

# Waiving Goodbye

*Can Colorado Really Rewrite  
Federal Health Care Laws?*

March 4, 2015

**CHI Legislative Links and Learn**



**Government  
Regulation**

**Private  
Market**



**Federal  
Mandates**

**State  
Choices**

# The Big Idea



# Three Takeaways

1. States can waive key requirements of the Affordable Care Act as long as they meet certain standards.
2. States can expand and deliver Medicaid in many innovative ways.
3. The opportunity is now for state innovation.



*1332 Waivers*  
*(A.K.A. Innovation Waivers)*

What can be waived or modified?

# Individual mandate

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- Eliminate or modify tax penalties
- Expand or narrow exemptions
- Alter opportunities for open enrollment

What can be waived or modified?

# Employer mandate

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- Eliminate or modify employer penalties
- Exempt certain employer sizes or employer types
- Change the definition of full time employee
- Allow employers to give employees tax free voucher to purchase exchange coverage

What can be waived or modified?

# Benefits, subsidies and tax credits

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- Modify or eliminate the essential health benefits
- Add new tiers of plans on the marketplace
- Expand or contract residents' eligibility for subsidies and tax credits
- Repurpose tax credits to employer plans



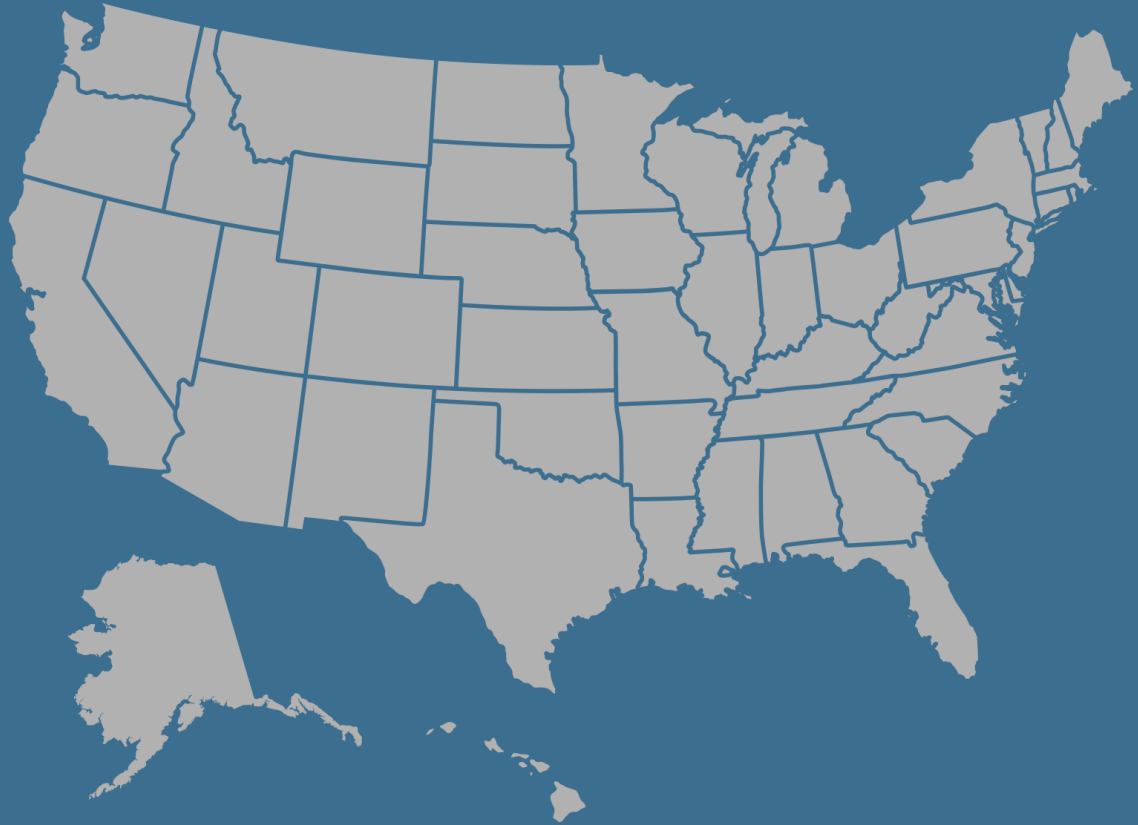
What can be waived or modified?

