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Section 1115 Medicaid Demonstration Waivers: A Look at the Current Landscape of Approved and Pending Waivers

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Section 1115 Medicaid demonstration waivers provide states an avenue to test new approaches in Medicaid that differ from federal program rules. Waivers can provide states considerable flexibility in how they operate their programs, beyond what is available under current law, and can have a significant impact on program financing. While there is great diversity in how states have used waivers over time, waivers generally reflect priorities identified by states and the Centers for Medicare and Medicaid Services (CMS) (see Appendix A). As of September 2017, there are 33 states with 41 approved waivers[1] and 18 states with 21 pending waivers (see Appendix B and C for detailed tables).[2] [3] This brief answers basic questions about Section 1115 waiver authority and discusses the current landscape of approved and pending demonstration waivers (Figure 1). Key recent developments related to waivers include:

- On March 14, 2017, the CMS sent a letter to state governors that signaled a willingness to use Section 1115 authority to "support innovative approaches to increase employment and community engagement" and "align Medicaid and private insurance policies for non-disabled adults." Several states with ACA expansion waivers already have approval to implement provisions that aim to align Medicaid and Marketplace coverage. The CMS letter indicates a willingness to expand these policies to traditional Medicaid adults as well as a willingness to approve landmark program changes, like work requirements.
- A number of states have waivers pending at CMS that include provisions not previously approved including work requirements, drug screening and testing, eligibility time limits, and premiums with disenrollment for non-payment for traditional Medicaid populations. Some of requests are part of expansion waivers, while others would apply to traditional populations.
- Stakeholders are waiting to see how CMS will respond to pending waiver requests, especially those that have not been approved in the past and could lead to decreased program enrollment.

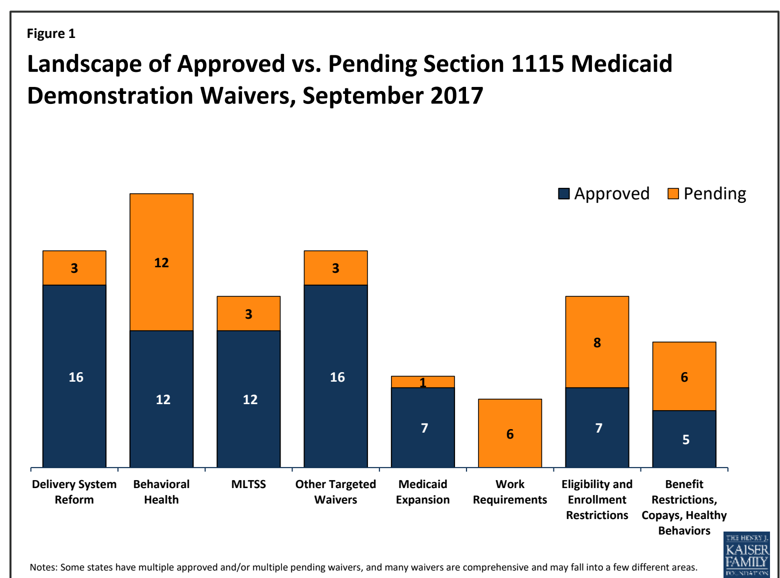


Figure 1

Landscape of Approved vs. Pending Section 1115 Medicaid Demonstration Waivers, September 2017

What are Section 1115 Medicaid waivers and how do they Work?

Authority and Purpose. Under Section 1115 of the Social Security Act, the Secretary of HHS can waive specific provisions of major health and welfare programs, including certain requirements of Medicaid and CHIP. This authority permits the Secretary to allow states to use federal Medicaid and CHIP funds in ways that are not otherwise allowed under the federal rules, as long as the Secretary determines that the initiative is a "experimental, pilot, or demonstration project" that "is likely to assist in promoting the objectives of the program." States can obtain "comprehensive" Section 1115 waivers that make broad changes in Medicaid eligibility, benefits and cost-sharing, and provider payments across their programs. There also are narrower Section 1115 waivers that focus on specific services or populations. While the Secretary's waiver authority is very broad, there are some elements of the program that the Secretary does not have authority to waive, such as the federal matching payment system for states, or requirements that are rooted in the Constitution such as the right to a fair hearing. Waivers are typically approved for a five-year period and can be extended, typically for three years.

Financing. While not set in statute or regulation, a longstanding component of Section 1115 waiver policy is that waivers must be budget neutral for the federal government. This means that federal costs under a waiver must not exceed what federal costs would have been for that state without the waiver, as calculated by the administration. The federal government enforces budget neutrality by establishing a cap on federal funds under the waiver, putting the state at risk for any costs beyond the cap.

