

# Expanding Medicaid with 1115 Waivers

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STANDARD EXPANSION  
IMPLEMENTED

IMPLEMENTING  
EXPANSION WITH WAIVER

22+DC

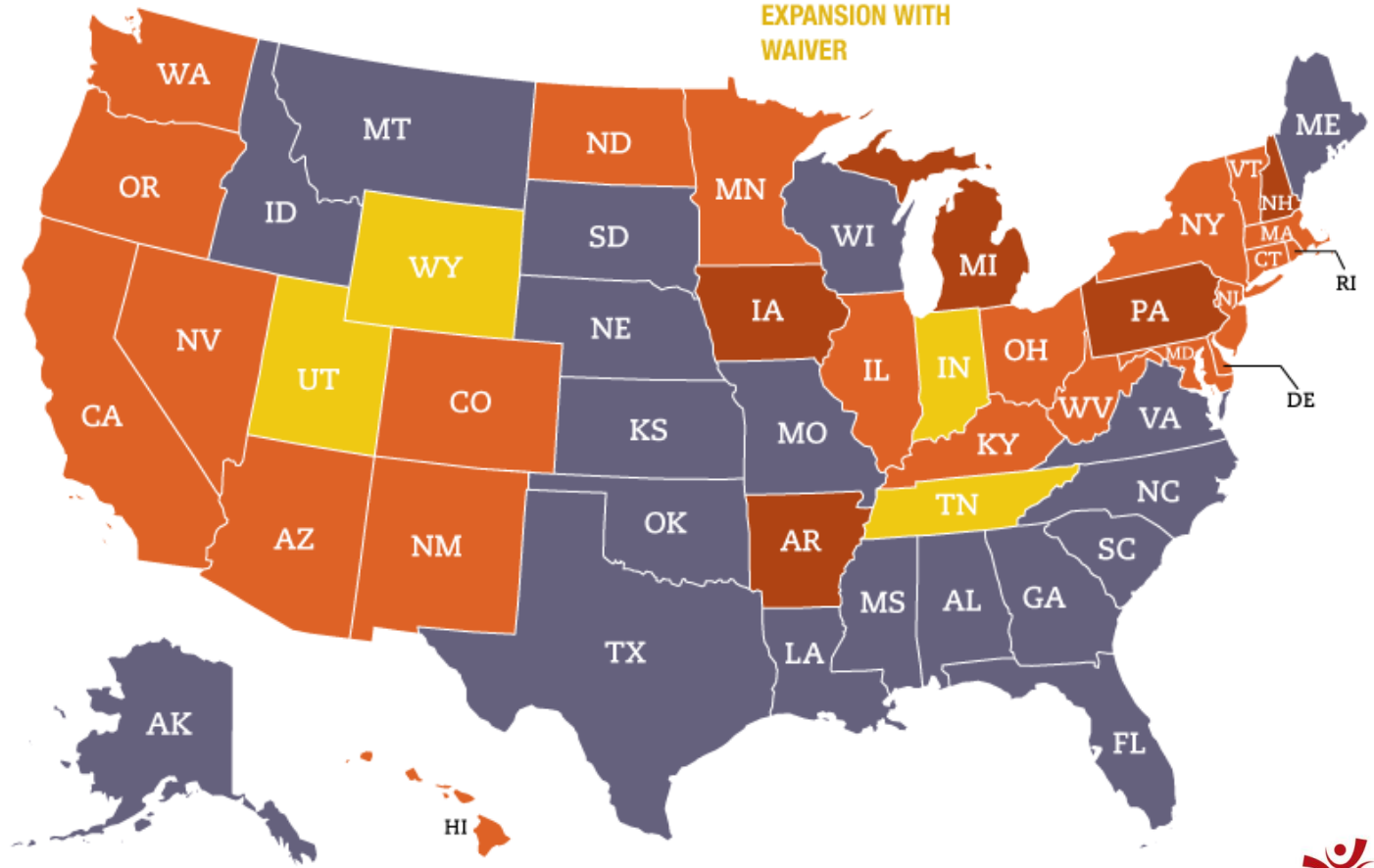
5

4

19

DISCUSSIONS  
WITH CMS ABOUT  
EXPANSION WITH  
WAIVER

NO EXPANSION  
AT THIS TIME



Source: Families USA, September 2014.

