

Section 1115 Medicaid Waivers: A Review of Recent Trends

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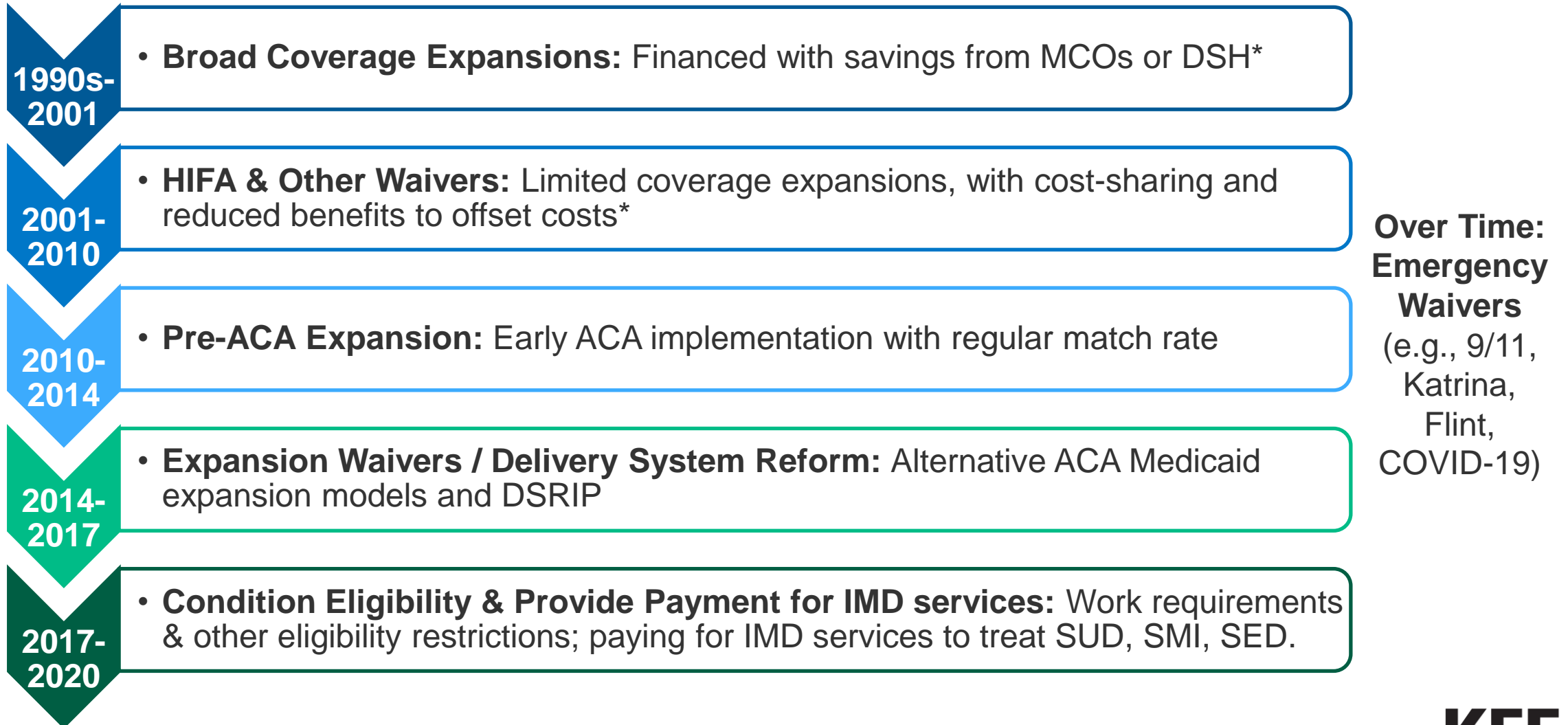
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Section 1115 waivers offer states an avenue to test new approaches in Medicaid that differ from federal requirements.

- **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 2

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



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

MCO = Managed Care Organization. DSH = Disproportionate Share Hospital. ACA = Affordable Care Act. DSRIP = Delivery System Reform Incentive Program. IMD = Institution for Mental Disease. SUD = Substance Use Disorder. SMI = Serious Mental Illness. SED = Serious Emotional Disturbance.

Figure 3

There are 68 Section 1115 Medicaid demonstration waivers approved in 48 states, as of August 2023.

