

State Health Reform Assistance Network

Charting the Road to Coverage

Support
provided by



Robert Wood Johnson
Foundation

1332 State Innovation Waivers: Getting off the Ground

**Manatt Health Solutions
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Agenda

- **Getting Started with 1332 Waivers**
- **1332 Waivers in HealthCare.Gov States**
- **Discussion of Future Topics**
- **Discussion**

Getting Started with 1332 Waivers

How many
want a 1332
waiver?



Why do you
need a 1332
waiver?



1332 Activity in the States

State	Status	Description
Arkansas	Bill introduced but not enacted during 2015 session	Would have authorized several state agencies to apply for and to implement 1332 waivers on the state's behalf
California	Senate passed bill, Assembly considering	Requires the Secretary of the California Health and Human Services Agency to apply for a waiver to allow individuals who are not eligible for coverage because of their immigration status to obtain coverage
Hawaii	Legislation Signed by Governor	Narrows "the scope of work of the State Innovation Waiver Task Force to facilitate the development of an Affordable Care Act Waiver in a timely manner"
Rhode Island	Enacted budget	Authorizes Marketplace to pursue a 1332 waiver
New Mexico	Senate passed resolution	Establishes task force within Office of Superintendent of Insurance to study waivers
Minnesota	Legislation Signed by Governor	Governor charged with convening "Task Force on Health Care Financing" to consider, among other topics, using 1332 waivers to improve continuum of coverage and delivery system reform

Framework for Moving Forward



Identify State Goals

Important to Align Broad Goals and Targeted Objectives

Does the State Want to....



Lower the Uninsured Rate?



Move to Value Based Purchasing?



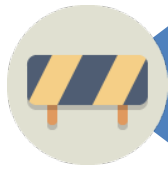
Consolidate and Integrate Various Programs?



Address a Marketplace Glitch?

Identify Barriers and Strategies

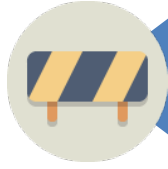
Potential Barriers



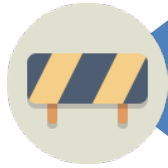
Eligibility Standards Differ Across Programs



Participating Providers Change Based on Program



Large Cost Sharing Increases on Small Income Changes



Disruption to Existing State Roles/Responsibilities

Strategies for Overcoming Barriers



Align Eligibility Requirements



Align Standards Across QHPs and Medicaid MCOs



Smooth the Cost Sharing Continuum



Convene Interagency Taskforce

Available Tools

1332 waiver to waive certain ACA provisions

1115 waiver to waive provisions of federal Medicaid law

Combine 1332 and 1115 Waivers



State legislation or regulation

Just do it!

