



Preliminary Findings from Evaluations of Medicaid Expansions Under Section 1115 Waivers

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Medicaid and CHIP Payment and Access Commission

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Overview

- Background on Section 1115 waivers
- Key design features of Medicaid expansion waivers
- Early evaluation findings and limitations
- Policy considerations

Background

- The Secretary of the U.S. Department of Health and Human Services (the Secretary) has broad waiver authority under Section 1115
- Use and scope has broadened over time
- Seven states are currently using this authority to expand Medicaid to the new adult group
 - Arizona, Arkansas, Indiana, Iowa, Michigan, Montana, and New Hampshire
- Goals of expansion waivers include:
 - Policy changes to mirror commercial benefit and enrollment design
 - Create incentives for enrollees to use resources more efficiently

Program Features

	Benefits waived	Premiums and cost sharing	Healthy behavior incentive	Premium assistance
Arizona	None	Monthly account contributions and co-pays for members > 100% FPL	Yes	None
Arkansas	Retroactive coverage	Premiums and co-pays for enrollees > 100% FPL	Yes	Employer-sponsored and exchange plans
Indiana	NEMT and retroactive coverage	Monthly account contributions for all enrollees; co-pays for those <100% FPL who don't contribute; co-pays for non-emergency use of the ED	Yes	Employer-sponsored
Iowa	NEMT	Premiums for enrollees >50% FPL, co-pays for non-emergency use of the ED	Yes	None
Michigan	None	All enrollees subject to co-pays; premiums for enrollees >100% FPL; payments go toward a health account	Yes	Exchange plans (beginning in 2018)
Montana	None	Monthly premiums for enrollees > 50% FPL credited towards co-pays	Yes	None
New Hampshire	Retroactive coverage	Co-pays for enrollees > 100% FPL	No	Exchange plans

Notes: ED is emergency department. FPL is federal poverty level. NEMT is non-emergency medical transportation. Iowa no longer uses premium assistance but did through 2015.

Source: MACPAC 2017 analysis of Section 1115 waiver documents

Program Evaluations

- Interim and final independent evaluations at the state and federal level
- Federal evaluation
 - Mathematica Policy Research
 - Expected later in 2017
- State evaluations
 - Varying schedules
 - Interim evaluations are available for Arkansas, Iowa, and Indiana

Benefits

Non-emergency medical transportation (NEMT)

- Evaluations are available for Indiana and Iowa, the two states with NEMT waivers
- Areas of focus
 - The impact on unmet need for transportation
 - The impact of unmet need on members' ability to receive services
- Key findings
 - Individuals with lower incomes may be more likely to experience transportation-related barriers to access regardless of whether or not they have an NEMT benefit
 - Unmet need for transportation is associated with reduced use of certain types of care (e.g., well visits)
 - Awareness and use of the NEMT benefit is low, even among individuals who have it

Retroactive coverage

- Very little information is available for Arkansas, Indiana, or New Hampshire

Premiums and Cost Sharing

- All seven waiver states sought changes to the premium and cost-sharing structure
- Evaluations are available for Indiana, Iowa and Michigan
- Areas of focus include
 - The relationship between the premiums and cost-sharing structure to beneficiary plan choices and health care use
 - Beneficiary engagement with health savings-like accounts
 - Affordability and other barriers to payment
- Overall, changes do not appear to have significantly altered beneficiary behavior

Premiums and Cost Sharing – Plan Choices and Behavior

- In Indiana, beneficiaries with incomes below 100 percent of the federal poverty level (FPL) have a choice of plans
- Individuals enrolled in Plus had higher health care utilization in general except for emergency department care
- Plus members who enrolled voluntarily had a higher prevalence of chronic conditions

Premiums and Cost Sharing – Health Savings Accounts

- Arizona, Indiana, and Michigan have approved health savings account-like programs
- Beneficiary understanding of these programs was mixed
- In Indiana, 60 percent of beneficiaries reported having an account
 - Of those, only 30-40 percent of those reported regularly checking the balance
 - Only about half knew costs for preventive services would not be deducted
- In Michigan, 75 percent of members reported receiving account statements
 - Of those, nearly 90 percent reported reviewing their statements regularly

Premiums and Cost Sharing – Affordability and Other Barriers

- Beneficiaries generally found the premiums and cost sharing to be affordable
 - e.g., In Indiana, only 8.2 percent of enrollees with incomes below 100 percent of the federal poverty level (FPL) were transitioned to the Basic plan for nonpayment of premiums, and only 6 percent were disenrolled in the first demonstration year
- Non-financial barriers to meeting obligations contributed to nonpayment
 - e.g., In Michigan, beneficiaries reported confusion about how co-pays were billed

Healthy Behavior Incentives

- Most waiver states offer healthy behavior incentives
- For interim evaluations in Indiana and Iowa and beneficiary surveys in Michigan, key areas of focus include
 - Beneficiary knowledge of and engagement with healthy behavior incentive programs, and
 - The effect of incentives on outcomes and beneficiary choices about health care utilization
- The evaluation findings indicate high use of preventive services but that substantial portions of members did not understand or were unaware of the healthy behavior incentive structure
 - In Indiana, only 50 to 60 percent of enrollees were able to correctly explain how to reduce their premium obligations through the healthy behavior incentives
 - In Iowa, only 18-25 percent of enrollees participated in the healthy behavior incentives program, well short of targets

Premium Assistance

- Evaluations available for Arkansas and Iowa
- Evaluation findings on access are mixed
 - In Arkansas, premium assistance enrollees appear to have better access than Medicaid state plan enrollees
 - In Iowa, results were unclear but generally showed better access for members not enrolled in premium assistance.
- There are limited findings on continuity of coverage and care, but in Iowa
 - Premium assistance enrollees were less likely to report a usual source of care and
 - Premium assistance enrollees were most likely to experience a gap in coverage of one month or longer when switching between plans
- In both Arkansas and Iowa, the cost of providing care to premium assistance enrollees was higher than other Medicaid enrollees, likely because of higher payment rates

Limitations

- The early stage of implementation
- Insufficient data
- Methodological challenges typically associated with health services research
- Challenges in generalizing state experiences

Policy Considerations

- How can the evaluation results inform future decisions around approval of future waivers and waiver extensions?
- As additional flexibilities are granted to states what changes, if any, to the evaluation requirements and expectations are appropriate?
- What have we learned about design elements that could be introduced more broadly for the new adult group?
- Are some design elements more appropriate for some populations than others, given different health needs and barriers, and how should states identify and categorize those populations?



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