

# **Medicaid 1115 Waivers: Healthy Ohio, Healthy Indiana, and Initiatives from Other States**

Presentation to Senate Health, Human Services, and Medicaid Committee

Susan Ackerman

September 26, 2017



# Medicaid Section 1115 Waivers

- Section 1115 gives broad authority to HHS Secretary to authorize an experiment, pilot, or demonstration project that promotes the objectives of the Medicaid program.
- Waivers must be budget neutral at the federal level and must be renewed every 5 years
- Program evaluation is a key component of these waivers
- States are using 1115 waivers to tailor coverage for the expansion population

# What can we expect from the current federal administration?

- In a [letter to Governors](#) in March 2017, HHS and CMS leadership encouraged states to align Medicaid programs for working age, non-pregnant, non-disabled adults with common features of commercial insurance. Examples include:
  - Use of alternative benefit models, cost sharing, and HSAs;
  - Reasonable, enforceable premiums with protections for high-risk populations;
  - Initiatives to allow families to be together on same plan;
  - Waivers of non-emergency transportation;
  - Waivers of presumptive and retroactive eligibility; and
  - Emergency room copayments that encourage the use of primary care.

# Quick Review: Healthy Ohio Waiver Proposal

- Program design was specified in statute ([ORC 5166.40-5166.409](#))
- [Waiver proposal](#) was written by current CMS Administrator, Seema Verma
- Stated goals of the waiver included:
  - Promote member engagement in health and personal responsibility;
  - Increase use of preventive services;
  - Increase provider engagement in member healthy behaviors; and
  - Increase number of commercially insured Ohioans.
- [Waiver was denied](#) in September 2016, issues cited:
  - Charging premiums to a broad population regardless of income
  - Coverage lock out until all arrears are paid

# Quick Review: Healthy Ohio Waiver Proposal, con't

- All non-disabled adults over age 18 are **enrolled**;
- Required monthly **premiums** of 2% of income; coverage can be terminated for non-payment;
- Each recipient has a bifurcated HSA-like **Buckeye account**:
  - Core Account: includes premiums and up to \$320/yr in earned health incentives – can use for co-pays or for non-covered services
  - Non-core Account: state payment of \$1,000/yr – used to cover deductible
- Remaining funds can be rolled into **Bridge account** to help former recipients pay premiums and cost sharing for private coverage options
- **Co-payments** are required, but waived if core account has zero balance.

# Healthy Ohio showed savings against total spending; however, PMPM costs would be higher

<b>No Waiver</b>	<b>DY 1</b>	<b>DY 2</b>	<b>DY 3</b>	<b>DY 4</b>	<b>DY 5</b>
MM total	16,944,646	17,386,622	17,840,152	18,305,537	18,783,088
Total Spending	\$ 8,947,092,048	\$ 9,647,246,686	\$ 10,406,866,437	\$ 11,231,401,063	\$ 12,126,700,917
PMPM	\$ 528.02	\$ 554.87	\$ 583.34	\$ 613.55	\$ 645.62
<b>Waiver</b>	<b>DY 1</b>	<b>DY 2</b>	<b>DY 3</b>	<b>DY 4</b>	<b>DY 5</b>
MM total	15,434,145	15,836,403	16,249,167	16,672,711	17,107,320
Total Spending	\$ 8,777,739,087	\$ 9,464,280,652	\$ 10,209,219,714	\$ 11,017,764,416	\$ 11,895,654,281
PMPM	\$ 568.72	\$ 597.63	\$ 628.29	\$ 660.83	\$ 695.35
<b>Net Savings</b>	<b>\$ 169,352,962</b>	<b>\$ 182,966,034</b>	<b>\$ 197,646,723</b>	<b>\$ 213,636,647</b>	<b>\$ 231,046,636</b>

Source: Healthy Ohio Waiver Application

# Healthy Indiana 2.0

## Medicaid Expansion Population

**Income Between  
100-138% FPL**

**Pays Premium**

**HIP PLUS  
Enhanced benefits  
No Copays**

**Does Not Pay Premium**

**Disenrolled &  
Locked Out for 6  
Months**

**Income Between  
0-100% FPL**

**Pays Premium**

**HIP PLUS  
Enhanced benefits  
No Copays**

**Does Not Pay Premium**










**HIP BASIC  
No Vision/Dental  
Copays**




# Other Requirements in HB 49 (FY 2018-2019 Budget)

- [Premiums](#) – Budget assumes \$237M in savings attributable implementation of a premium requirement
- Work Requirements – ODM Director is required to establish a waiver program under which individuals in the Medicaid expansion group must meet at least one of the following requirements to be eligible for Medicaid:
  - Be at least 55 years of age;
  - Be employed;
  - Be enrolled in school or an occupational training program;
  - Be participating in an alcohol and drug addiction treatment group; or
  - Have intensive health care needs or a serious mental illness.



## New or Amended Waiver Proposals Undergoing Public Comment or CMS Review

Proposed Features									
	AR	AZ	IA	IN	KY	MA	ME	UT	WI
Premiums/Lockout	✓	✓	✓	✓	✓	✓	✓		✓
Cost Sharing	✓	✓	✓	✓	✓	✓	✓	✓	✓
Healthy Behavior Incentives	✓	✓	✓	✓	✓				✓
NEMT Waiver			✓	✓	✓	✓			
IMD Exclusion Waiver		✓		✓	✓	✓		✓	✓
Retroactivity Waiver	✓		✓	✓	✓	✓	✓	✓	
Delay in Enrollment				✓	✓				
Drug Screening									✓
Time Limits		✓						✓	✓
Partial Expansion (w/enhanced federal funding)	✓					✓			
Work-Related Provisions	✓	✓		✓	✓		✓	✓	✓
Health Savings-Like Accounts		✓		✓	✓				
Late Renewal Paperwork Penalty/Lock Out				✓	✓				
Closed Formulary						✓			

	Applies to Childless Adults (expansion state)		Applies to Childless Adults and Populations (expansion state)
	Applies to Childless Adults (non-expansion state)		Applies to Childless Adults and Populations (non-expansion state)