

# Section 1115 Medicaid Waivers: A Review of Recent Trends

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**KFF**

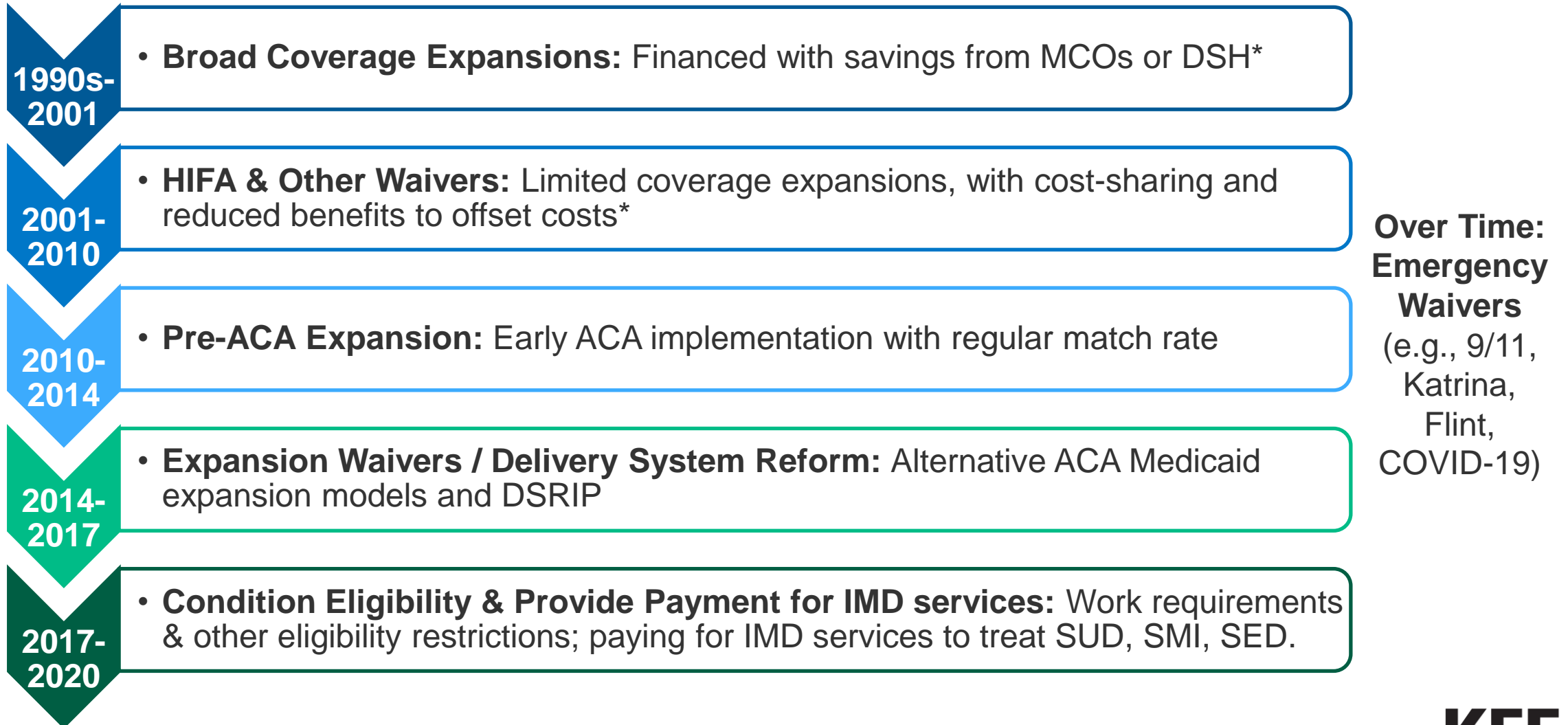
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# Section 1115 waivers offer states an avenue to test new approaches in Medicaid that differ from federal requirements.

- **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.

