Draft Chapter: Improving the Quality and Timeliness of Section 1115 Demonstration Evaluations

Medicaid and CHIP Payment and Access Commission

Kacey Buderi
Overview

• Introduction
• Use of Section 1115 demonstration waivers in Medicaid
• Evaluation and monitoring requirements
• Concerns with evaluation quality
• Efforts to improve evaluations
• Issues in conducting evaluations
Introduction

- Section 1115 of the Social Security Act allows the Secretary of Health and Human Services to waive federal Medicaid requirements to the extent necessary to carry out a demonstration furthering the goals of the Medicaid program.
- Demonstration waivers approved under this authority are subject to evaluation.
- States and the Centers for Medicare & Medicaid Services (CMS) have historically placed limited emphasis on demonstration and evaluation aspects of Section 1115.
Introduction (continued)

• New evaluation guidance released by CMS in 2019
  – well-received by states and evaluators
  – challenges remain for conducting evaluations and using them to make policy decisions
  – will take time to yield meaningful improvements
• Chapter draws on perspectives shared at MACPAC’s November 2019 expert roundtable
• MACPAC has not identified a need for further legislative or regulatory steps on this issue at this time, but will continue to monitor the effects of new evaluation policies
Background
Use of Section 1115 Authority

• As of January 2020, there were 65 approved Section 1115 demonstration waivers underway in 47 states
  – most approved initially for five years and extended by three or five years
  – differ in scope and the policies they implement
• Some policies included in Section 1115 demonstrations can be implemented through other authorities
• Broad Secretarial discretion to approve or deny demonstration requests
Evaluation and Monitoring

• Requirements for monitoring and evaluation are specified in regulation, waiver special terms and conditions, and subregulatory guidance
  – monitoring activities provide timely and ongoing updates on implementation status and basic data on key measures
  – evaluations are intended to assess whether demonstrations achieve their objectives and to inform decision making

• Focus of this chapter is on evaluation
Evaluation Requirements

• Evaluation design plans specify hypotheses and research questions, methodology, and process information
  – due to CMS 120 or 180 days after demonstration approval

• Interim and summative evaluation reports include results, conclusions, and discussion
  – interim evaluations due with demonstration renewal application or one year before expiration
  – summative reports due within 18 months of the end of the demonstration period

• CMS must approve deliverables before they are final
Concerns with Evaluation Quality

- Multiple GAO studies between 2007 and 2019 found issues with Section 1115 evaluations related to:
  - inconsistent application of evaluation requirements
  - methodological shortcomings
  - gaps in results and selective reporting of outcomes
  - lack of opportunity for public comment
Efforts to Improve Evaluation Quality

- CMS published high-level principles for evaluation in 1994; technical assistance guide for states in 2007
- The Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) required the Secretary to establish a formal process for evaluations
  - regulations finalized in 2012
- CMS has enhanced individualized technical assistance; issued new guidance in 2019
  - white papers discussing common evaluation challenges
  - general evaluation design guidance
  - policy-specific guidance
Issues in Conducting Evaluations and Using Findings
Evaluation Planning and Funding

• State role in directing scope and funding for evaluations
  – value proposition for investing time and resources in evaluation differs by state
  – reduces independence of evaluations
• Evaluation budgeting
  – budgets often based on legislators’ willingness to provide funds, not the cost of necessary evaluation components
• Early evaluation considerations
  – evaluations benefit from early planning but states face financial, procurement, capacity barriers to doing so
Methodological Challenges

- Comparison groups
  - several approaches (e.g., random assignment, other-state comparison)
  - each has benefits and drawbacks

- Data availability
  - beneficiary surveys may be necessary if administrative data is inadequate

- Estimating effects of specific policies in multifaceted demonstrations
Timing

• Timing of evaluation design relative to demonstration implementation
  – views differ as to whether a state should have an approved evaluation design plan in place prior to implementation

• Timing of interim evaluation reports
  – data collection periods may be insufficient to assess policies and inform renewal decisions
  – interim reports that focus on implementation may be more informative than those that attempt to assess hypotheses with limited data

• Timing of summative reports
  – findings are not available until after renewal decision has been made; may inform future renewals, amendments or new approvals in other states
Standards for Evaluation Quality

• Few established standards for the specific elements of an evaluation, methodological rigor, or overall quality
  – e.g., standards for when a beneficiary survey is required

• Standards and requirements could vary by demonstration type and scope
  – e.g., more rigorous evaluation features for demonstrations that pose high risk to beneficiaries
  – would be difficult to establish criteria
Evidence Needed to Inform Policy

• Several long-standing demonstration policies have been repeatedly extended with minimal evaluation evidence
  – e.g., waivers of retroactive eligibility, non-emergency medical transportation
• In other cases, evidence is available but there is no established standard of evidence needed to make decisions
  – e.g., premiums and cost sharing
• Even strong evaluations have limitations; findings from one state are likely not definitive
Public Comment and Transparency

• Consideration of public input
  – few opportunities for the public to comment on evaluation designs or evaluation findings
  – public comments can inform demonstration hypotheses and research questions; not always clear if they are used for this purpose

• Dissemination of findings
  – wider dissemination may help improve transparency and quality of public comments
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