# Insurance marketplaces and qualified health plan provisions

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- Eliminate the marketplace. Allow private exchanges to provide subsidies
- Allow subsidies for coverage purchased through agents or insurers
- Expand or minimize eligibility to purchase coverage on the small business exchange
- Create a public option to be sold on the marketplace

# Show Me the Money



Not everything is on the table



**Guaranteed Issue**



**Rating Bands**



**Cost Sharing for Preventive Services**



**Pre-existing Conditions**

So what's  
the catch?



**REALITY  
CHECK  
AHEAD**

First Out of the Gate:



**Hawaii**



**Vermont**



**Arkansas**



**GAME  
CHANGER  
AHEAD**



*Waivers Today*







Federal  
Medicaid Rules

Waive a  
current rule

Test and  
innovate new  
ideas

Expand the  
program



State Medicaid  
Program



Federal  
Medicaid Rules

1915(c)  
Home and  
Community-  
Based Services  
Waiver

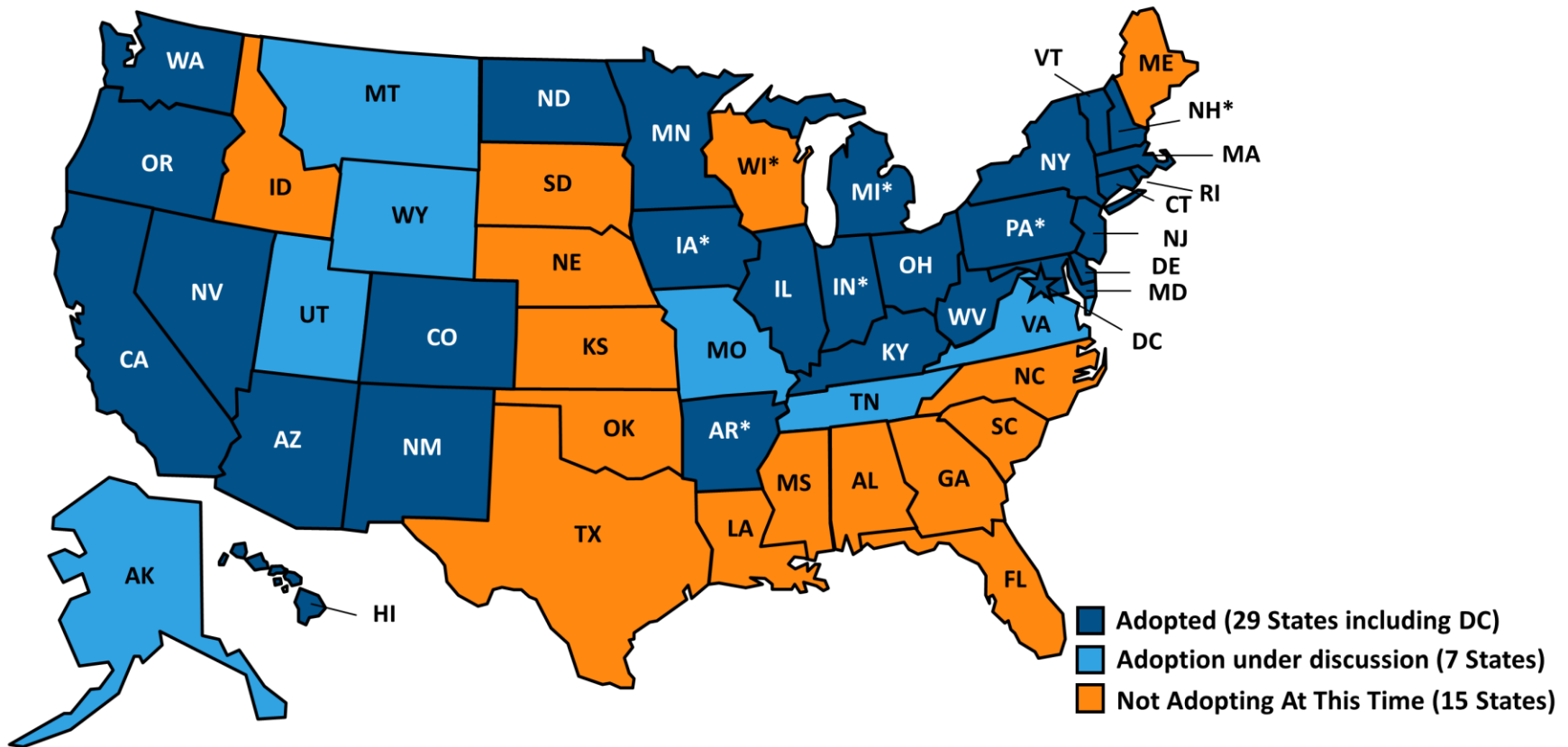
1915(b)  
Managed Care  
Waiver

1115  
Research and  
Demonstration  
Waiver



State Medicaid  
Program

# Current Status of State Medicaid Expansion Decisions



NOTES: Under discussion indicates executive activity supporting adoption of the Medicaid expansion. \*AR, IA, IN, MI, and PA have approved Section 1115 waivers. Coverage under the PA waiver went into effect on January 1, 2015, but the newly-elected governor may opt for a state plan amendment. Coverage under the IN waiver is set to begin February 1, 2015. NH has submitted a waiver to continue their expansion via premium assistance. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated January 27, 2015.

<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>



# Section 1115 Medicaid Expansion Waiver Themes

- Public Money for Private Plans
- Monthly Contributions and Premiums
- Healthy Behavior Incentives
- Limited Benefits



