1. Medicaid Section 1115 Demonstration Waiver
Introduction and Trends
Medicaid is jointly financed by federal and state governments and is administered by the state

**Federal**
- Social Security Act
- Affordable Care Act (ACA)
- Benefits
  - Mandatory (Ex: NEMT)
  - Optional (Ex: Dental care)

**State**
- Administration of Medicaid
State mechanisms for operating Medicaid:

• State Plans
  o Document that describes overall state Medicaid structure

• Waivers
  o Must apply for waiver if changing Medicaid structure in a way that would violate federal requirements
Section 1115 Demonstration Waivers

• **Can be used to:**
  - Restructure state Medicaid programs
  - Provide targeted services to specific populations
  - Authorize payment for innovative services

• **Requirements:**
  - Budget neutrality
  - Transparency

• **Secretary of Health and Human Services (HHS)**
  - Discretion to approve or reject
Waivable under 1115 Demonstration Waivers

• Section 1902
  o Statewideness
  o Comparability
  o Freedom of choice

Limits to 1115 Demonstration Waivers

• Outside of Section 1902 (ex: open formulary requirement)
• Waivers must be likely to promote Medicaid objectives
• Programs must be “experimental, pilot or demonstration projects”
1115 Demonstration Waiver Trends

Historical use

- **Expanding** access to Medicaid
  - EX: broader coverage for HIV populations
- **Alter Medicaid delivery and payment systems**
  - EX: value-based payment systems

Current trends

- **Restriction** of access to Medicaid
  - Work Requirements
  - Restriction/elimination of NEMT
  - Lock outs
  - Increased cost sharing