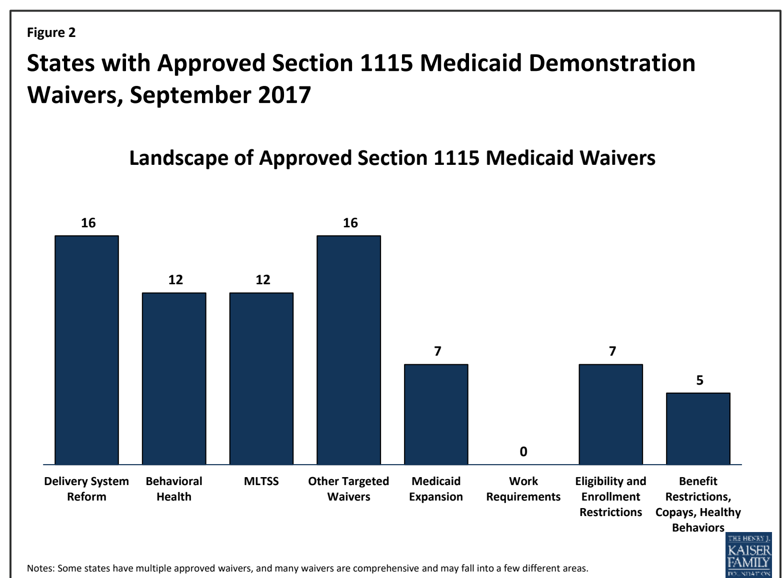
Transparency, Public Input and Evaluation. The Affordable Care Act (ACA) made Section 1115 waivers subject to new rules about transparency, public input and evaluation. In February 2012, HHS issued new regulations that require public notice and comment periods at the state and federal levels before new Section 1115 waivers and extensions of existing waivers are approved by CMS.[4] [5] The ACA also implemented new evaluation requirements for these waivers, including that states must have a publicly available, approved evaluation strategy. States also must submit an annual report to HHS that describes the changes occurring under the waiver and their impact on access, quality, and outcomes.[6]

What is the Current Landscape of Approved Section 1115 Medicaid waivers?

States have used waivers for many purposes, including to expand coverage, change delivery systems, alter benefits and cost-sharing, modify provider payments, and quickly extend coverage during an emergency. Increasingly, states are using Section 1115 waivers to combine programs (e.g., including authorities otherwise available under Section 1915 (b) managed care waivers and/or Section 1915 (c) home and community based services waivers, along with Section 1115 authority for other eligibility, benefits, delivery

Figure 2

States with Approved Section 1115 Medicaid Demonstration Waivers, September 2017



Notes: Some states have multiple approved waivers, and many waivers are comprehensive and may fall into a few different areas.

system and payment reforms) under one single authority.

As of September 2017, 33 states had 41 approved Section 1115 waivers (not including family planning or CHIP-only waivers). Some states have multiple waivers, and many waivers are comprehensive and may fall into a few different areas. Major areas of focus of current approved state Section 1115 waivers include delivery system reform initiatives, especially efforts that tie provider incentive payments to performance goals; integrating physical and behavioral health or providing enhanced behavioral health services to targeted populations; authorizing the delivery of Medicaid long-term services and supports (LTSS) through capitated managed care; responding to public health emergencies and providing coverage for other targeted groups; and the implementation of alternative ACA Medicaid expansion models (Figure 2). These themes are discussed in more detail below (also see Appendix B).

Delivery System Reform Waivers. Sixteen states have approved waivers that focus on delivery system reform initiatives, especially efforts that tie provider incentive payments to performance goals. These states are using Section 1115 expenditure authority to authorize spending of federal dollars on delivery system reforms that otherwise would not be available under current law.[7] Ten of these states are using Section 1115 waivers to implement Delivery System Reform Incentive Payment (DSRIP) initiatives.[8] [9] DSRIP initiatives, which emerged under the Obama Administration, provide states with significant federal funding to support hospitals and other providers in changing how they provide care to Medicaid beneficiaries.[10] DSRIP initiatives link funding for eligible providers to process and performance metrics.

A few other states have approved Section 1115 waivers for federal investment in delivery system reform initiatives other than DSRIP including Arizona's initiative to integrate physical and behavioral health care, Oregon's Coordinated Care Organizations (CCOs), and Vermont's all-payer ACO model. Florida and Tennessee as well as several states with other delivery system reform initiatives (Arizona, California, Kansas, Massachusetts, New Mexico, and Texas) also use Section 1115 authority to operate Uncompensated Care Pools (also called "Low Income Pools" in some states), to help defray the cost of uncompensated hospital care. Uncompensated Care Pool funding was being phased down according to post-ACA guidelines established by the Obama Administration, including acknowledging funding for direct coverage available under the ACA.[11] However, the Trump Administration recently approved Florida's Section 1115 waiver extension request, which included an increase in funding for the state's low income pool to $1.5 billion annually, reversing the trend toward reducing these funds.[12] [13] Although states continue to show interest in pursuing delivery system reform through Section 1115 waiver authority, the future of DSRIP and low income pool initiatives remains unclear. States will be watching how the new Administration responds to Texas' pending Section 1115 waiver extension application, which includes a request to continue its DSRIP initiative and to increase funding in its uncompensated care pool.

