1115 Waivers: Flexibility or Budget Neutrality?

Presentation to NASDDDS
November 10, 2017
2017: Where are we going and why are we in this handbasket?
"There are no facts, only interpretations."

Friedrich Nietzsche
(1844-1900)
“There are no solutions, only trade-offs”

Thomas Sowell
(1930 - )
The Journey from Nietzsche to Sowell

• Seven years where nothing that was said truly mattered.

• Now every decision results in significant consequences.
Repeal and Replace is a slogan.

It is not public policy.
The Health Care Fight in 2017

The American Health Care Act v1.0
The American Health Care Act v2.0
The Better Care Reconciliation Act
Skinny Repeal
Graham-Cassidy
The CBO score estimated that the AHCA would:

- Reduce the federal deficit by $150 billion over ten years 2017-2026
- Result in 24 million people losing health insurance coverage by 2026
- Result in 14 million Medicaid beneficiaries losing Medicaid coverage by 2026
- Reduce federal funding to the Medicaid program by $839 billion from 2017-2026
Critical, soul searching moment for GOP. Ignore #CBOscore and plow ahead or admit that some ideas might just be problematic.

4:44 PM - 13 Mar 2017
Why it Failed Each Time
SEN. CHUCK GRASSLEY
R-Iowa
Judiciary Committee Chair
"You know, I could maybe give you 10 reasons why this bill shouldn't be considered," Grassley said. "But Republicans campaigned on this so often that you have a responsibility to carry out what you said in the campaign. That's pretty much as much of a reason as the substance of the bill."
Where do we go from here?
Is this the road ahead?
Or is this the road ahead?
How to fix all this?
Bipartisanship?
Bitterness?
Bernie?
If Congress doesn’t act ...
What Does This Mean For You?
What is the Intended Purpose of These Waiver Demos?

• Provide flexibility to states to implement projects that “are likely to assist in promoting the objectives of Medicaid.”

• Allow “waiving” of certain current Medicaid requirements in order to implement the demo/test ideas.

Goals:

1. ↑ coverage
2. ↑ access
3. ↑ health outcomes
4. ↑ efficiency and quality of care
What is the Unintended Use of These Waivers?

- Imposed work requirements
- ↑ premiums on low income people
- ↑ limit on enrollment
- Coverage lockout
Dueling Agendas at Play

Political
• Issues around expanded government role in healthcare.

Financial
• ↓ Medicaid enrollment, but ↑ Medicaid spending.
State’s Use of Waivers

- ↑ coverage
- Change delivery systems (e.g., self-directed care)
- Combine existing 1915 waivers
- Provider pay-for-performance
- Integrated care
- LTSS through capitated managed care
- Uncompensated care pool
- Safety net for emergencies
- ↓ system delivery reform
Non-Approved Requested Restrictions

• Eligibility to 100% of FPL

• ≠ presumptive eligibility

• Drug screening and testing

• Time limits on coverage

• Non-payment lockout
Examples of 1115 State Waiver Demonstrations

• As of September 2017, 33 states have 41 approved 1115 Waivers, and 18 states have 21 pending waivers. The following four states have waivers pending at CMS. The states below are highlighted because their waivers may have national implications.

1) Massachusetts

2) New York

3) Pennsylvania
Massachusetts

• In September 2017, Massachusetts submitted an 1115 Waiver Amendment request to CMS.

• Components of the waiver that raise questions are:

  1) The removal of non-emergency transportation
  2) Instituting a capped drug formulary
  3) Encouraging enrollment in ACOs and managed care organizations by implementing narrower networks in their PPOs
  4) Eliminating the IMD exclusion
  5) Increasing support for mental health, opioids, and other substance use disorders
  6) Inclusive stakeholder process
New York (ID/DD Services)

- Medicaid redesign waiver carves out ID/DD population
  - Enrollment into health homes in 2018
  - Person-centered life plan
  - Voluntary enrollment
  - SIP’s (specialized plans)

- Provider led → mainstream Medicaid managed care
  a. capitated
  b. non-risk payments for residential services and HCBS

- Phased in schedule: 2018-2024
Pennsylvania

• Medicaid expansion through an 1115 Waiver (straightforward plan).
  
  ➢ Newly eligible to managed care with three benefit packages combined
  
  ➢ Reinstated non-emergency transportation
  
  ➢ EPSDT intact
  
  ➢ Voluntary work search program (job training)
  
  ➢ Healthy behavior incentives
New CMS Guidance on 1115 Waivers

This week, CMS released new guidance on 1115 Waivers.

• CMS’ goal is to reduce burden for states throughout the approval process. It will:
  ➢ Revise the demonstration application template to streamline and simplify it;
  ➢ Remove duplicative information; and
  ➢ Offer additional guidance and technical assistance to states.

• CMS will also work with each state to develop a timeline for the approval process.

• CMS will work to expedite the approval process of 1115 Waivers by developing parameters for expedited approval of certain waiver authorities.

• CMS may also approve the extension of successful waivers in a state for a period up to 10 years.
Change for the Future

“If you don't like something change it; if you can't change it, change the way you think about it.”