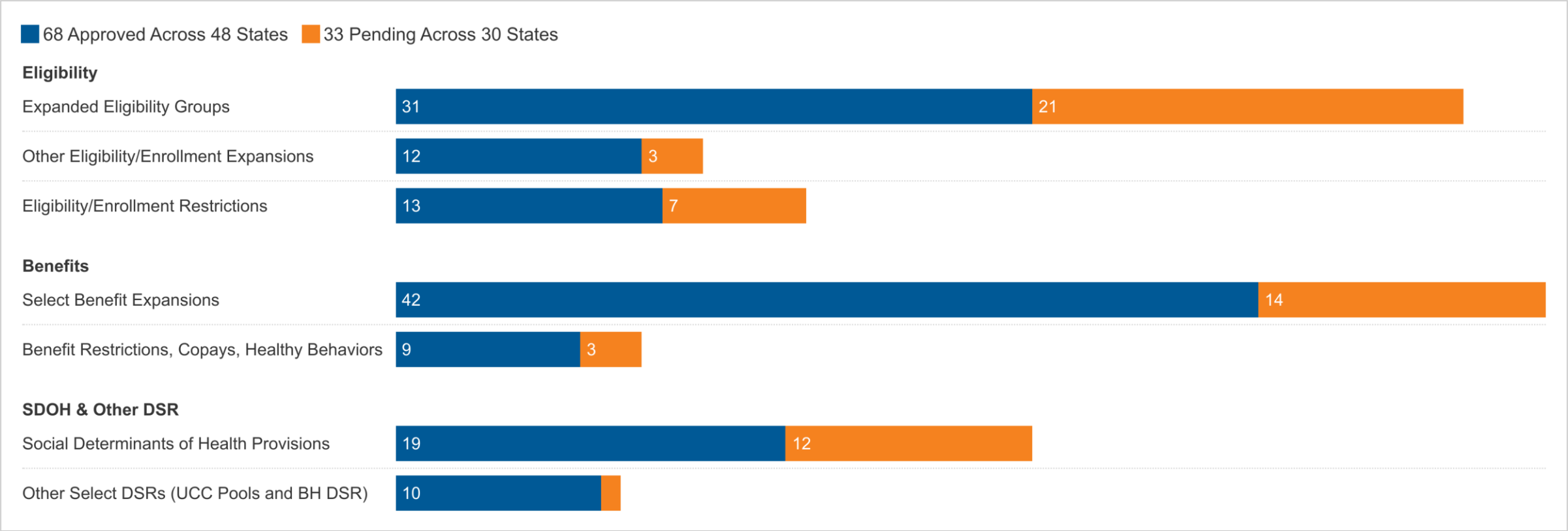
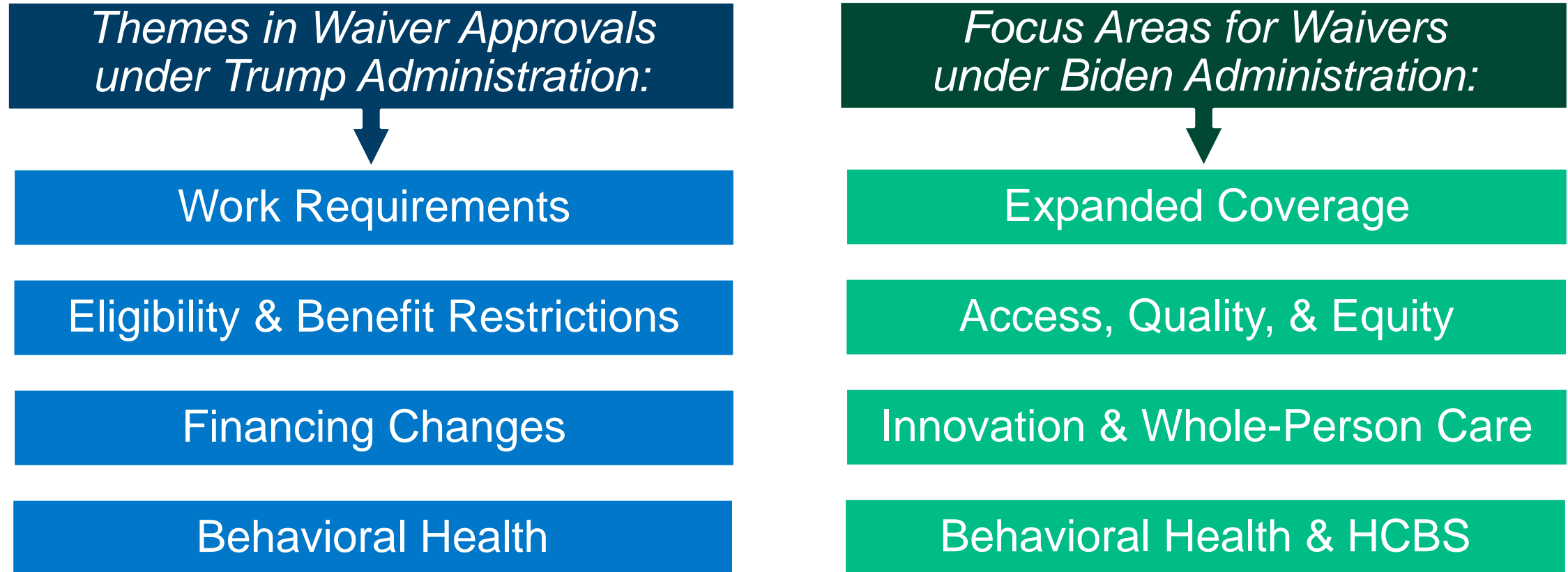