Behavioral Health. Twelve states are using Section 1115 waivers to provide enhanced behavioral health services (mental health and/or substance use disorder services) to targeted populations or to integrate the delivery of physical and behavioral health services. This includes states responding to CMS guidance issued in 2015, which describes a new Section 1115 waiver opportunity that supports states' ability to provide more effective care to Medicaid beneficiaries with a substance use disorder (SUD), including the provision of treatment services not otherwise covered under Medicaid. For example, states may receive federal matching

funds for costs (otherwise not matchable) to provide coverage for services provided to nonelderly adults residing in institutions for mental disease (IMDs) for short-term acute SUD treatment.

MLTSS. Twelve states are using Section 1115 waivers to authorize the delivery of Medicaid long- term services and supports (LTSS) through capitated managed care. While various Medicaid state plan authorities enable states to expand beneficiary access to home and community-based services (HCBS), states are using Section 1115 waivers in efforts to streamline program administration, improve care coordination, and expand beneficiary access to home and community-based services (HCBS). These states need waiver authority to require seniors and people with disabilities to enroll in managed care. Most Section 1115 MLTSS waivers include provisions designed to expand HCBS financial eligibility. Over half of states with Section 1115 MLTSS waivers expand HCBS eligibility to people with functional needs who are "at risk" of institutionalization.

Other Targeted Waivers. Section 1115 waivers have also historically helped states quickly provide Medicaid support during emergency situations. Currently, Michigan is operating a Section 1115 waiver to expand eligibility and provide additional services targeted to pregnant women and children affected by the Flint water supply crisis. Fifteen other states also operate narrow Section 1115 waivers that affect targeted populations (e.g., persons with HIV/AIDS, seniors and people with disabilities, uninsured nonelderly adults in non-expansion states). These targeted waivers may provide limited benefit coverage and/or include cost-sharing.

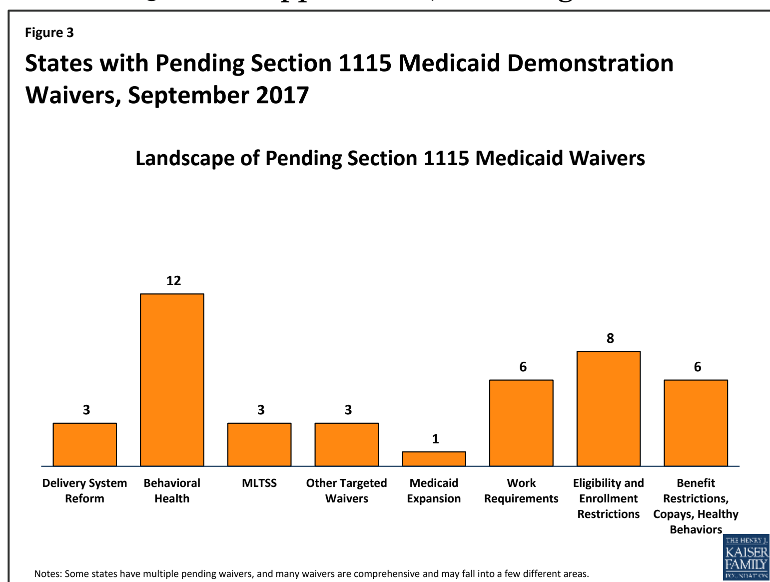
ACA Expansion Waivers. A few states have sought Section 1115 waivers to implement the ACA's Medicaid expansion, in part because they could not otherwise secure political support to expand coverage. As of September 2017, seven states (Arizona, Arkansas, Iowa, Indiana, Michigan, Montana, and New Hampshire) have approved waivers to implement the ACA Medicaid expansion in ways that extend beyond the flexibility provided by the law. While the waivers are each unique, they include some common provisions including: implementing the Medicaid expansion through a premium assistance model; charging premiums beyond what is authorized in federal law; eliminating non-emergency medical transportation, an otherwise required benefit; and using healthy behavior incentives to reduce premiums and/or co-payments. Indiana's waiver included provisions that had not been approved in other states including allowing the state to waive retroactive eligibility (later approved in New Hampshire and Arkansas); making coverage effective on the date of the first premium payment instead of the date of application; and barring certain expansion adults from re-enrolling in coverage for six months if they are dis-enrolled for unpaid premiums (a lock-out of up to three months for certain expansion adults was later approved in Montana).[14] Table 1 illustrates eligibility and enrollment as well as benefit, co-payment, and healthy behavior incentive provisions approved as part of ACA expansion waivers to date.