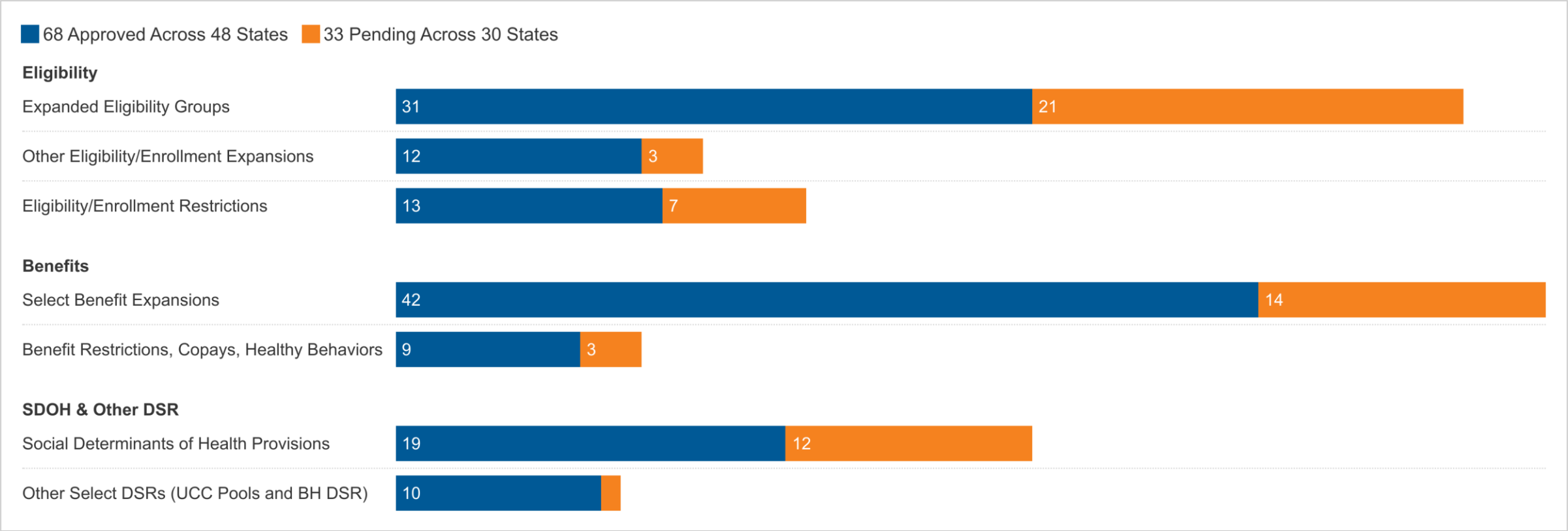
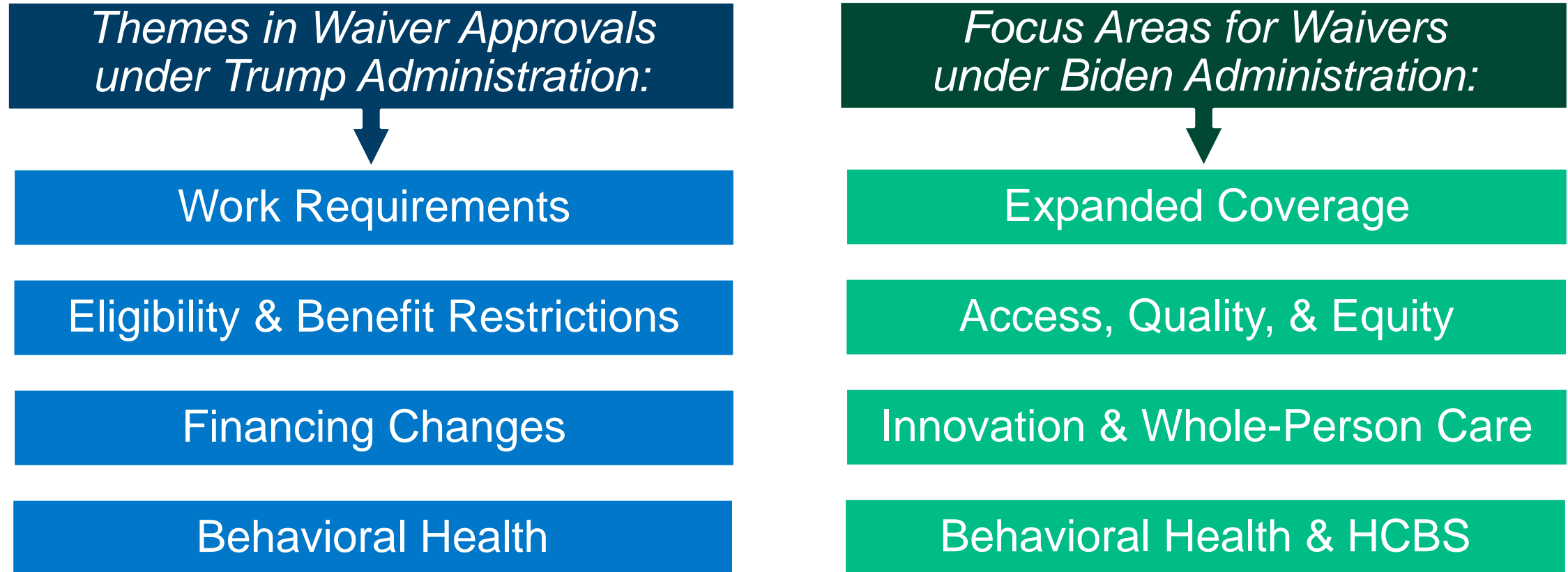


