

Medicaid Section 1115 Waivers: Policy Goals and Evidence

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Building a People-Centered Health System



Goal

Trinity Health is committed to public policies that support better health, better care and lower costs to ensure affordable, high-quality, people-centered care for all. As Trinity Health assesses key components of Affordable Care Act (ACA) replacement proposals, it is important to review the pros and cons associated with each proposal and to evaluate the impact on coverage and access to affordable, high-quality, people-centered care.

Background & Purpose

Section 1115 of the Social Security Act (SSA) allows the Secretary of Health and Human Services (HHS) to waive most federal Medicaid requirements and authorize “any experimental, pilot or demonstration project likely to assist in promoting the objectives” of the Medicaid program. States have used this broad authority to obtain flexibilities in a wide variety of ways. States have been permitted to waive requirements that programs be statewide, or that programs or services be available to all eligible beneficiaries, and to implement delivery and payment reforms. Additionally, states may design waivers to implement structural or financing reform (e.g. block grants or per capita caps), or to supplement federal reforms. The table below provides the “pros” and “cons” of using Section 1115 waivers, based on available research and evidence assessing their impact and success.

Examples of Section 1115 Waivers

Indiana's HIP 2.0 waiver allows enrollees, who contribute to a health savings account (HSA), access to benefits not otherwise available, including dental and vision. It also waives the requirement for non-emergent medical transportation.

West Virginia, in response to the opioid crisis, submitted a waiver that aims to improve prevention and treatment for Medicaid enrollees with substance use disorders.

Massachusetts is using its waiver to implement a statewide Medicaid accountable care organization (ACO) delivery system to improve care integration (including behavioral health and long-term services and supports), to support safety net care redesign, and to expand substance use disorders (SUD) programs to combat the opioid crisis.

Policy	Pro ¹	Con ²
Use Section 1115 Waivers to Pilot State Innovations that Improve Care, Health, and Control Costs	<ul style="list-style-type: none"> Allow states significant flexibilities, permitting innovation within the Medicaid program. Allows testing of delivery reforms that may reduce costs, improve care and increase efficiencies. Pilot demonstrations for populations with unique needs (e.g. individuals with SUD). Budget neutrality requirement allows for innovation without negative budget impact. 	<ul style="list-style-type: none"> May be used to limit enrollment or access to care (e.g. work requirements, enrollment caps, benefits changes, or increased cost-sharing). Approved waivers reflect Administration policy goals and shift with political priorities. Historically, waiver design and approval has lacked transparency and been a lengthy/cumbersome process, impeding timely implementation of demonstrations.
<ul style="list-style-type: none"> Overall Takeaway – Section 1115 waivers are a proven tool through which states can test innovations within their Medicaid programs that improve access and quality of care, control costs and reflect their state’s needs. Trinity Health Supports use of section of 1115 waivers to promote reforms and innovations that improve access to care and population health and to lower health care costs. 		
<p>Supporting Research: 1. CRS Medicaid: An Overview. CMS, About Section 1115 Demonstrations. Medicaid and CHIP Payment and Access Commission (MACPAC), <i>Waivers</i>. Accessed November 16, 2015. 2. GAO, Medicaid Demonstration: More Transparency and Accountability for Approved Spending Are Needed GAO-15-715T, June 24, 2015.</p>		

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Mission: We, Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.

Core Values: Reverence • Commitment to Those Who Are Poor • Justice • Stewardship • Integrity