Table 1: Themes in Approved ACA Expansion Waivers							
	AR[i]	AZ	IA	IN	MI	MT	NH
Eligibility and Enrollment							
Premium Assistance	QHP & ESI		ESI	ESI	QHP		QHP
Premiums / Monthly Contributions	X	X	X	X	X	X	
Reasonable Promptness				X			
Waive Retroactive Eligibility	X[ii]			X			X
12-Month Continuous Eligibility						X	
Benefit Restrictions, Copays, and Healthy Behaviors							
Waive Required Benefits (NEMT)			X	X			
Co-payments Above Statutory Limits				X[iii]			
Healthy Behavior Incentives		X	X	X	X		

Notes: "QHP" refers to Qualified Health Plans. "ESI" refers to employer-sponsored health insurance. i-AR waiver provides authority for state to not offer NEMT for individuals covered through ESI who do not demonstrate need for services. ii-AR waiver includes conditional waiver of retroactive coverage, contingent upon state coming into compliance with statutory and regulatory requirements related to eligibility determinations. iii-Cost-sharing waiver approved in IN under Section 1916(f), not Section 1115.

What is the Current Landscape of Pending Section 1115 Medicaid waivers?

As of September 2017, 18 states had 21 pending Section 1115 waiver applications, including new applications, renewals, and amendments to existing waivers (see Appendix C).[15] Pending waiver requests continue in established areas including delivery system reform, behavioral health, MLTSS, and waivers that affect targeted populations (Figure 3). Additionally, under the new Administration, some states are seeking waiver authority to impose welfare-like restrictions and to make other changes to eligibility, enrollment, and benefits that have not been approved by CMS to date, or have only been approved as part of Medicaid expansion waivers. New/emerging themes in pending waiver are discussed below.



Behavioral Health. As of September 2017, 12 states (AZ, FL, IL, IN, KY, MI, MO, NC, UT, VA, WI, and WV) had pending waiver requests that include behavioral health initiatives. Eight of these states (AZ, IL, IN, KY, MI, WI, WV, and UT) seek to waive the IMD payment exclusion to receive federal Medicaid funds for inpatient behavioral health services for nonelderly adults. Five states (FL, IL, MI, UT, and VA) seek waiver authority to fund other behavioral health or supportive services for people with behavioral health needs, such as supportive

housing, supported employment, peer supports, and/or community-based SUD treatment services.[16] Three states (MO, VA, and UT) seek authority to add or expand coverage to targeted groups of adults with behavioral health needs who are otherwise uninsured. Three states (IL, MI, and NC) request waiver authority for delivery system reform initiatives, such as physical/behavioral health integration, value-based purchasing, and improved coordination between traditional health plans and those providing specialty behavioral health services.

Work Requirements. As of September 2017, six states (AR, IN, KY, ME, UT, and WI) have pending waiver requests that would require work as a condition of eligibility, for expansion adults and/or traditional populations (Table 2). Medicaid work requirement proposals generally would require beneficiaries to verify their participation in approved activities, such as employment, job search, or job training programs, for a certain number of hours per week to receive health coverage. The proposals typically would exempt certain populations, but little detail is available to date about who would qualify for these exemptions, how the policies would be administered, and who would provide work support services. To date, CMS has not approved state waiver requests to require that Medicaid beneficiaries work as a condition of eligibility, on the basis that such a provision would not further the program's purposes of promoting health coverage and access.

Table 2: Populations Who Would Be Subject to Work Requirements in Pending Waivers

	AR	IN	KY	ME	UT	WI
Expansion Adults	X	X	X			
Traditional Adults		X (low income parents, Transitional Medical Assistance)	X (low income parents)	X (parents up to 105% FPL, former foster care youth, Transitional Medical Assistance, medically needy, family planning)	X (parents from 60-100% FPL and childless adults 0-100% FPL)	X (adults without dependent children from 0-100% FPL)

Eligibility and Enrollment Restrictions. To date, CMS has approved certain eligibility and enrollment related waiver provisions as part of ACA Medicaid expansion waivers including charging premiums beyond what is allowed under federal law; eliminating retroactive eligibility; making coverage effective on the date of the first premium payment (instead of the date of application); and locking-out certain expansion adults disenrolled for unpaid premiums (Table 1). Under the new Administration, states are seeking approval of some of the same types of provisions included in Medicaid expansion waivers but are seeking to apply these provisions to traditional Medicaid populations. States are also seeking approval of more restrictive eligibility and enrollment provisions than have been approved by CMS to date, which could apply to expansion adults and traditional Medicaid populations. Many of these proposed provisions would lead to reduced Medicaid enrollment according to state estimates. Eligibility and enrollment provisions included in pending waiver requests that have not been approved by CMS to date are summarized in Table 3 below.

