

# What's New in Medicaid: 1115 Waivers, Innovations, and more



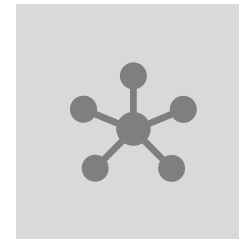
# Agenda



Innovation and  
State Legislative  
Role



Section 1115  
Waivers



2023 Legislative  
Session



Discussion &  
Activity





# Innovation and the State Legislative Role





What do you think of when you hear:

***“Innovation”***

***“Health Care Innovation”***

***“Medicaid Innovation”***





# Innovation is . . .

a *new* idea, method or device

## *breakthrough*

the introduction of *something new*

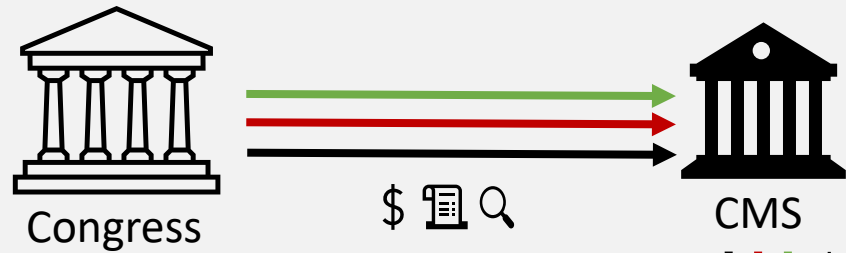
*Practical implementation of ideas* that result in the *introduction of new* services or *improvement* in services.

Can refer to *something new* or to *a change* made to an *existing idea or field*

The *development* of new products, designs, or ideas

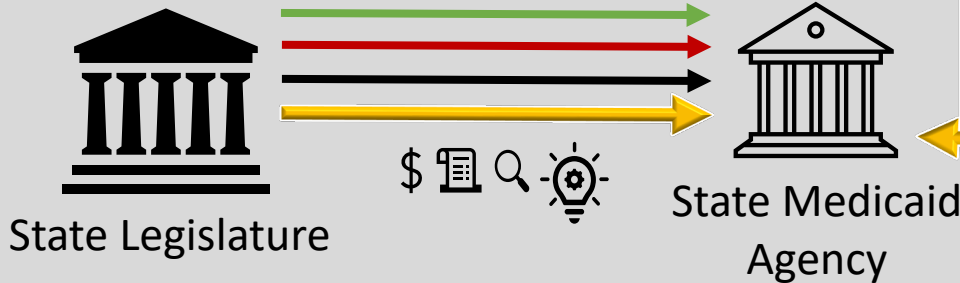
### Federal

- Minimum requirements
- Funds



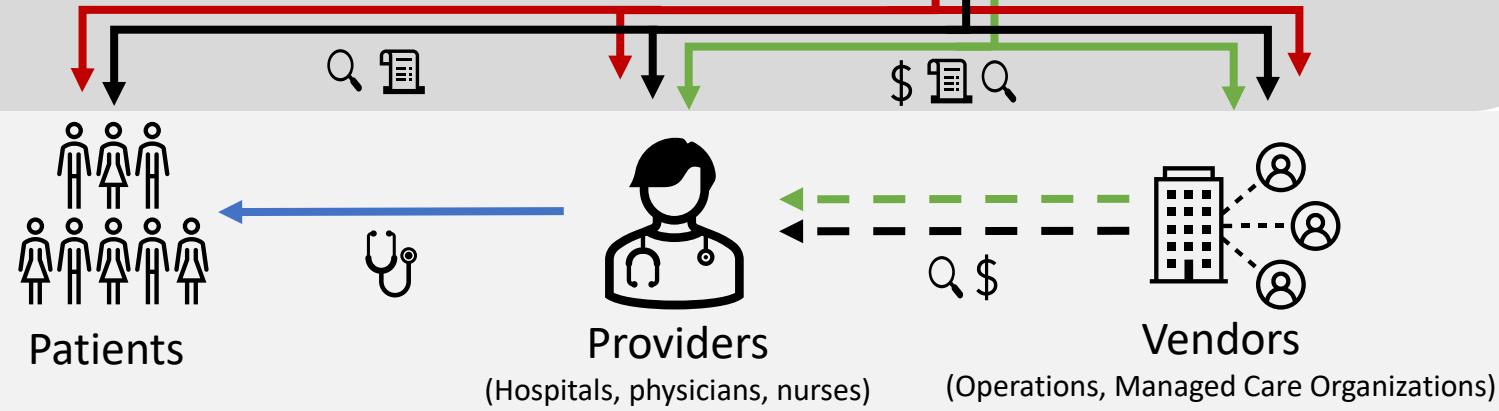
### State

- Funds
- Operates program
- Tests innovations



### Constituents

- Receive services
- Provide services
- Contract with the state
- Paid by state



# Options for Medicaid Innovation

## 1. Waivers

- ***Section 1115***

- Home- and Community-Based Services (HCBS) – 1915(c), 1915(i)
- Managed Care – 1915(b)
- Specific Purpose