Figure 4

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



NOTE: 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 5

Seven states have waivers (approved or pending) to extend continuous eligibility beyond what is otherwise allowed.





State	Eligible Population	Duration
Approved		
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
Pending		
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 6

California and Washington received approval to cover reentry services for certain incarcerated individuals pre-release.

of states with:

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

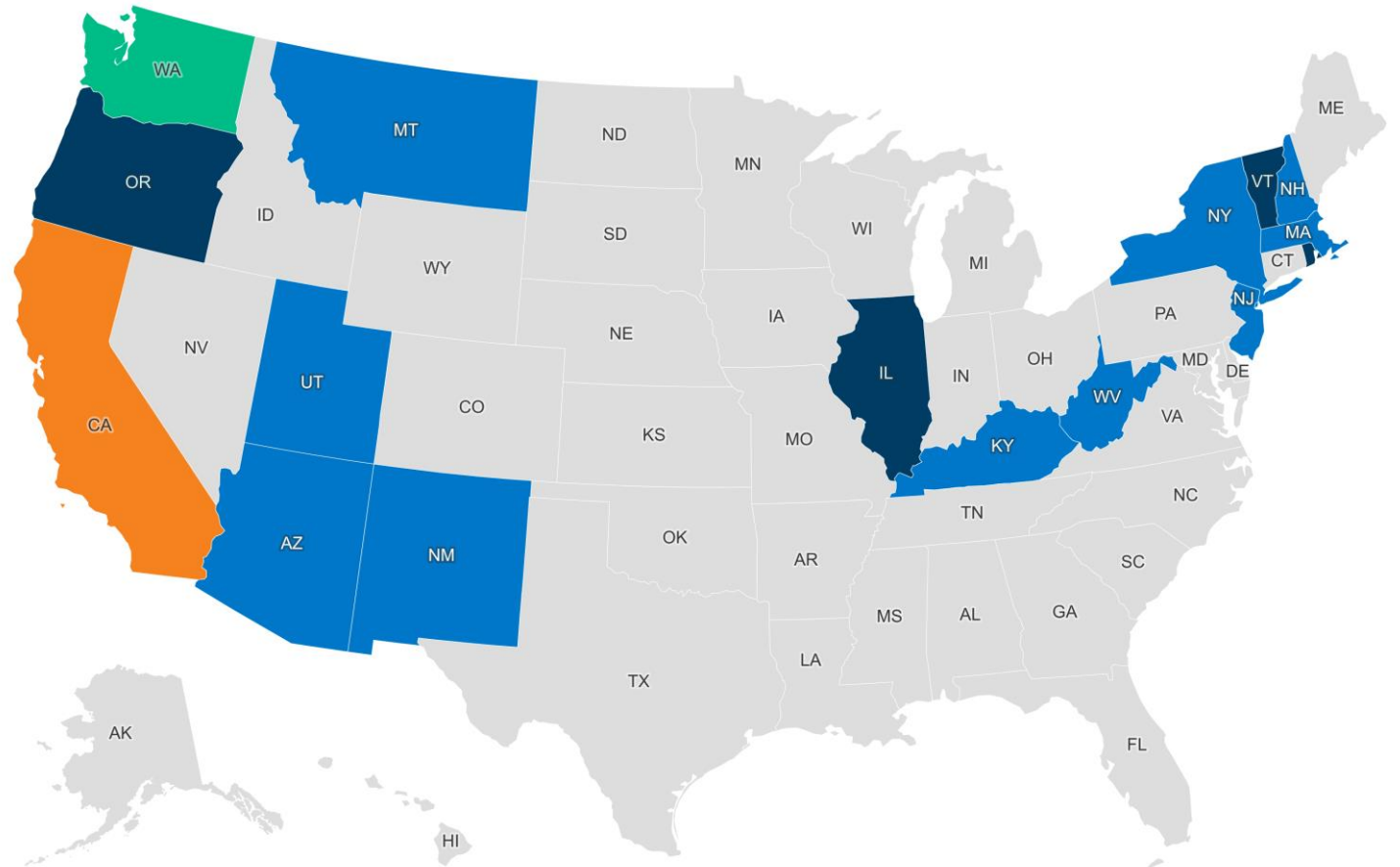


Figure 7

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, MAT, and CHW 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 8