Table 3: Eligibility and Enrollment Restrictions Not Approved To Date in Pending Waivers							
	AR	IN	KY	ME	TX*	UT	WI
Limit expansion eligibility to 100% FPL with enhanced match	X						
Eliminate Hospital Presumptive Eligibility				X		X	
Asset Test for Poverty-Related Eligibility Pathways				X			
Waive MAGI Requirements					X		
Drug Screening and Testing							X
Premiums with Disenrollment for Non-Payment *for Traditional Medicaid Populations*			X	X			X
Tobacco Surcharge		X					
Lock-out for Failure to Timely Renew Eligibility		X	X				
Time Limit on Coverage				X		X	X

Notes: Texas has multiple pending waivers; pending waiver in table refers to Texas' "Healthy Women" family planning waiver. Not shown in table: Iowa has pending waiver request to eliminate retroactive eligibility for all populations.

Benefit Restrictions, Copays, and Healthy Behaviors. CMS has approved waivers that eliminate non-emergency medical transportation, implement healthy behavior incentives (tied to premium or cost sharing reductions), and charge copays in excess of the federal maximum for non-emergent use of the emergency room primarily in Medicaid expansion waivers.[17] States are continuing to seek authority to implement similar provisions, with some states seeking to apply these provisions to traditional (non-expansion) populations. Available data about healthy behavior programs in Iowa, Michigan, and Indiana suggest that complex provisions require extensive administrative resources and beneficiary education to implement.[18] [19] Texas also has a pending family planning waiver that includes a request to waive beneficiary freedom of choice for family planning services, a provision not approved by CMS to date.

What to Watch in Waivers Going Forward?

This brief covers approved and pending waivers submitted to CMS to date. Other states are actively preparing waivers or amendments for submission. Arizona completed a state public comment period for a waiver amendment that proposes changes to coverage for all "able-bodied" Medicaid adults, not only those who newly gained coverage under the ACA's expansion, including a work requirement as a condition of eligibility, a 5-year lifetime limit on benefits, monthly income and work verifications and eligibility renewals, and a one-year lock-out for those who knowingly fail to report a change in income or make a false statement about work compliance.[20] Massachusetts is planning to submit a waiver that requests permission to adopt a closed prescription drug formulary, among other changes.

Under the new Administration, states, beneficiaries, providers, and other stakeholders are waiting to see whether requirements for transparency, public input, and budget neutrality will be maintained; how CMS will respond to pending state waiver requests, especially waiver requests that contain provisions not previously approved under Medicaid; whether newly approved waivers will be challenged in the court system as inconsistent with Medicaid program purposes or otherwise outside the Secretary's authority;

and how states will design behavioral health waivers including those seeking to provide a full continuum of care for SUD treatment services. Key waivers to watch include Kentucky, Indiana, Arkansas, Maine, Wisconsin, Utah, and Texas where the new Administration will consider state requests for work requirements, eligibility and enrollment restrictions, and benefit restrictions which would apply to populations beyond Medicaid expansion adults.

Appendix A

How Have States Used Section 1115 Demonstration Waivers in the Past?

From Medicaid's beginning in 1965 through the early 1990s, waivers were small in scope. Beginning in the 1990s, there was an increase in waiver activity, and waivers became broader in scope. General periods of waiver activity are discussed below:

Broad Expansion Waivers (Mid-1990s-2001). In the mid-90s through the early part of this decade most waivers focused on expanding coverage (this was pre-ACA – before statutory authority/federal funds directly authorized for coverage expansion to childless adults). Many began as state efforts to implement broader managed care systems than were permitted under federal law. States used savings from mandatory managed care or redirected disproportionate share hospital (DSH) funds to offset expansion costs, and flush economic times during the mid- to late-90s helped support expansion efforts. Two of the largest waivers approved during this time (Oregon Health Plan and Tenncare) also restructured coverage for existing beneficiaries in ways that were considered very controversial at the time.

HIFA Waivers (2001 Forward). In August 2001, under President Bush, the administration announced the Health Insurance Flexibility and Accountability (HIFA) waiver initiative, which promoted the use of waivers to expand coverage within "current-level" resources and offered states increased flexibility to reduce benefits and charge cost-sharing to offset expansion costs. However, states had limited interest and success in expanding coverage under HIFA, and waivers instead began to increasingly focus on cost control as the nation moved into an economic downturn. Expansions that did move forward under HIFA waivers were generally limited, particularly when compared to the larger expansions of the 1990s.

Reform Waivers (2005 Forward). Beginning in 2005, some broad waivers were approved that restructured Medicaid financing and other key program elements, for example, by setting a global cap on federal funds.[21] These waivers stemmed from continued federal emphasis on and interest by some states in controlling and increasing predictability of program costs as well as ideas about reshaping Medicaid to promote personal responsibility and reflect private market trends. However, during this same period, Massachusetts obtained a waiver that provided support for its efforts to provide universal coverage without significantly restructuring its Medicaid program.