## 2. State Plan Amendments and state flexibilities

## 3. State-funded programs

## 4. CMS Innovation Center Models

## 5. Pilot programs

## ***6. Legislation authorizing, funding or evaluating any of the above***





# Section 1115 Waivers





# Section 1115 Waivers: A Review of Recent Trends

Jennifer Tolbert, Associate Director, KFF

May 2023

**KFF**

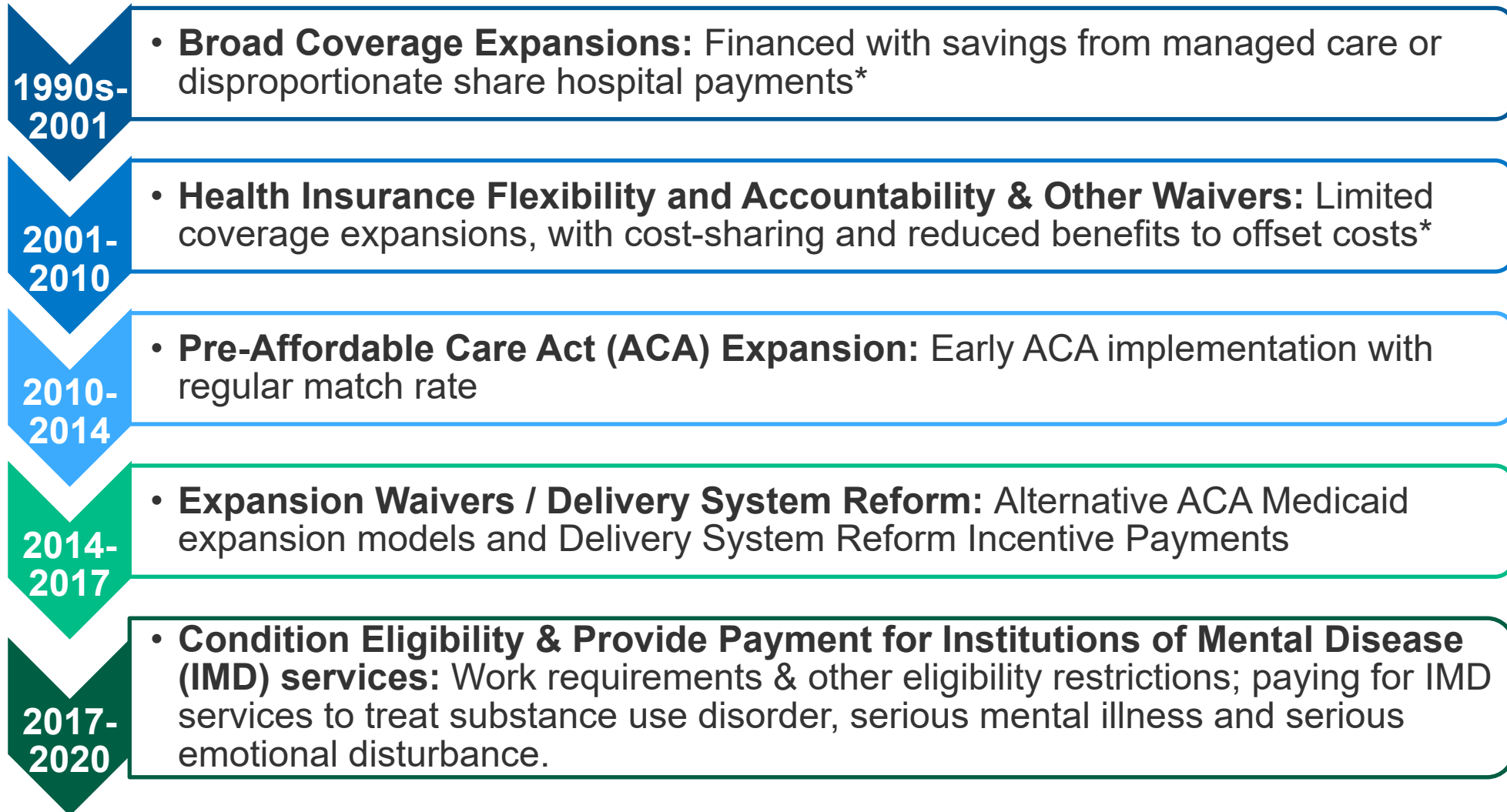
The independent source for health policy research, polling, and news.

