & verify participation in work activities
  • Building linkages with existing programs & employment supports
  • Phase-in strategies and grace periods
  • Communications
  • Working with Managed Care Organizations (MCOs) and other partners

➢ Will take investment of time and resources to operationalize
Flexibilities to Watch

We know CMS intends to approve work requirements. But we don’t know where Administration is on:

- Medicaid pharmacy
- Full responsibility for duals
- Institutions for Mental Diseases (IMD) waivers for mental health
- Partial expansion/eligibility limits
- Social determinants of health
- New payment models for Federally Qualified Health Centers (FQHCs)

*Flexibility in these areas will be important so states can test full array of innovations in the program*
Takeaways for State Legislators

➢ 1115 waiver planning, negotiation, and approval process still takes time & resources (not a “quick fix”)

➢ Greater focus on waiver monitoring and evaluation will require state investment

➢ Parameters of state flexibility (what 1115 waivers CMS is willing to approve) still taking shape
  - Important for future state innovation, especially around cost drivers
  - Significant interest in where CMS lands on Medicaid pharmacy, duals, IMD, social determinants, etc.
Questions?

Contact Information
Lindsey Browning
202-403-8626
Lindsey.browning@medicaiddirectors.org