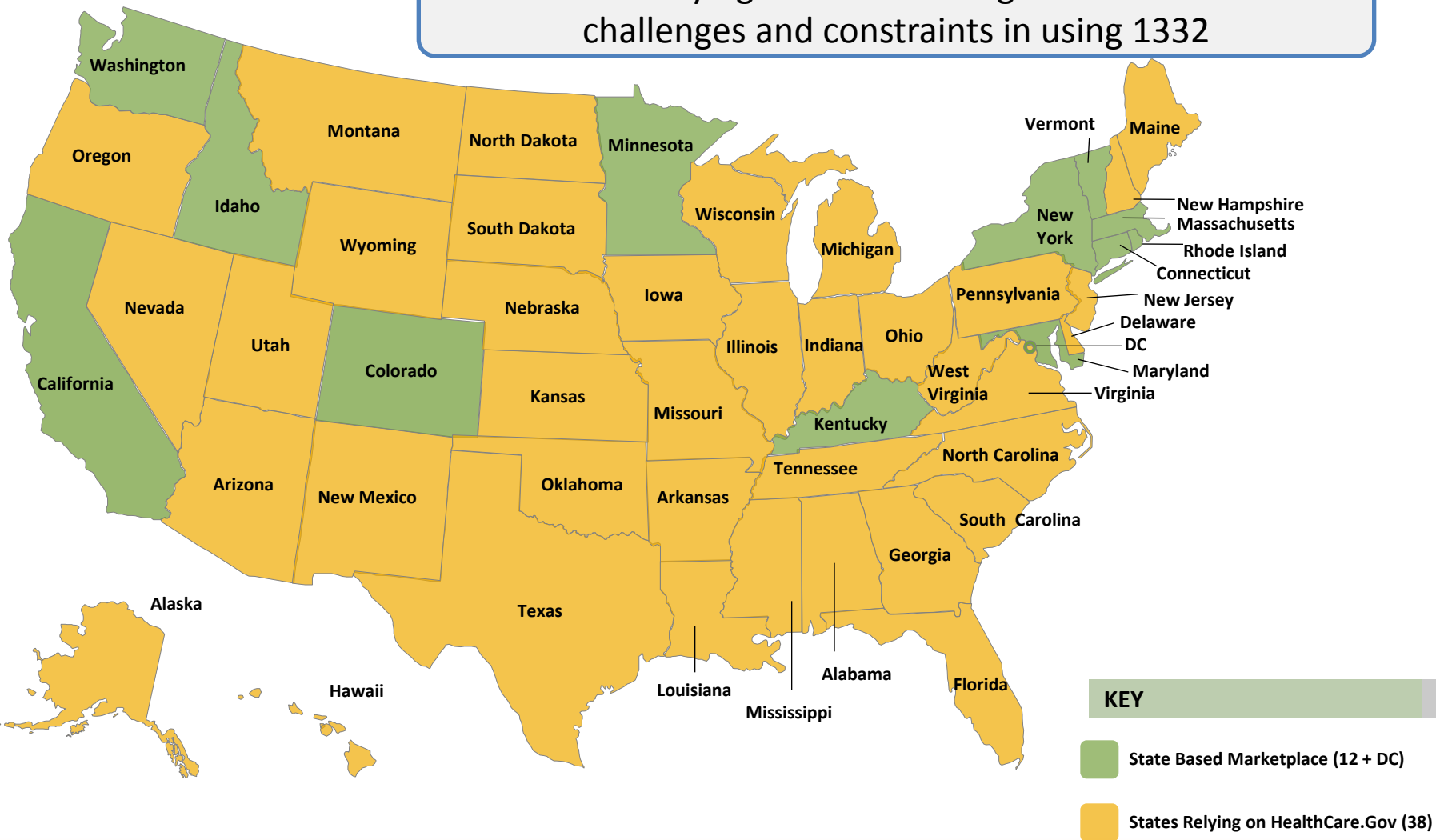
Minnesota's Health Care Task Force

Goal	Barrier	Strategy
Align affordability programs eligibility and enrollment requirements	Sharp differences in out-of-pocket costs as people move from one affordability program to another	Introduce gradual increases in cost-sharing for higher income enrollees to create a smoother transition from public programs to QHPs. 1332? 1115? Existing authority?
Create multi-payer alignment in payment and delivery reform across affordability programs	Providers not incentivized towards the same goals of quality and efficiency across insurance affordability programs	Increase payment for providing care to members based on performance that results in improved health outcomes 1332? 1115? Existing authority?
Align coverage and contracting requirements	As members move between programs, relationships with trusted providers and care delivery may be disrupted	Align network adequacy and quality incentives across payers to facilitate formation of ACOs that serve members across affordability programs.