# Section 1115 waivers offer states an avenue to test new approaches in Medicaid that differ from federal requirements.

- **Authority and Purpose:** Federal government can approve waivers that permit states to use federal Medicaid funds in ways that federal rules do not otherwise allow, as long as the initiative is a demonstration project that is likely to assist in promoting Medicaid objectives.
- **Financing:** Section 1115 waivers must be budget neutral for the federal government.
- **Transparency, Public Input, and Evaluation:** Public notice and comment periods are required prior to waiver approval. States must have a publicly available evaluation strategy for the waiver.
- **Scope and Themes:**
  - States may obtain “comprehensive” Section 1115 waivers that make broad changes in Medicaid eligibility, benefits, provider payments, and other rules across their programs; other waivers may be more narrow and address specific populations or benefits.
  - Waivers generally reflect priorities identified by the states and the federal CMS, as well as changing priorities from one presidential administration to another.

Figure 11

# There is a long history of Section 1115 Waivers in Medicaid.



**Over Time:  
Emergency  
Waivers**  
(e.g., 9/11,  
Katrina,  
Flint,  
COVID-19)

NOTES: \* These pre-2010 coverage expansions are no longer necessary due to the ACA.

Figure 12

# There are 67 Section 1115 Medicaid demonstration waivers approved in 48 states, as of May 2023.

■ 67 Approved Across 48 States ■ 32 Pending Across 28 States

## Eligibility

Expanded Eligibility Groups



Other Eligibility/Enrollment Expansions



Eligibility/Enrollment Restrictions



## Benefits

Select Benefit Expansions



Benefit Restrictions, Copays, Healthy Behaviors



## SDOH & Other DSR

Social Determinants of Health Provisions



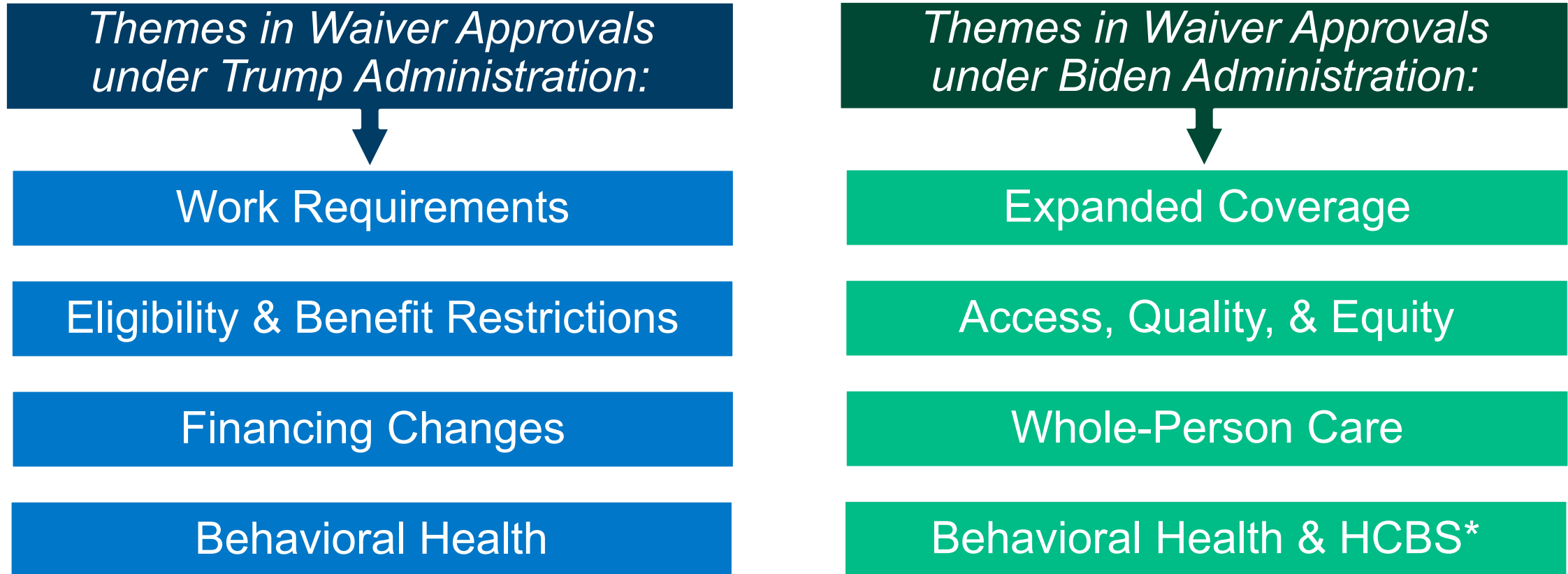
Other Select DSRs (UCC Pools and BH DSR)



SOURCE: KFF Medicaid Waiver Tracker, <https://www.kff.org/medicaid/issue-brief/medicaid-waiver-tracker-approved-and-pending-section-1115-waivers-by-state/>

Figure 13

# Section 1115 waiver themes and priority areas change under different administrations.



\*HCBS = home and community-based services.