[http://familiesusa.org/sites/default/files/product\\_documents/MEDICAID-waiver-map-2014.png](http://familiesusa.org/sites/default/files/product_documents/MEDICAID-waiver-map-2014.png)



# Key Issues for States Contemplating Expansion

- Local politics
- Cost: Long-term sustainability
  - New revenue
  - Redirecting funds from state programs
- Design of program

# Innovating with Medicaid Expansions

## 27 states and D.C. elected to expand Medicaid

- Expansion discussion is different in every state
- 5 states require 1115 waivers
  - Arkansas, Iowa, Michigan, and Pennsylvania
  - New Hampshire started a traditional expansion and submitted 1115 waiver request for a premium assistance demonstration for 2016
- 4 more states may expand with 1115 waivers in 2015
  - Indiana submitted 1115 waiver and completed required public comment periods
  - Utah and Wyoming reported to be in discussions with Centers for Medicare and Medicaid Services about possible expansions with 1115 waivers

# 1115 Waivers

- Reform Medicaid & push for State flexibility
- Garner support from local legislators
- Promote private market coverage and employer-sponsored coverage
- HHS has broad authority to grant waivers & ACA does not limit its authority
- Requested waivers:
  - Entitlement reform through increased personal responsibility
  - Provide health incentive programs
  - Disincentives
  - Benefit flexibility
  - Cost sharing\* (limited flexibilities)
  - Retroactivity
  - Cost-effectiveness
  - Work requirement (not approved)
- Government Accountability Office (GAO) report
- Medicaid reform legislation

# Approved Demonstration: Arkansas

Element	Detail
<b>Effective Date</b>	January 2014
<b>Structure</b>	Non-medically frail adults receive premium assistance to enroll in qualified health plans offered on the federal Marketplace.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Qualified Health Plan benefits certified to be Essential Health Benefits.</li> <li>• <b>Wrap-around services:</b> Early and Periodic Screening Diagnosis and Treatment (EPSDT) benefits, non-emergency transportation, and free choice of family planning provider.</li> </ul>
<b>Cost Sharing</b>	<ul style="list-style-type: none"> <li>• State plan copayments required for individuals over 100% FPL.</li> <li>• Waiver amendment requests for members over 50% FPL:               <ul style="list-style-type: none"> <li>• Cost sharing at state plan amounts.</li> <li>• Required contributions to Independence account.</li> </ul> </li> </ul>
<b>Incentives</b>	Waiver amendment requests addition of Independence accounts - health savings-like accounts for members over 50% FPL. Members earn rollover bonuses for making monthly contributions consistently and on time.

## Unique features:

- Covers all non-medically frail adults through premium assistance in the federal Marketplace.
- Proposes rollover bonuses for making monthly contributions consistently and on time.

# Approved Demonstration: Iowa

Element	Detail
<b>Effective Date</b>	January 2014
<b>Structure</b>	<ul style="list-style-type: none"> <li>• <b>Individuals under 100% FPL:</b> Served through Medicaid Accountable Care Organizations.</li> <li>• <b>Individuals over 100% FPL:</b> Enroll in Marketplace Qualified Health Plans (QHPs) or employer-sponsored insurance with premium assistance.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• <b>Income under 100% FPL:</b> Benefits based on state employee benefits with Essential Health Benefits</li> <li>• <b>Income over 100% FPL:</b> Benefits based on state essential health benefits offered in QHPs.</li> <li>• Dental benefits for those who complete periodic dental exams.</li> <li>• 1 year waiver for non-emergency transportation.</li> </ul>
<b>Cost Sharing</b>	Premiums required for all individuals with income at 50% FPL or more. Copayments for non-emergency use of ER, waived in year 1.
<b>Incentives</b>	Premiums waived in the subsequent year if beneficiaries complete targeted healthy behaviors.

## Unique feature:

- Premium payments authorized beginning at 50% FPL.
- Premiums waived if healthy behaviors completed.

# Approved Demonstration: Michigan

Element	Detail
<b>Effective Date</b>	April 2014
<b>Structure</b>	Covers the expansion population through the existing Medicaid Managed Care structure.
<b>Benefits</b>	Medicaid Alternative Benefit Plan based on Affordable Care Act's 10 Essential Health Benefits.
<b>Cost Sharing</b>	<ul style="list-style-type: none"> <li>• No copayments for the first six months. Copayments for the next six month period are applied from the State Plan schedule and are based on care utilization in the previous six months.</li> <li>• Individuals with income over 100% FPL pay a contribution to a health savings-like account. Contribution is 2% of their household income.</li> </ul>
<b>Incentives</b>	Cost sharing is paid into health accounts and can be reduced through completion of targeted healthy behaviors.

## Unique features:

- 6 month look-back feature for assessing cost sharing.
- Cost sharing collected through health accounts instead of by providers.
- Cost sharing reduced through completion of targeted healthy behaviors.



