Preliminary Findings from Evaluations of Medicaid Expansions Under Section 1115 Waivers

Medicaid and CHIP Payment and Access Commission

Kacey Buder
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

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

**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
Premiers 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
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?
Preliminary Findings from Evaluations of Medicaid Expansions Under Section 1115 Waivers

Medicaid and CHIP Payment and Access Commission
Kacey Buderi

April 20, 2017