SOURCES: “The Landscape of Medicaid Demonstration Waivers Ahead of the 2020 Election,” <https://www.kff.org/medicaid/issue-brief/the-landscape-of-medicaid-demonstration-waivers-ahead-of-the-2020-election/>; “What to Watch in Medicaid Section 1115 Waivers One Year into the Biden Administration,” <https://www.kff.org/medicaid/issue-brief/what-to-watch-in-medicaid-section-1115-waivers-one-year-into-the-biden-administration/>

Figure 14

# Seven states have recently sought waivers to extend continuous eligibility beyond what is otherwise allowed.




State	Eligible Population	Duration
<b>Approved</b>		
Kansas	Parents and caretaker relatives	12 months
Massachusetts	Individuals following release from correctional institution; individuals experiencing homelessness	12 months for individuals following release from correctional institution; 24 months for individuals experiencing homelessness
New Jersey	Adults	12 months
New York	Adults	12 months
Oregon	Adults and children	Through age 6 for children; 24 months for individuals age 6 and up
Washington	Children	Through age 6
<b>Pending</b>		
New Mexico	Children	Through age 6

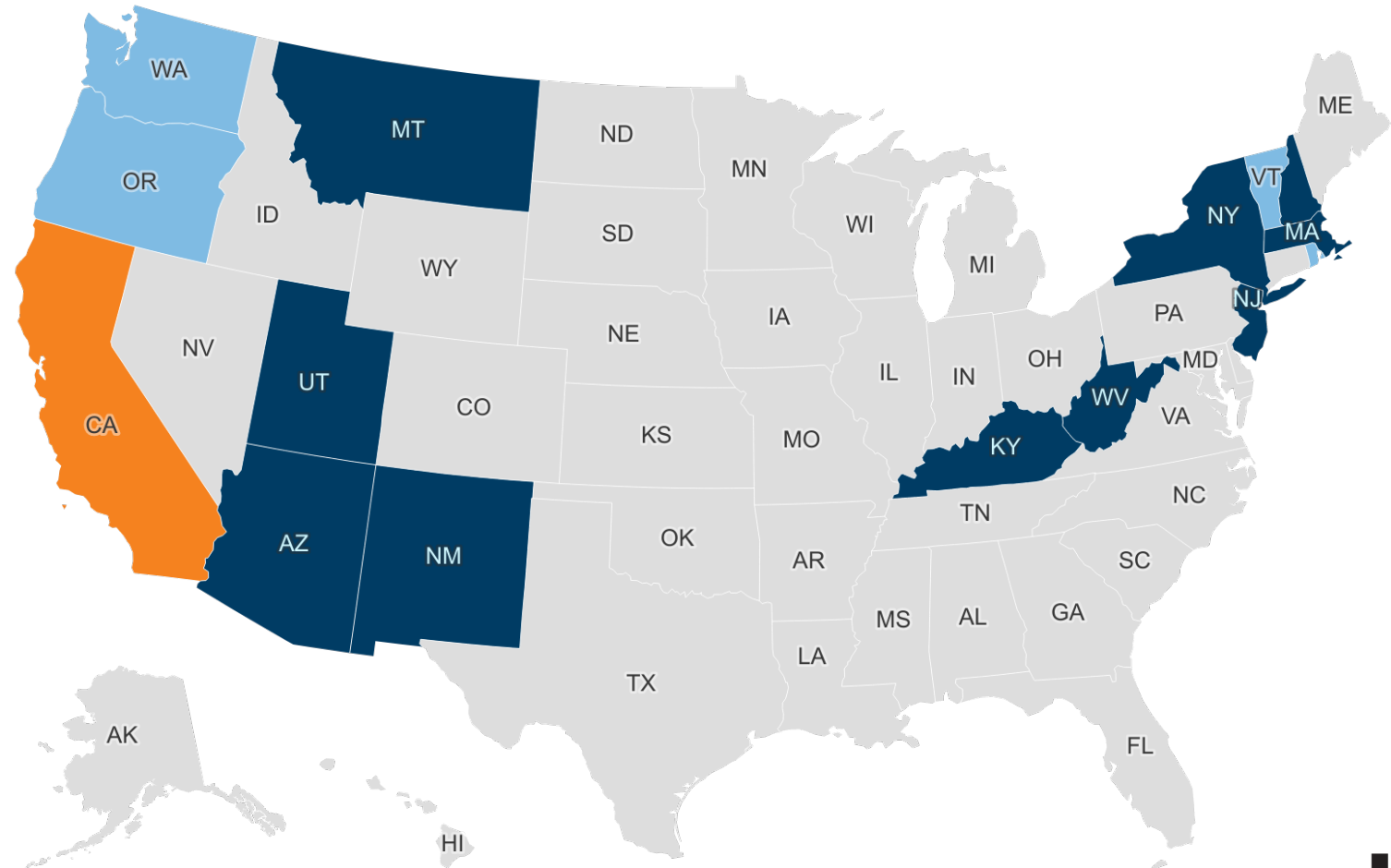
SOURCE: “Section 1115 Waiver Watch: Continuous Eligibility Waivers and Implications for Unwinding,” <https://www.kff.org/policy-watch/section-1115-waiver-watch-continuous-eligibility-waivers-and-implications-for-unwinding/>

Figure 15

# California is the first state with approval to cover reentry services for certain incarcerated individuals pre-release.

