Aug. 12: Work on waivers for Medicaid expansion continues

The Department of Health and Welfare (DHW) continues working toward submission of necessary waivers to implement requirements outlined in SB1204 for Medicaid expansion. The department plans to submit all necessary waivers to the federal agencies by this fall.

The 1332 Coverage Choice waiver was submitted to federal partners on July 15th, after the public comment period ended on June 30. This waiver, if approved, would give eligible Idahoans the option to stay on an exchange plan and continue receiving a tax credit to help pay for premiums or move to expanded Medicaid. Idaho Department of Insurance and DHW officials are waiting on a response from federal agencies to this application.

An 1115 Coverage Choice waiver was posted for public comment on July 3rd. After discussions with CMS suggested that the 1115 waiver may not be necessary in addition to the 1332 waiver, DHW decided to pull back the draft 1115 waiver and close public comment. The department is seeking further guidance from CMS and the Center for Consumer Information and Insurance Oversight and will initiate a new comment period if needed.

In the meantime, department staff have switched their focus to the other provisions of SB1204 and the waivers they require.

An 1115 waiver is a contract with CMS that allows Idaho to waive specific federal Medicaid program regulations that allow Idaho to try new approaches for serving Idahoans. The 1115 waiver applications will focus on the sideboards outlined below:

- **Work requirements** – Requires individuals in the expansion population who are 19-59 years old to be working 20 hours/week or volunteering or enrolled in school to receive Medicaid coverage.
  - Exemptions: mental or physical illness, disability, caring for child/other, tribal members, or receiving substance use disorder treatment.
- **Family planning services** – Would require individuals seeking family planning services to have a referral from their assigned medical home if the family planning service provider is outside the patient’s established medical home.
- **Inpatient behavioral illness treatment in an IMD** - Allows individuals with Medicaid coverage to receive inpatient treatment for mental health and substance use disorders in a freestanding psychiatric hospital. These services are currently only available when rendered in the psychiatric unit of a full-service hospital.
DHW has researched the most recent CMS guidance on **1115 IMD Waivers** and discovered that these requirements have become extensive and highly prescriptive. While pursuing this waiver is still in the best long-term interest of Idaho, we also need to pursue a different contract with Centers for Medicaid and Medicaid Services (CMS) to bridge the period between 1-1-2020 and CMS approval of an 1115 IMD waiver.

Under the SUPPORT Act, which only requires a state plan amendment (SPA), IMD coverage is allowed for people with substance use disorder needs but not for people who only have serious mental illness.

DHW is currently working on drafts of both options and working closely with CMS, contractors, and national policy resources to develop a coverage approach to best fit Idaho’s needs. Although the requirements for federal approval are complex, CMS has indicated that DHW should not expect them to stand in the way of implementing IMD coverage for adults on January 1, 2020.

**DHW staff continue negotiations** with the federal government to determine which waivers are needed as well as the terms of those waivers. A waiver application typically takes 6–9 months. The approval process often takes 18 months or more if the waiver is complex or unique. However, CMS is not obligated to ever approve or deny any 1115 waiver, so timelines are difficult to estimate.

The status and timeline for the work completed on both the State Plan Amendments and the waivers are outlined in the timeline document in another link on this site. DHW will continue to provide frequent and detailed status updates at medicaidexpansion.idaho.gov.