As of August 2023, 24 states have an approved or pending Section 1115 waiver with SDOH-related provisions.

of states with:

 Approved waiver (12)

 Approved waiver & pending request (7)

 Pending request (5)

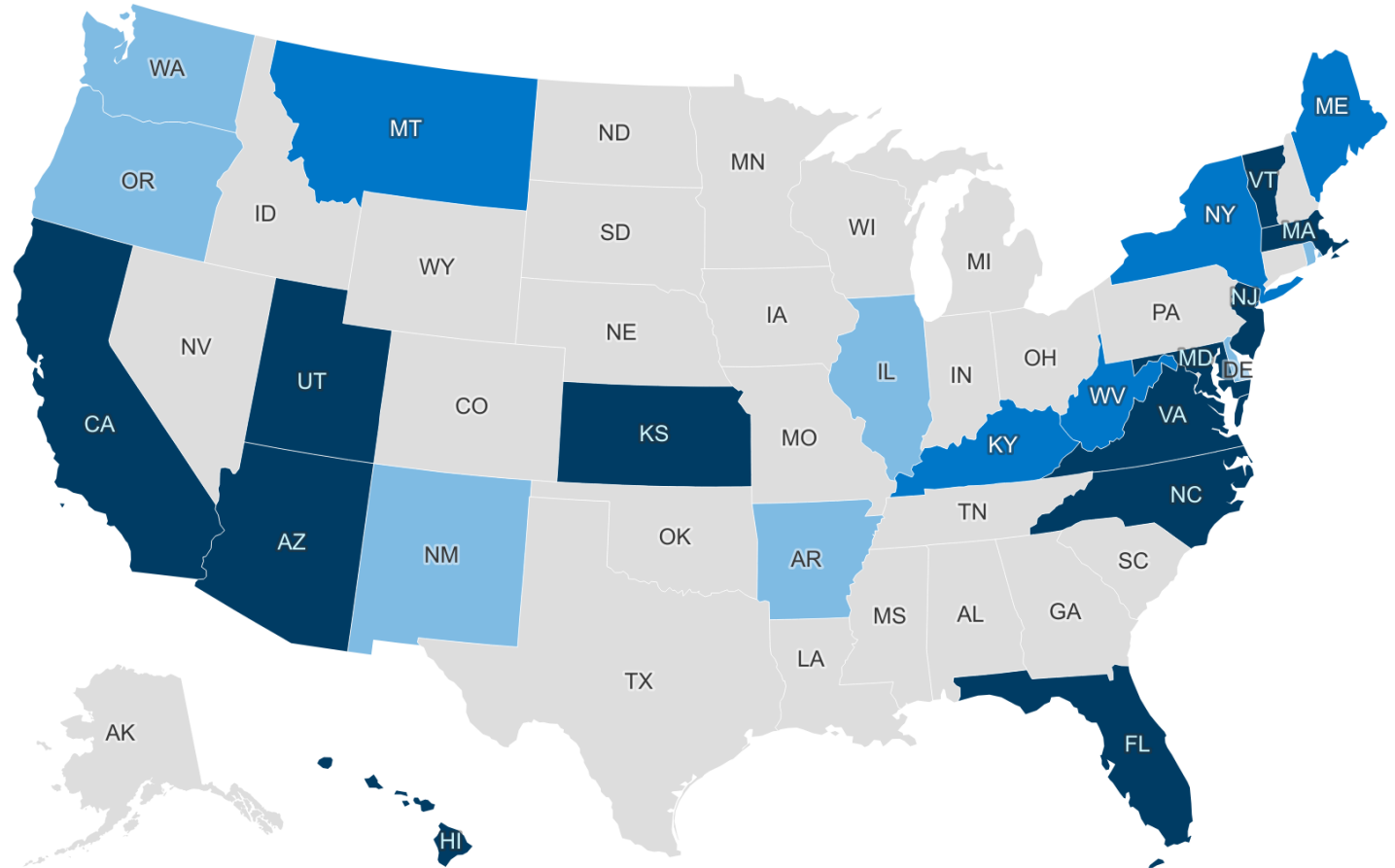


Figure 9

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

Figure 10

Examples of States with Approved Section 1115 Waiver Provisions to Address Social Determinants of Health



- **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

Figure 11

What are Section 1115 waiver issues to watch?