## # of states with:

-  Approved waiver (inmates that meet health criteria) (1)
-  Pending request (all Medicaid-eligible inmates) (4)
-  Pending request (inmates that meet health criteria) (10)





# Key Aspects of California's Approved Section 1115 Reentry Demonstration Initiative



- **Population:** All Medicaid-eligible adults who are inmates & meet health criteria, beginning 90 days pre-release
- **Benefits:** Limited reentry benefit package includes case management, clinical consultation services, lab services, Rx, medication-assisted treatment, and community health worker services; minimum supply of Rx and durable medical equipment upon release
- **Implementation & funding:** \$410 million to spent on pre-release application planning & info technology. CA will use these funds to provide capacity grants and case management services beginning April 2024, with the pre-release service package phased in over 2 years

**CA estimates that approximately 200,000 people each year will be eligible to receive pre-release services under the waiver**

Figure 17

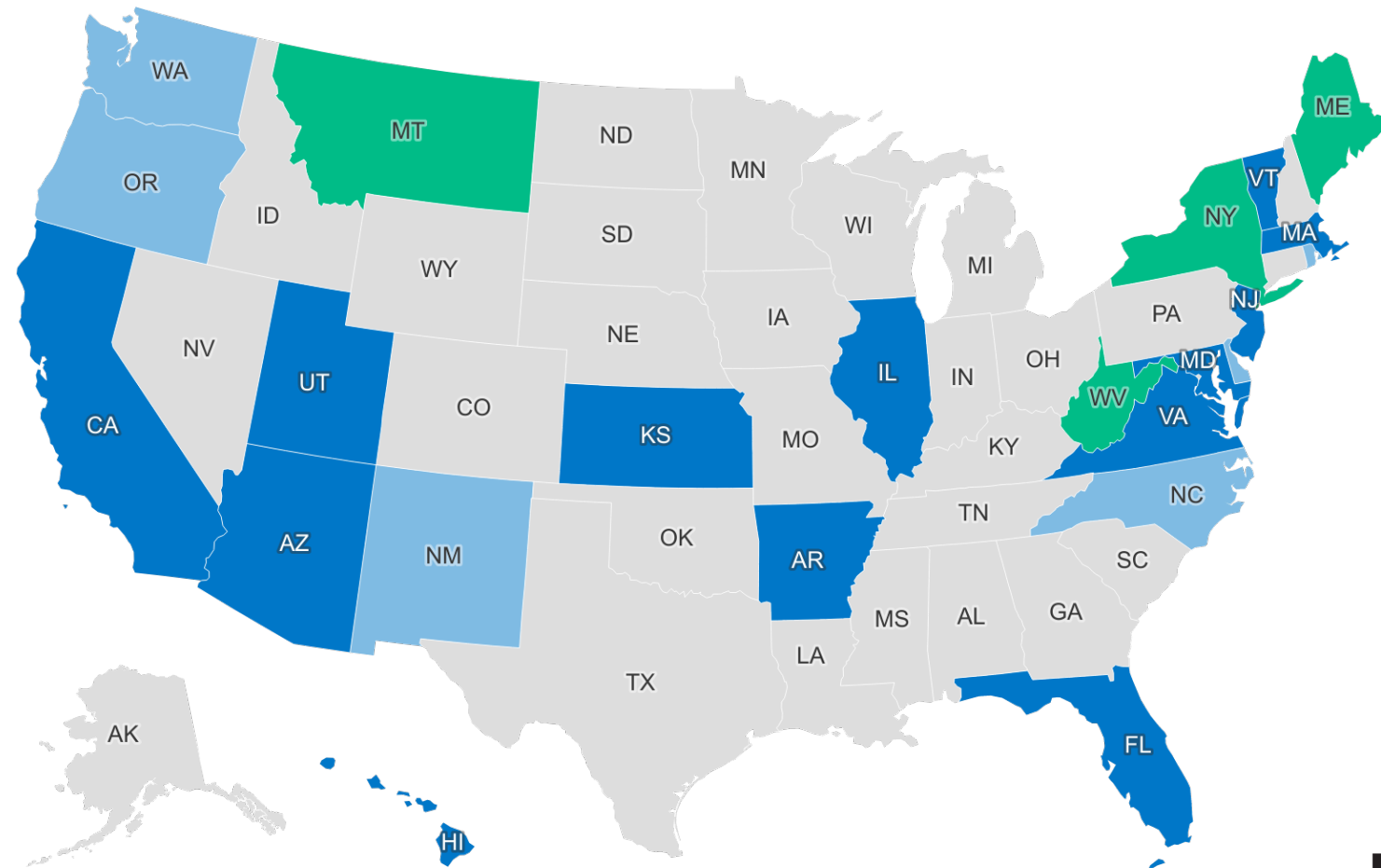
As of May 2023, 23 states have an approved or pending Section 1115 waiver with SDOH-related provisions.