1332 Waivers in HealthCare.Gov States

States Relying on HealthCare.Gov

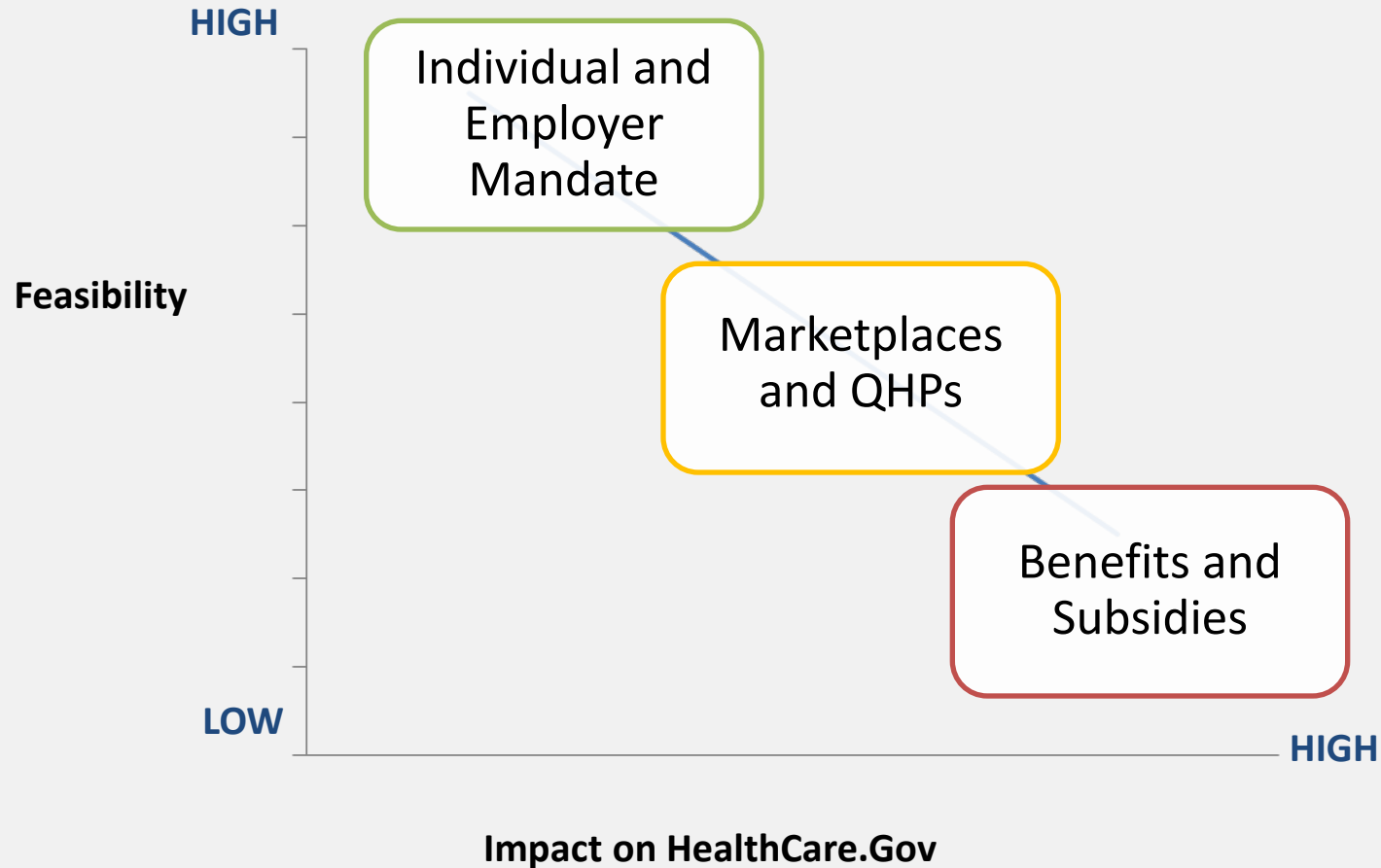
38 states relying on HealthCare.gov face additional challenges and constraints in using 1332



States considering transitioning to HealthCare.Gov should factor in the potential loss of flexibility in developing 1332 waivers for state specific innovation

HealthCare.Gov State Confines

As the impact on HealthCare.Gov increases, challenges increase



These confines represent the current state of HealthCare.Gov, future improvements may allow for more state flexibility in 2017 and beyond

Replacements for the Individual or Employer Mandate



Easier to do under HealthCare.Gov

- Individual late enrollment penalty if imposed by QHP issuer
- Eliminate or change scope of employer mandate



Harder to do under HealthCare.Gov

- Individual late enrollment penalty if imposed by Marketplace
- More limited enrollment opportunities for individuals
- More generous subsidies for individuals
- Auto-enrollment for individuals

Marketplaces and QHPs



Easier to do under HealthCare.Gov

- Change the actuarial value of existing metal levels (e.g., wider de minimus variation)



Harder to do under HealthCare.Gov

- Create new metal level (e.g. copper)
- Change eligibility criteria for catastrophic enrollment

1332 waivers can be used to replace the Marketplace with an alternative model, such as using direct enrollment to obtain subsidies without a central Marketplace

Benefits, Subsidies and Medicaid-Marketplace Convergence



Easier to do under HealthCare.Gov

- Add a new benefit category
- Permit non-insurers (Medicaid MCOs, ACOs) to be QHP issuers



Harder to do under HealthCare.Gov

- Change value of subsidies or eligibility for subsidies
- Permit Medicaid beneficiaries to select plans

Discussion of Future Topics

Future Topics?

- 1 Smoothing Cost Continuum
- 2 Individual Mandate
- 3 Employer Mandate
- 4 Coordination between 1332 and 1115 waivers
- 5 Alternatives to traditional Marketplace structure
- 6 Using 1332 for Marketplace sustainability
- 7 Redefining essential health benefits

Discussion

Thank you!

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