Pre-ACA Expansion Waivers (2010-2013). Six states (California, Colorado, the District of Columbia, Minnesota, New Jersey, and Washington) used waivers to expand Medicaid coverage to adults after the enactment of the ACA to prepare for 2014.

Emergency Waivers (periodic over time in response to emergencies). Beyond these themes, waivers have also helped states quickly provide Medicaid support during emergency situations, for example, by enabling a vastly streamlined enrollment process in New York in the wake of the September 11th attacks, and by assisting states in providing temporary Medicaid coverage to certain groups of Hurricane Katrina survivors.

Appendix B – Approved Section 1115 Medicaid Waivers, as of September 2017

	Waiver Name	Waiver Expiration Date	Delivery System Reform	BH	MLTSS*	Other Targeted Populations	Medicaid Expansion	Work Requirements	Eligibility and Enrollment Restrictions	Benefit Restrictions, Copays, Healthy Behaviors
	Total active, approved waivers: 41 (across 33 states)		**16**	**12**	**12**	**16**	**7**	**0**	**7**	**5**
AL	Alabama Medicaid Transformation**	3/31/2021	X							
AR	Arkansas Works	12/31/2021					X		X	
AR	Arkansas' Tax Equity and Fiscal Responsibility Act (TEFRA-like)	12/31/2017				expands eligibility for children with disabilities				
AZ	Arizona Health Care Cost Containment System	9/30/2021	X	X	X		X		X	X
CA	California Medi-Cal 2020	12/30/2020	X	X	X					
DE	Delaware Diamond State Health Plan	12/31/2018		X	X					
FL	Florida Managed Medical Assistance	06/30/2022	X							X
FL	Florida MEDS-AD	12/31/2017				expands eligibility for seniors and people with disabilities				
HI	Hawaii QUEST Integration	12/31/2018		X	X					
IA	Iowa Wellness Plan	12/31/2019					X		X	X
IN	Healthy Indiana Plan (HIP) 2.0	1/31/2018					X		X	X
IN	Indiana End Stage Renal Disease (ESRD)	12/31/2020				expands eligibility for Medicare-enrolled people with ESRD				
KS	KanCare	12/31/2017	X	X	X^					
MA	MassHealth	6/30/2022	X	X						
MD	Maryland Health Choice	12/31/2021		X						
ME	Maine Section 1115 Demonstration for Individuals with HIV/AIDS	12/31/2017				expands eligibility and provides limited benefit package for people with HIV/AIDS				
MI	Healthy Michigan	12/31/2018					X		X	X
MI	Flint MI	2/28/2021				expands eligibility and provides additional services to pregnant women & children				
MN	Minnesota Reform 2020: Pathways to Independence	6/30/2018				expands eligibility for HCBS				
MN	Minnesota Prepaid Medical Assistance Project Plus	12/31/2020				expands eligibility for one-year-old children				
MO	Missouri Gateway to Better Health	12/31/2022				expands eligibility and provides limited benefits to nonelderly adults in St. Louis area				
MS	Healthier Mississippi	9/30/2018				expands eligibility and offers limited benefit package to capped number of seniors and people with disabilities				
MT	Montana Health Economic Livelihood Partnership (HELP)	12/31/2020					X		X	
MT	Montana Additional Services and Populations	12/31/2017		X						

	Waiver Name	Waiver Expiration Date	Delivery System Reform	BH	MLTSS*	Other Targeted Populations	Medicaid Expansion	Work Requirements	Eligibility and Enrollment Restrictions	Benefit Restrictions, Copays, Healthy Behaviors
NH	New Hampshire Health Protection Program Premium Assistance Demonstration	12/31/2018					X		X	
NH	Building Capacity for Transformation	12/31/2020	X	X						
NJ	New Jersey Comprehensive Waiver	6/30/2022	X	X	X	provides HCBS to targeted groups of people with I/DD				
NM	Centennial Care	12/31/2018	X		X					
NV	Nevada Comprehensive Care	6/30/2018				provides primary care case management to high-cost/high-need people w/ certain chronic conditions				
NY	New York Medicaid Redesign Team	3/31/2021	X	X	X					
OK	Oklahoma SoonerCare	12/31/2017				expands eligibility to certain populations (working people with disabilities, college students, working foster parents, nonprofit employees), varies benefits and cost-sharing, and authorizes federal funds for primary care case management				
OR	Oregon Health Plan	6/30/2022	X							
RI	Rhode Island Comprehensive Demonstration	12/31/2018	X		X					
TN	TennCare II	6/30/2021	X		X					
TX	Texas Healthcare Transformation and Quality Improvement Program	12/31/2017	X		X					
UT	Primary Care Network	12/31/2017				expands eligibility and provides limited benefit package to nonelderly adults				
VA	Virginia Governor's Access Plan (GAP) and Addiction and Recovery Treatment Services (ARTS) Demonstration	12/31/2019		X						
VT	Vermont Global Commitment to Health	12/31/2021	X		X					
WA	Washington Medicaid Transformation Project	12/31/2021	X			expands eligibility and offers limited HCBS benefit package targeted to seniors with unpaid family caregivers				
WI	Badger Care Reform	12/31/2018				expands eligibility and establishes sliding scale premiums for nonelderly adults				
WI	Wisconsin SeniorCare	12/31/2018				authorizes pharmacy benefits and cost-sharing for seniors				