# of states with:

 Approved waiver (13)

 Approved waiver & pending request (6)

 Pending request (4)



In 2022, CMS presented a framework for states to use waivers to address health-related social needs (HRSN).

### Covered HRSN Services

- Housing supports
- Nutrition supports
- HRSN case management
- Additional services may be allowed (e.g. transportation)

### Service Delivery

- States can define target populations
- HRSN services must be medically appropriate and the choice of the enrollee
- Must be integrated with existing social services

### Associated Fiscal Policy

- HRSN spending can't exceed 3% of total Medicaid spend
- State spending on related social services pre-waiver must be maintained or increased

### Related Requirements

- To strengthen access, states must meet certain minimum provider rate requirements
- Monitoring and evaluation requirements

# Examples of States with Approved Section 1115 Waiver Provisions to Address Social Determinants of Health (SDOH)

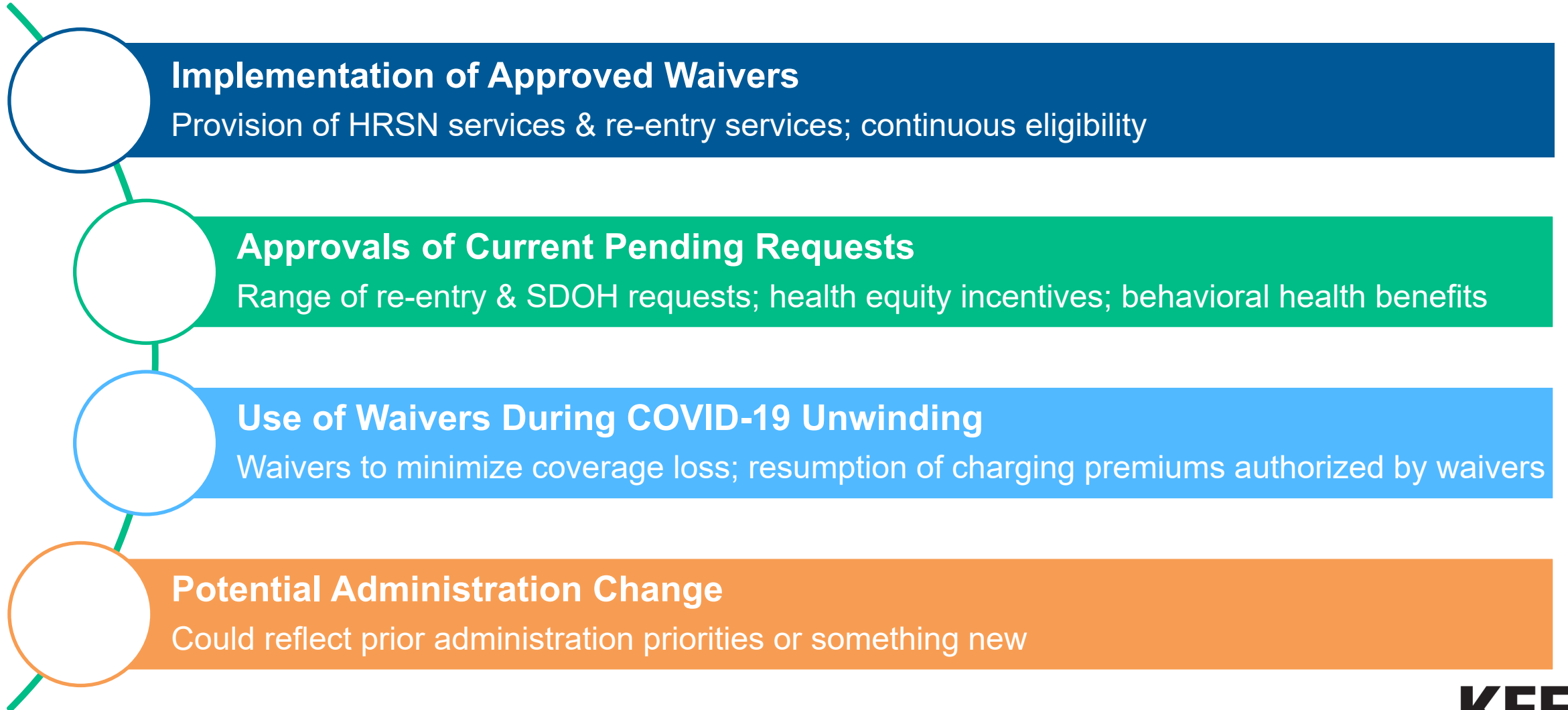


- **Healthy Opportunities Pilot** approved in 2018
- Pilot services address housing instability, transportation insecurity, interpersonal violence, and toxic stress
- Population: high-need managed care enrollees who meet health and social risk factors

