

HHS Report on Section 1115 Demonstration Transparency



Medicaid and CHIP Payment and Access Commission
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Overview

- Background on Section 1115 demonstration transparency requirements added by the ACA
- Review HHS's recent report to Congress on its implementation of these requirements
- Discussion of potential areas for Commission comments:
 - Monitoring and evaluation reports
 - Budget neutrality and other HHS approval criteria
 - Reducing administrative barriers for states

Section 1115 demonstrations

- The Secretary of HHS has broad authority to approve Section 1115 demonstrations that promote Medicaid objectives
- As of September 2015, a total of 55 demonstrations were operating in 38 states
- Current types of demonstrations include:
 - Premium assistance
 - Delivery system reform incentive payments (DSRIP)
 - Managed long-term services and supports
 - Family planning benefits

ACA transparency requirements

- In response to concerns raised by GAO, the ACA added several new transparency requirements for Section 1115 demonstrations:
 - State and federal public notice
 - Monitoring and evaluation reports
 - Goals and expected costs of demonstrations
- The ACA requires HHS to report annually on its implementation of these requirements

Report summary: Public notice

- In 2012, HHS finalized regulations applying new public notice requirements to demonstrations:
 - Requiring states to hold at least two public hearings before submitting a demonstration application and renewal request
 - Establishing a minimum 30-day public comment period for federal review
 - Requiring many demonstration documents to be posted online
- Since April 2012, HHS has received more than 1,500 public comments

Report summary: Approval criteria

- In response to additional GAO concerns, HHS developed four broad criteria to evaluate Section 1115 demonstration proposals
- Demonstrations are considered likely to promote Medicaid objectives if they:
 - increase and strengthen overall coverage of low-income individuals in the state;
 - increase access to, stabilize, and strengthen providers and provider networks ;
 - improve health outcomes, or;
 - Increase the efficiency and quality of care through initiatives to transform service delivery networks

Report summary: Review process

- In July 2015, HHS began a new fast track review process to expedite the review of certain extension requests
- HHS provides a standardized template intended to shorten review to about 90 days
- States are eligible to participate if they are not proposing major changes or if their demonstrations do not involve complex policy areas

Opportunity for MACPAC comments

- MACPAC is required to review and comment on reports to Congress
- The Commission could also use this opportunity to comment on demonstration transparency issues that are not fully discussed in this report

Potential areas for comments

- Monitoring and evaluation reports
- Budget neutrality and other approval criteria
- Administrative barriers for states

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