NOTES: "MLTSS" = Managed long-term services and support, "BH" = Behavioral health. Delivery system reform includes states with DSRIP initiatives (CA, KS, MA, NH, NJ, NM, NY, RI, TX, WA), and states that receive federal dollars for other (i.e., non-DSRIP), smaller delivery system reform initiatives (AL, AZ, OR, VT), and states with uncompensated care pools (AZ, CA, FL, KS, MA, NM, TN, and TX). Delivery System Reform does not include/capture states mandating managed care through Section 1115. Medicaid Expansion includes states implementing the ACA Medicaid expansion through alternative models. MLTSS includes only capitated MLTSS. Behavioral health includes states providing enhanced behavioral health services to targeted populations (e.g., SMI or SUD) and/or states implementing initiatives focused on the integration of physical and behavioral health care. Other targeted includes narrow waivers focused on specific populations and/or services. This table does NOT include family planning or CHIP-only waivers. *Four states (CA, NY, RI & TX) have concurrent Section 1115A authority for financial alignment demonstrations that integrate Medicare and Medicaid benefits for dual eligible beneficiaries in a single health plan. **Alabama is no longer moving forward with this demonstration and is in the process of standing down the demonstration. ^Kansas administers MLTSS through concurrent Section 1115/1915 (c) waivers.

Appendix C – Pending Section 1115 Medicaid Waivers, as of September 2017

	Waiver Name	New, Amendment, Extension	Delivery System Reform	BH	MLTSS	Other Targeted Populations	Medicaid Expansion	Work Requirements	Eligibility and Enrollment Restrictions	Benefit Restrictions, Copays, Healthy Behaviors
	Total pending waivers: 21 (across 18 states)		**3**	**12**	**3**	**3**	**1**	**6**	**8**	**6**
AR	Arkansas Works	Amendment						X	X	
AZ	Arizona Health Care Cost Containment System	Amendment		X						
FL	Florida Managed Medical Assistance	Amendment		X						
IA	Iowa Wellness Plan	Amendment							X	
IL	Illinois Behavioral Health Transformation	New		X						
IN	Healthy Indiana Plan (HIP) 2.0	Extension + Amendment		X				X	X	
KY	Kentucky HEALTH	New + Amendment		X			X	X	X	X
MA	MassHealth	Amendment								X
ME	MaineCare	New						X	X	X
MI	Michigan Pathway to Integration	New		X	X					
MI	Michigan Brain Injury Waiver	New				Would provide specialized rehabilitative services to limited number of adults with brain injuries				
MO	Missouri Mental Health Crisis Prevention Project	New		X						
NC	North Carolina's Medicaid Reform Demonstration	New	X	X	X					
RI	Rhode Island Comprehensive Demonstration	Amendment				Would establish pilot program for cortical integrative therapy for brain injuries				
TX	Texas Healthcare Transformation and Quality Improvement Program	Extension	X							
TX	Healthy Women	New							X	X
UT	Primary Care Network	Extension + Amendment		X		Would cover limited groups of childless adults		X	X	X
VA	Virginia Governor's Access Plan (GAP) and Addiction and Recovery Treatment Services (ARTS) Demonstration	Amendment		X						
VA	Virginia Delivery System Transformation	New	X		X					
WI	Badger Care Reform	Amendment		X				X	X	X
WV	WV Creating a Continuum of Care for Medicaid Enrollees with SUD	New		X						

NOTES: State waiver renewals that do not propose changes and amendments that are technical in nature are excluded from this table. Family planning waivers are excluded with the exception of Texas' Healthy Women waiver.

Endnotes

[1] not including family planning or CHIP-only waivers

[2] Pending waivers include new waivers, waiver extensions/renewals, and waiver amendments. State waiver renewals that do not propose changes and amendments that are technical in nature are excluded from the count of pending waivers. Family planning waivers are excluded with the exception of Texas' Healthy Women waiver.

[3] Some states have multiple waivers, and many waivers are comprehensive and may fall into a few different areas.