- **Health-related social needs (HRSN) services** available to enrollees participating in a **Life360 Home**
- Housing and nutrition supports; services must be medically appropriate
- Population: HOME participants (meet health/social risk factors)

- **HRSN services** available through Housing and Health Opportunities (**H2O**) Program
- Housing supports, including up to 6 months of post-transition rent/temporary housing
- Population: homeless enrollees who meet clinical/social risk factors

# What are Section 1115 waiver issues to watch?





# Questions?



# 2023 Legislative Session





# State Legislative Role

## Trend: Oversight of Medicaid Managed Care Organizations (MCOs)

### New York

#### AB 289 (2021)

Clarifies medical necessity standard and utilization review processes applicable to medically fragile children covered by health maintenance organizations and Medicaid managed care organizations.

### Oklahoma

#### HB 1657 (2023)

Establishes a single consolidated provider enrollment and credentialing process for providers who contract with MCOs.

### Virginia

#### HB 2262 / SB 1154 (2023)

Establishes minimum procedures and timelines for MCOs to process new provider credentialing applications and reimburse new providers for services during the time when application pending.

### Indiana

#### SB 400 (2023)

Establishes standards and timelines for a clean credentialing process that applies to providers who contract with MCOs and requiring MCOs to post certain information about prior authorizations on its website.



# State Legislative Role

## Trend: Value-Based Purchasing

### Washington

#### HB 1515 (2023)

Requires integration of value-based purchasing for behavioral health into MCO contract and procurement processes, as well as standards for network adequacy and minimizing provider burden.

### Louisiana

#### HR 248 (2023)

Requests the Department of Health to form a group to study alternative tools to inform reimbursement rates for outpatient behavioral health services.

### Maryland

#### HB 1148 / HB 322 (2023)

Establishes the Behavioral Health Care Coordination Value-Based Purchasing Pilot Program and authorizes a pilot to evaluate value-based purchasing for HCBS provided to children with behavioral health needs.

### North Dakota

#### SB 2030 (2023)

Requires the state Medicaid agency to participate in payment reforms for prescription drugs like rebate programs and value-based purchasing.



# State Legislative Role

## Trend: Pilots and Evaluations

### Kentucky

#### SJR 54 (2023)

Directs the Department for Medicaid Services to examine the payment models that effectively address social risks and health-related social needs and develop a proposal to modify reimbursement.

### Utah

#### SB 269 (2023)

Directs agency to seek a waiver for a pilot program to provide coordinated care to enrollees with chronic health conditions. Includes initial home visit, daily remote monitoring, peer monitoring, at-home medication delivery, and telehealth.

### Colorado

#### HB 1300 (2023)

Requires the state agency to conduct a study to determine the feasibility of extending continuous eligibility medical coverage for eligible children and adults and how to better meet health-related social needs.



# State Legislative Role

Trend: Other

## Arkansas

### HB 1261 (2023)

Allows an ambulance service to triage, treat, and transport a patient to an alternative destination and mandates coverage in the state Medicaid program.

## Kentucky

### HB 391 (2023)

Requires Medicaid agency to include long-term care provider associations in the process to plan and provide joint training to surveyors and provider associations when new guidelines and regulations are announced.

## Colorado

### SB 2 (2023)

Requires agency to seek federal approval to reimburse community health workers for preventive services, education, navigation, care transitions, and screening for clinical and social needs.

## New York

### SB 559 (2021)

Directs agency to request guidance on federal financial participation for coverage and payment for prescription digital therapeutics approved by the FDA to treat substance use disorder.





# Questions?



## Discussion & Activity



# Medicaid Innovation in Your State

## 1. 15 minutes, Table-Top Discussion

- In the last legislative session, did your state pass any innovative Medicaid legislation? What made it innovative in your state?
- What innovations excite you most or that you want to learn more about?