Figure 4

## 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
<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 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)

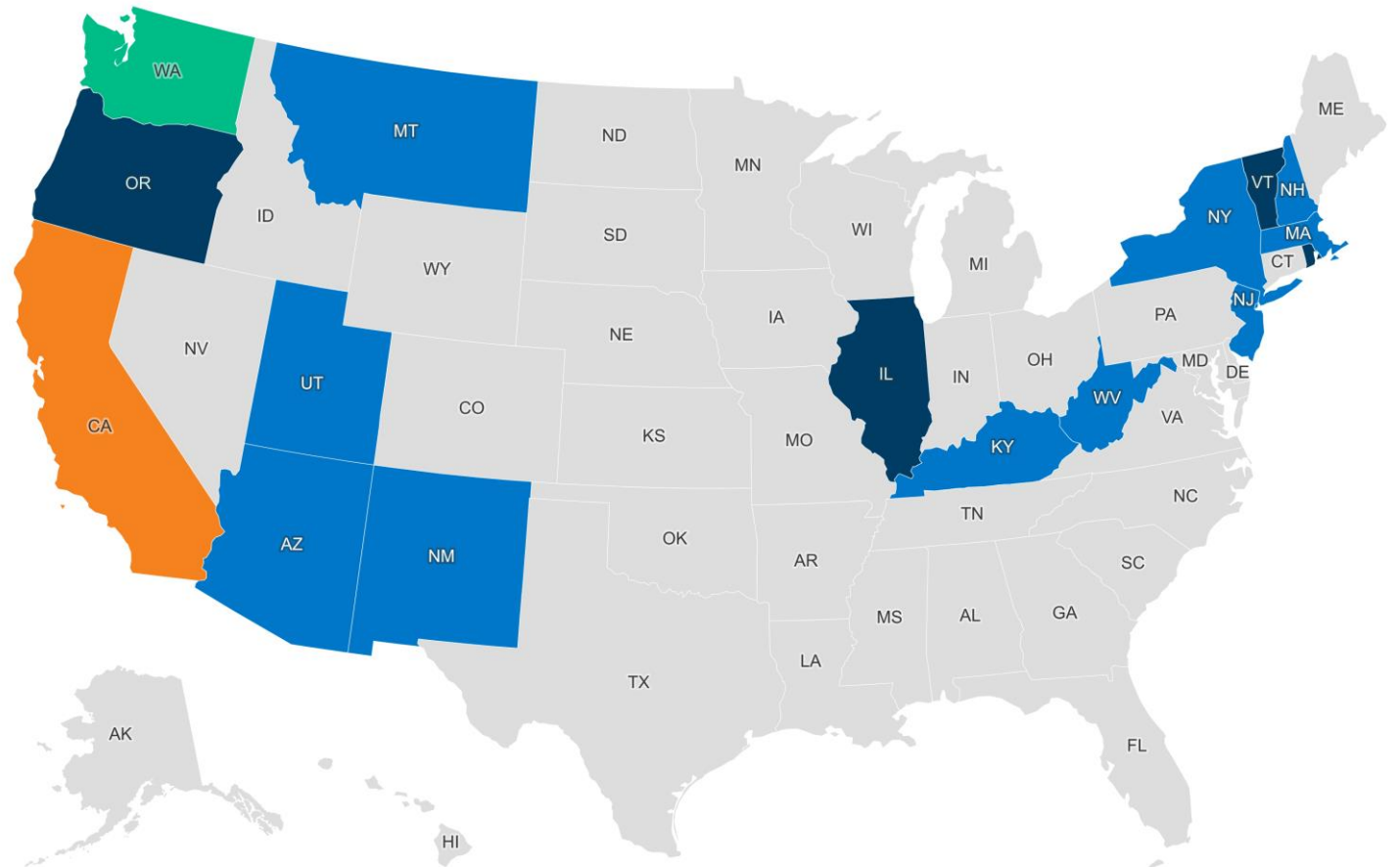


Figure 7

# 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)

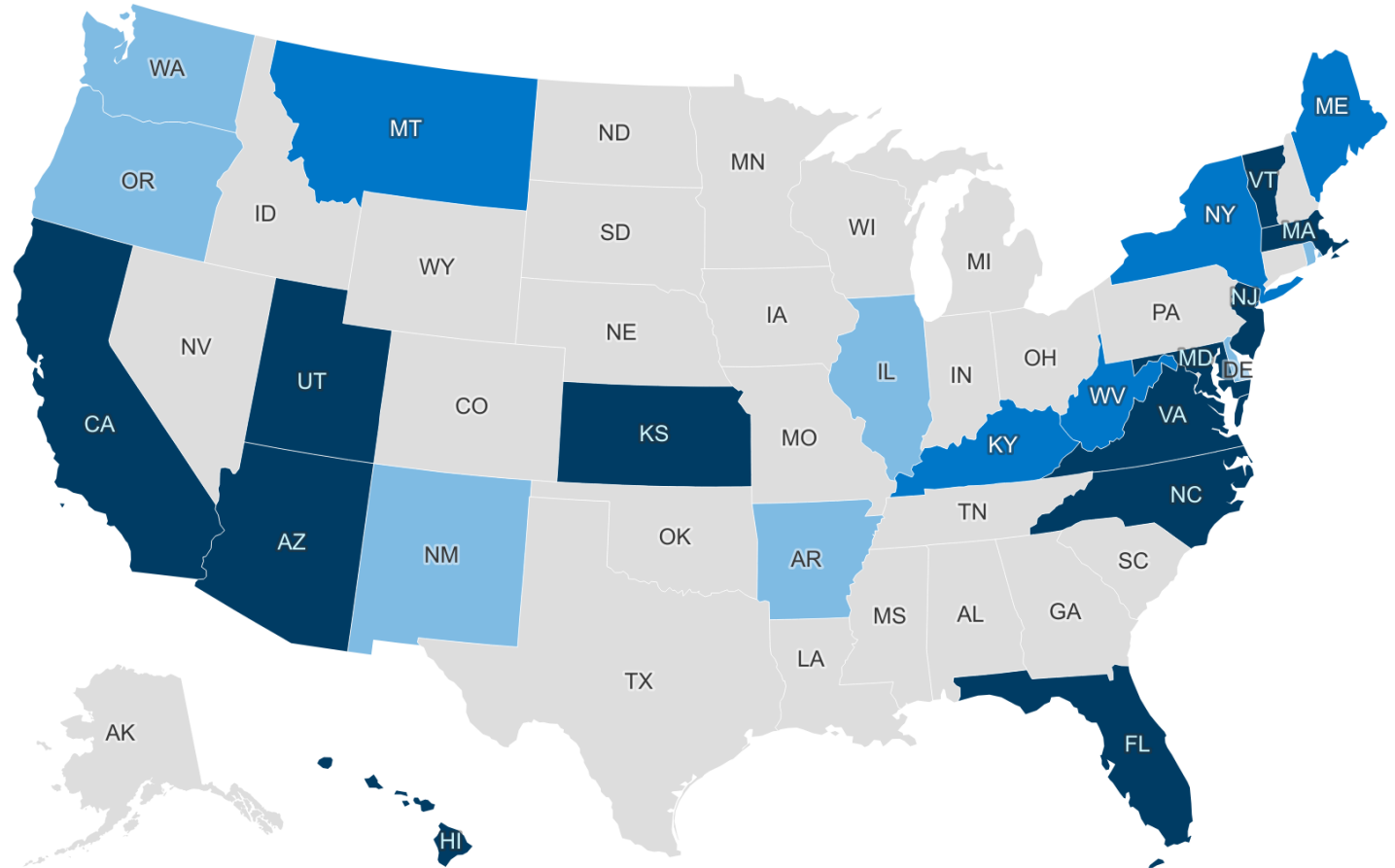


Figure 9

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?