[4] Kaiser Commission on Medicaid and the Uninsured, *The New Review and Approval Process Rule for Section 1115 Medicaid and CHIP Demonstration Waivers,* (Washington, DC: Kaiser Commission on Medicaid and the Uninsured, March 2012), http://kff.org/health-reform/fact-sheet/the-new-review-and-approvalprocess-rule/.

[5] Indiana filed an amendment to its pending extension on May 25, 2017 and Kentucky filed an amendment to its pending application on July 3, 2017. Neither state held a state-level public comment period before submission to CMS. Although the final regulations involving public notice do not require a state-level public comment period for amendments to existing/ongoing demonstrations, CMS has historically applied these regulations to amendments. However, these amendments were not to ongoing demonstrations but to a new waiver request (KY) and extension request (IN).

[6] Robin Rudowitz, MaryBeth Musumeci, and Alexandra Gates, *Medicaid Expansion Waivers: What Will We Learn?* (Washington, DC: Kaiser Commission on Medicaid and the Uninsured, March 2016), http://kff.org/medicaid/issue-brief/medicaid-expansion-waivers-what-will-we-learn/.

[7] Some of these states have Section 1115 waivers that utilize managed care; however, many types of managed care delivery systems could be implemented without waiver authority (although states do need Section 1115 authority to mandate managed care for certain groups including children with special needs, foster care kids, and duals). A number of other states are engaged in delivery system reform efforts outside of this group, through Medicaid initiatives that do not receive funding under Section 1115.

[8] Centers for Medicare and Medicaid Services (CMS), *Medicaid & CHIP Strengthening Coverage, Improving Health,* (Baltimore, MD: Centers for Medicare and Medicaid Services, January 2017), https://www.medicaid.gov/medicaid/program-information/downloads/accomplishments-report.pdf.

[9] DSRIP states: California, Kansas, Massachusetts, New Hampshire, New Jersey, New Mexico, New York, Rhode Island, Texas, and Washington

[10] Originally, DSRIP initiatives were more narrowly focused on funding for safety net hospitals and often grew out of negotiations between states and HHS over the appropriate way to finance hospital care.

[11] These principles specifically establish that 1) uncompensated care pool funding should not pay for costs that would be covered in a Medicaid expansion, 2) Medicaid payments should support services provided to Medicaid beneficiaries and low-income uninsured individuals, and 3) provider payment should promote provider participation and access, and should support plans in managing and coordinating care.

[12] Florida Managed Medical Assistance Program (MMA), Special Terms and Conditions, #11-W-00206/4, approved August 3, 2017, https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/fl/fl-medicaid-reform-ca.pdf.

[13] Under Florida's LIP, funding was set at $1 billion in SFY 2016 and $608 million in SFY 2017. CMS indicated the new LIP funding amount approved as part of the state's extension request reflects "the most recent available data on hospitals' charity care costs." Florida's LIP funds may be used for health care costs incurred by the state or by providers (hospitals, medical school physician practices, and FQHCs/RHCs) to furnish uncompensated medical care for uninsured low-income individuals up to 200% FPL.

[14] IN renewal pending

[15] Pending waivers include new waivers, waiver extensions/renewals, and waiver amendments. State waiver renewals that do not propose changes and amendments that are technical in nature are excluded from the count of pending waivers. Family planning waivers are excluded with the exception of Texas' Healthy Women waiver.

[16] IN and WV also note the addition of community-based behavioral health services but do not appear to request or require waiver authority to do so.

[17] Cost-sharing waiver approved under Section 1916(f), not Section 1115

[18] MaryBeth Musumeci, Robin Rudowitz, Petry Ubri, and Elizabeth Hinton, An Early Look at Medicaid Expansion Waiver Implementation in Michigan and Indiana, (Washington, DC: Kaiser Family Foundation, January 2017), http://www.kff.org/medicaid/issue-brief/an-early-look-at-medicaid-expansion-waiver-implementation-in-michigan-and-indiana/.

[19] Natoshia M. Askelson et al., "Iowa's Medicaid Expansion Promoted Healthy Behaviors But Was Challenging To Implement And Attracted Few Participants," Health Affairs 36, no. 5 (May 2017): 799-807, http://content.healthaffairs.org/content/36/5/799.abstract.

[20] Arizona previously sought similar changes, which were denied by the Obama Administration in September, 2016, but state law requires Arizona to request these components annually.

[21] The State Health Access Data Assistance Center (SHADAC) (a program of the Robert Wood Johnson Foundation), *Medicaid Block Grants: Lessons from Rhode Island's Global Waiver*, (Minneapolis, MN: The State Health Access Data Assistance Center, June 2013) (*citing* "Rhode Island also purposefully built a cushion into its fiscal projections and the Global Waiver was much more generous than typical block grant proposals."), http://www.shadac.org/sites/default/files/publications/RI_Global_Waiver_Brief_FINAL.pdf.