## 2. 10 minutes, Report Out

## 3. 5 minutes, Walk Away with a Takeaway





# Walk Away With a Takeaway!

Capture:

- One thing you learned
- One action step

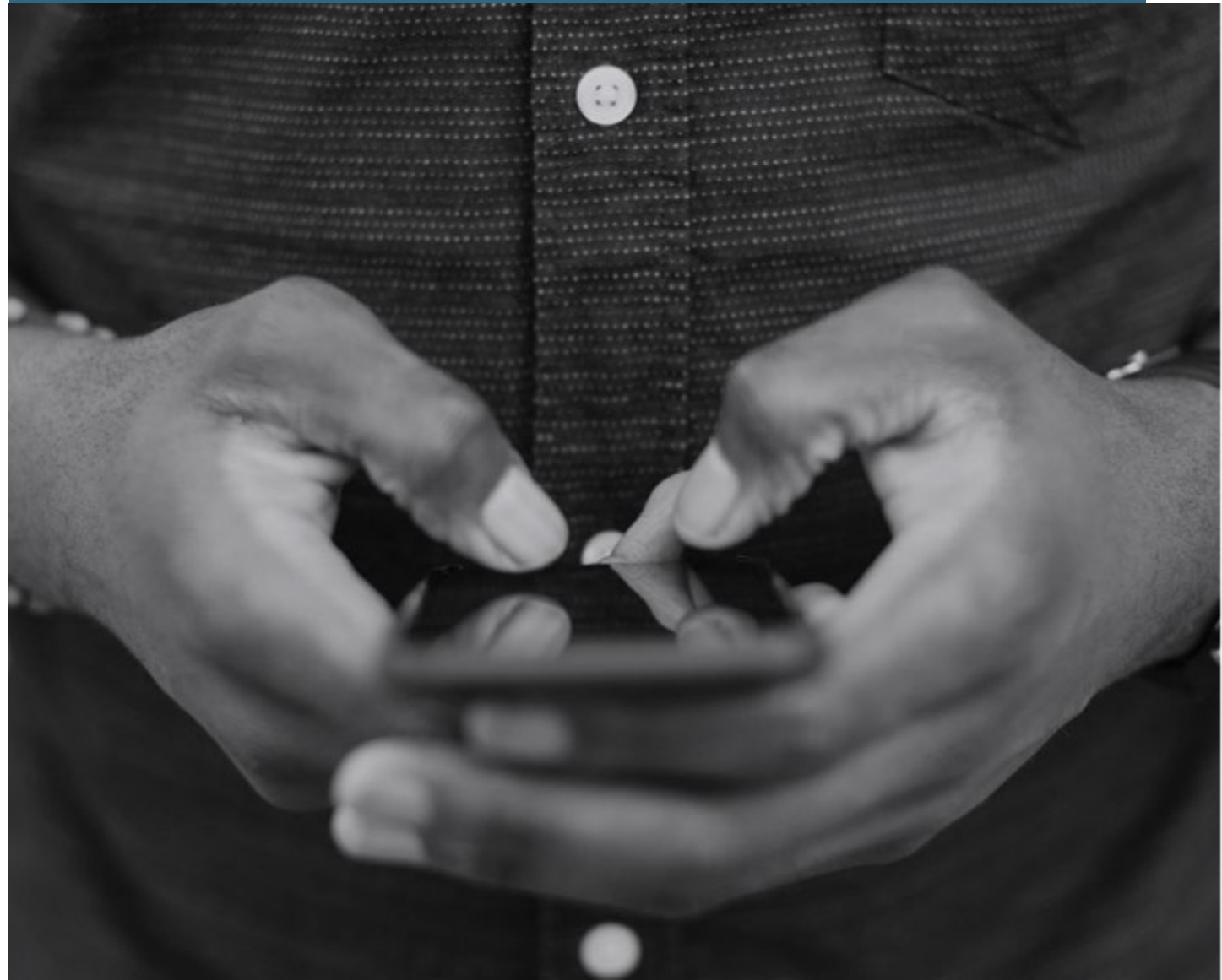
# Resources

- [Health Costs, Coverage and Delivery State Legislation](#), NCSL Database
- [Connecting Recently Released Prisoners to Health Care - How to Leverage Medicaid](#), NCSL
- [Section 1115 Waiver Tracker: Pending and Approved Waivers by State](#), KFF
- Research requests, technical assistance, publications, webinars and more!



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**Reach Out  
Anytime!**

**Thank you!**

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# 2023 Indy Legislative Summit



The logo features a stylized black dome icon to the left of the text. The word "NCSL" is in a bold, black, sans-serif font. To its right, the word "LEGISLATIVE" is written in a smaller, black, spaced-out, sans-serif font. Below these, the word "SUMMIT" is written in a large, bold, teal, sans-serif font. Underneath "SUMMIT", the words "INDY 2023" are written in a bold, sans-serif font, with "INDY" in orange and "2023" in teal. To the right of the text is a decorative graphic consisting of several overlapping, semi-transparent teal squares of various sizes, some of which are arranged in a grid-like pattern.

**NCSL** LEGISLATIVE  
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Aug. 14-16, 2023