# Approved Demonstration: Pennsylvania

Element	Detail
<b>Effective Date</b>	January 1, 2015
<b>Structure</b>	Covers expansion population through private Medicaid managed care plans.
<b>Benefits</b>	Base benchmark plan for newly eligible not specified, pending future State Plan amendment. Will not provide non-emergency transportation services.
<b>Cost Sharing</b>	<ul style="list-style-type: none"> <li>• <b>Year 1:</b> All members pay state plan copayments.</li> <li>• <b>Year 2:</b> Copayments only charged for non-emergency use of the ER.</li> <li>• Beneficiaries with income over 100% FPL subject to monthly premiums of 2% of income.</li> <li>• State will collect and analyze copay data for individuals under 100% FPL and will submit amendment seeking premiums based on average copayment amounts.</li> </ul>
<b>Incentives</b>	<ul style="list-style-type: none"> <li>• Beneficiaries may reduce premiums or copayments by completing healthy behaviors in the prior year.</li> <li>• Reductions will be evaluated every 6 months.</li> <li>• Incentives for job search and work-related activities.</li> </ul>

## Unique features:

- Will submit a future waiver amendment to add premiums for individuals under 100% FPL, based on average copay expenditures for individuals at these income levels.
- Will provide a state-funded work search and job training program for Healthy PA enrollees.

# Submitted Demonstration: Indiana

Element	Detail
<b>Effective</b>	Proposed effective January 2015
<b>Structure</b>	<ul style="list-style-type: none"> <li>• Mandatory managed care enrollment.</li> <li>• Covers new adult group up to 133% FPL, offering two benefit structures and cost sharing designs for individuals under 100% FPL.</li> <li>• Premium assistance for employer-sponsored insurance with a defined contribution model.</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• <b>Individuals making POWER account contributions:</b> Base-benchmark benefits based on largest commercial market HMO, including vision and dental services.</li> <li>• <b>Individuals under 100% FPL not making POWER account contributions:</b> Reduced benefit plan that does not include vision or dental services.</li> </ul>
<b>Cost Sharing</b>	<ul style="list-style-type: none"> <li>• Health savings-like account (POWER Account) holds a combination of state and monthly member contributions and funds \$2,500 deductible. <ul style="list-style-type: none"> <li>• Member contributions range from \$3 to \$25 dollars based on FPL.</li> </ul> </li> <li>• <b>Members who do not contribute to POWER Account:</b> <ul style="list-style-type: none"> <li>• <b>Over 100% FPL:</b> Dis-enrolled and subject to a proposed 6 month lockout period.</li> <li>• <b>Under 100% FPL:</b> Reduced benefit plan, with copayments required for all services.</li> </ul> </li> <li>• Copayment required for non-emergency use of the ER ranging from \$8 to \$25.</li> </ul>
<b>Incentives</b>	<ul style="list-style-type: none"> <li>• Members who pay monthly contribution receive vision and dental benefits and do not have copayments.</li> <li>• Members may reduce the cost of future monthly contributions by completing recommended preventive services.</li> </ul>

## Unique features:

- **Consumer-directed model** with opportunity to reduce future costs by completing required preventive services.
- Has two benefit and cost sharing structures offered for individuals under 100% FPL - one based on copays and one on monthly contributions.

# Indiana Demonstration Component: Employer Benefit Link

- Indiana's proposal includes Employer Benefit Link option
  - Members with access to employer-sponsored insurance may choose:
    - Enroll with their employer plan **OR**
    - Enroll in Medicaid
  - Members choosing employer plan receive a defined contribution from the State to help pay for employer sponsored insurance
  - Link eligibility:
    - Initially, Link only available for individuals or couples
    - In future years, propose to allow parents to purchase family coverage for their CHIP-eligible children
    - Future enhancements may also offer individuals a defined contribution model to purchase coverage on the federal Marketplace

# Submitted Demonstration: New Hampshire

Element	Detail
<b>Effective Date</b>	Proposed effective January 1, 2016
<b>Structure</b>	<ul style="list-style-type: none"> <li>• Non-medically frail individuals will have mandatory enrollment in Qualified Health Plans (QHP) available on the federal Marketplace.</li> <li>• Individuals with access to cost-effective employer-sponsored insurance (ESI) will be mandatorily enrolled in ESI</li> </ul>
<b>Benefits</b>	QHP benefits with state plan benefit wrap.
<b>Cost Sharing</b>	State Plan cost sharing.
<b>Incentives</b>	N/A

## Unique features:

- Requires individuals with access to cost effective ESI to enroll in ESI
- Requires enrollment of non-medically frail individuals in QHPs available on the federal Marketplace.