

Center for Medicaid and CHIP Services

Medicaid and CHIP FAQs: Section 1115 Demonstrations

Q1: Will Medicaid section 1115 demonstrations continue beyond December 31, 2013?

A1: The section 1115 waiver authority continues and whether a particular waiver continues will vary by State. CMS has been working with States individually to determine the appropriate waivers and expenditure authorities that will be extended beyond December 31, 2013. For example, States that have utilized demonstrations to expand eligibility to the childless adult population will no longer need the expenditure authority because this population will become a mandatory State plan population under the Affordable Care Act's Medicaid eligibility expansion. On the other hand, States that have utilized demonstrations to undertake delivery system reforms may still require waivers and/or expenditure authorities to execute those reforms beyond December 31, 2013.

CMS will work with States to develop and submit the transition plans that are required by the Special Terms and Conditions of each demonstration. These transition plans will serve as a vehicle for discussion of the various options that States will have in 2014 and beyond, including for populations with incomes above 133 percent of the Federal poverty level (FPL). CMS will engage with States during State Operations and Technical Assistance (SOTA) calls to work through State-specific transition issues.

Q2: Many State demonstrations require that a transition plan to 2014 be submitted by a specified date, in many cases by July 1, 2012. Will CMS provide guidance and technical assistance before then? What specifically is required to be included in the transition plan?

A: CMS plans to provide technical assistance on transition plans to States through the State Operations and Technical Assistance Team (SOTA) calls and through other calls with the State. We will also be providing additional guidance about the information that should be included in the transition plans. We will consider the transition plans that need to be submitted by the due date as living documents that are open to revision, and will continue to work with States to ensure a seamless transition in 2014 for beneficiaries and States.

Q3: Can the State Operations and Technical Assistance Team (SOTA) calls replace the requirement for submitting an 1115 transition plan?

A3: The SOTA calls cannot replace the submission of a transition plan, as the plan is a required deliverable under the State's Special Terms and Conditions. However, we expect to use the SOTA calls as a platform for transition planning discussions. We are also available for additional calls with States as needed. We can accept as the State's required early deliverable, a summary of the issues that the State needs to address in the transition plan, given the specific features of its waiver and plans for 2014. We will work with States in subsequent months to fully develop the transition plan to ensure it is in place in time for 2014.

Q4: If a State's section 1115 demonstration is expiring in 2012, can the State request an extension?

A4: Yes. CMS will continue to consider section 1115 demonstration extension requests. However, the State's proposal must include a plan to address changes in its demonstration that would need to take place to ensure readiness for 2014. Please also note that extension requests are subject to the recently issued transparency final rule (<http://www.gpo.gov/fdsys/pkg/FR-2012-02-27/html/2012-4354.htm>) and corresponding State Health Officials letter (<http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/SHO-12-001.pdf>), which outlines the new public notice comment and process requirements.

Q5. Will CMS approve enrollment caps or periods of ineligibility in section 1115 demonstrations?

A5: The Affordable Care Act provides significant federal support to ensure the availability of coverage to low-income adults. Enrollment caps limit enrollment in coverage on a first come, first serve basis. Periods of ineligibility delay or deny coverage for otherwise eligible individuals. These policies do not further the objectives of the Medicaid program, which is the statutory requirement for allowing section 1115 demonstrations. As such, we do not anticipate that we would authorize enrollment caps or similar policies through section 1115 demonstrations for the new adult group or similar populations.

Q6. Can states that extend eligibility for adults and propose, through a section 1115 demonstration, changes to the delivery of health care services still be eligible for the increased federal matching rate available under the Affordable Care Act?

A6: Demonstrations focused on changes to how health care services are delivered, such as the use of managed care, will not generally affect the state's matching rate. Please refer to our February 2013 FAQs (available at <http://medicaid.gov/State-Resource-Center/FAQ-Medicaid-and-CHIP-Affordable-Care-Act-ACA-Implementation/Downloads/ACA-FAQ-BHP.pdf>), which provide further clarification on the two increased federal match rates: the newly eligible rate and the expansion state rate as well as the final FMAP rule published on April 2, 2013 (available at <http://www.gpo.gov/fdsys/pkg/FR-2013-04-02/pdf/2013-07599.pdf>). Additionally, CMS issued two State Medicaid Director letters, on July 10, 2012, that provide guidance on how states can adopt integrated care models without the need for a section 1115 demonstration.

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