

Medicaid Lets States Experiment to Improve

1115 Waivers: The Innovation Tool



“1115 Demonstration Waivers” let states adjust their delivery and payment methods

Section 1115 of the Social Security Act lets CMS approve "experiments" in the way Medicaid services are delivered or reimbursed, with the goal of improving care. States have used this process to expand eligibility for Medicaid, provide new services, or transform the way they coordinate services. All 1115 Waiver innovation projects must be cost-effective and budget-neutral, so a state can't spend more than was projected without the waiver. As of February 2017, 41 waiver projects were in operation across 33 states.¹

What states have done with waivers:

<p><i>Address social determinants of health and incentivize quality over quantity</i></p>	<p>Massachusetts implemented changes to how it pays for care, incentivizing quality by adopting an accountable care organization model. It also promoted greater access to social services through the health care system, and increased availability of substance abuse treatment services. MassHealth 1115 Waiver</p>	
<p><i>Cover populations that have never had access to Medicaid</i></p>	<p>District of Columbia's low-income childless adults are now covered under Medicaid. The District expanded full Medicaid eligibility to non-pregnant, non-disabled adults with incomes above 133% of the federal poverty level and those at or below 200%. DC Childless Adults 1115 Waiver</p>	
<p><i>Help relieve a water crisis</i></p>	<p>Michigan expanded eligibility and is providing additional services targeted to approximately 15,000 pregnant women and children affected by potential lead exposure in Flint's water supply. The services include care coordination and nutritional, education, and social support. Flint Waiver</p>	

Help shape Medicaid in Illinois

State residents can get involved in this process. To be approved, a waiver must have community and stakeholder input into the changes that are undertaken and in helping guide how their particular program is structured. A state's Medicaid agency is a good starting point.² Illinois's Medicaid agency is the Department of Healthcare and Family Services; visit the HFS [Illinois 1115 Waiver Home](#).

Bottom line: State experiments can make their Medicaid programs work better

Sources:

1. Kaiser Family Foundation <http://www.kff.org/medicaid/issue-brief/3-key-questions-section-1115-medicaid-demonstration-waivers/>
2. Medicaid.gov <https://www.medicaid.gov/about-us/contact-us/contact-state-page.html>