# Arkansas



# Iowa



# Michigan



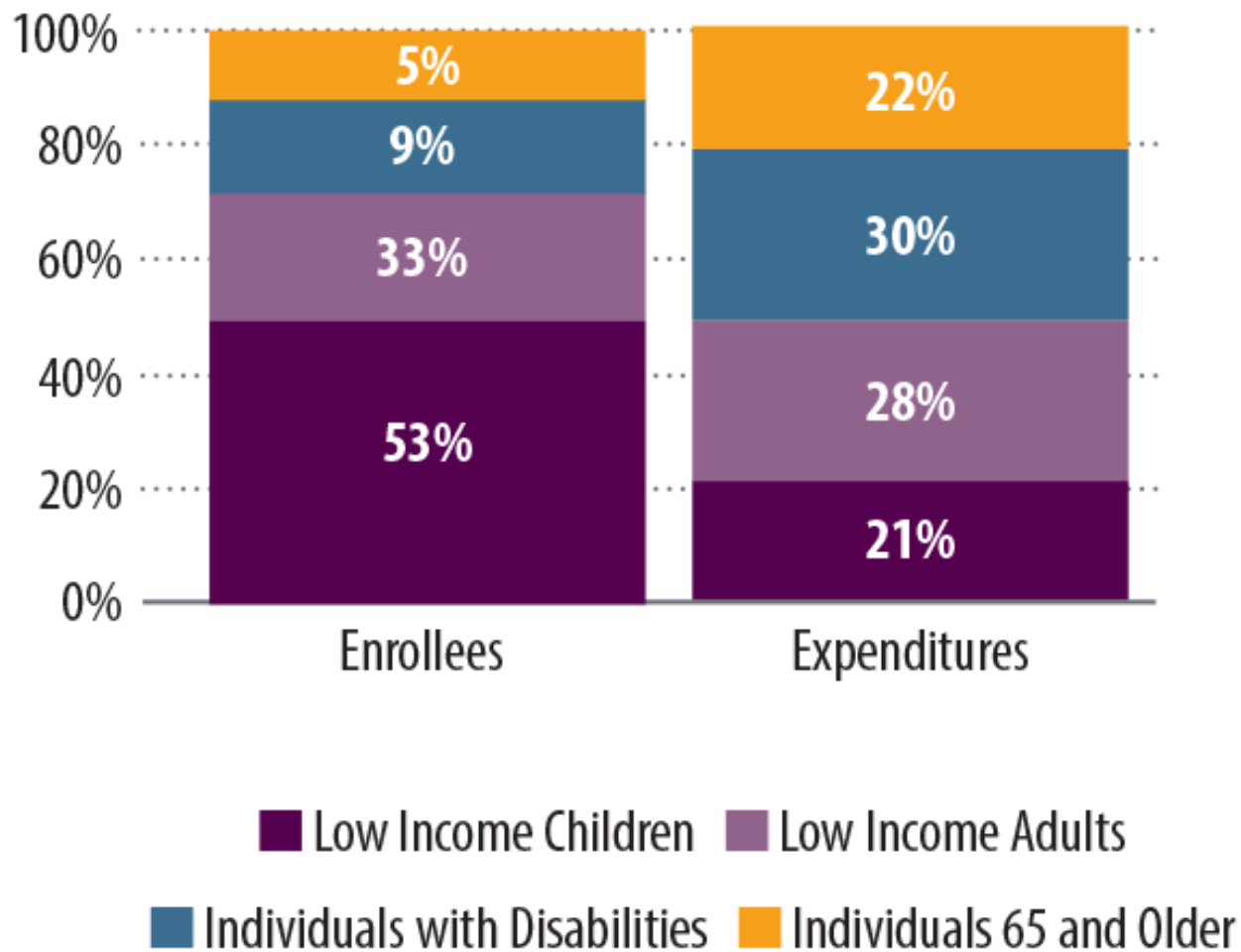
# Indiana





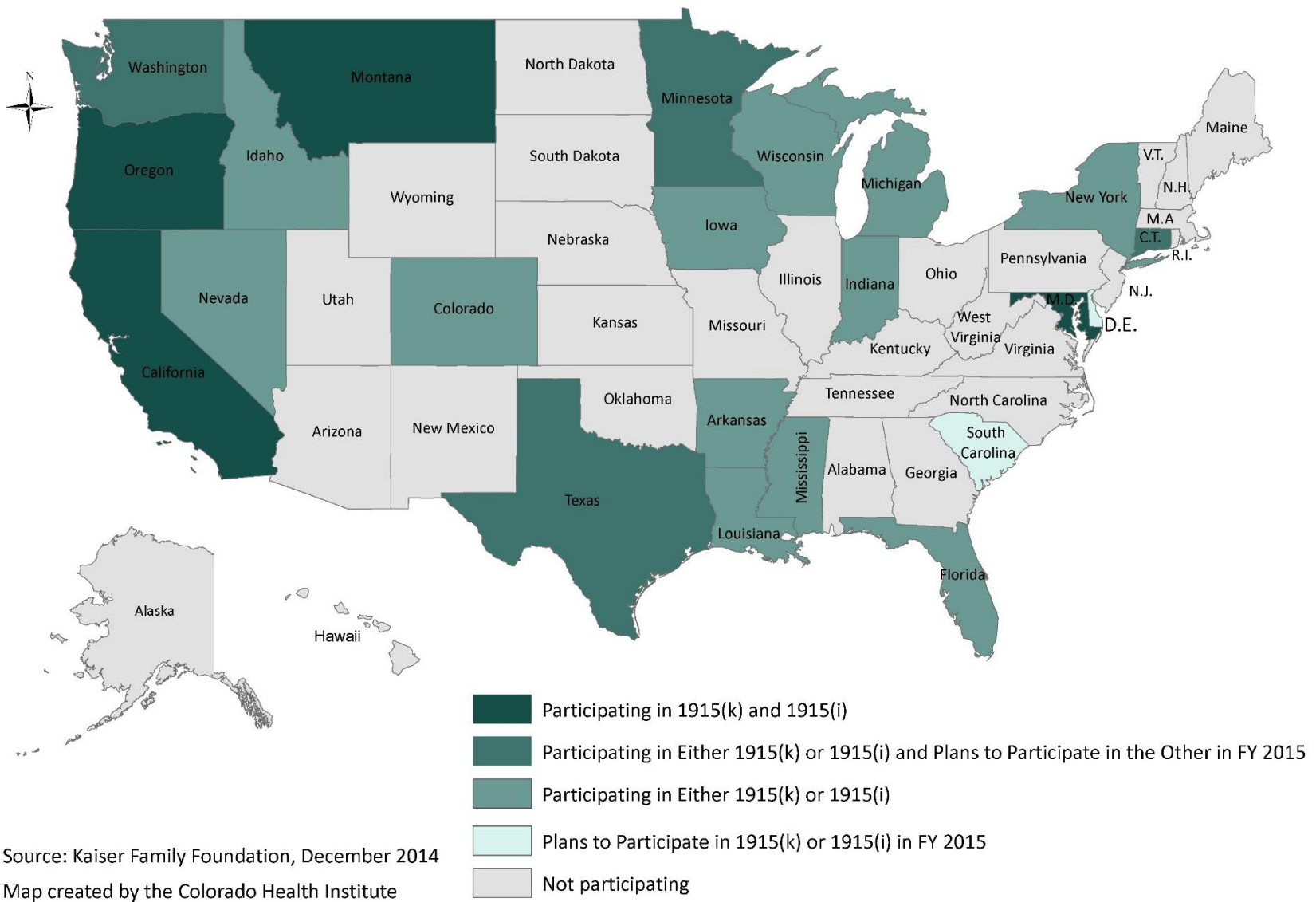
*Medicaid Expansion for  
Long-Term Services and Supports*

# Medicaid Enrollees: Varying Costs

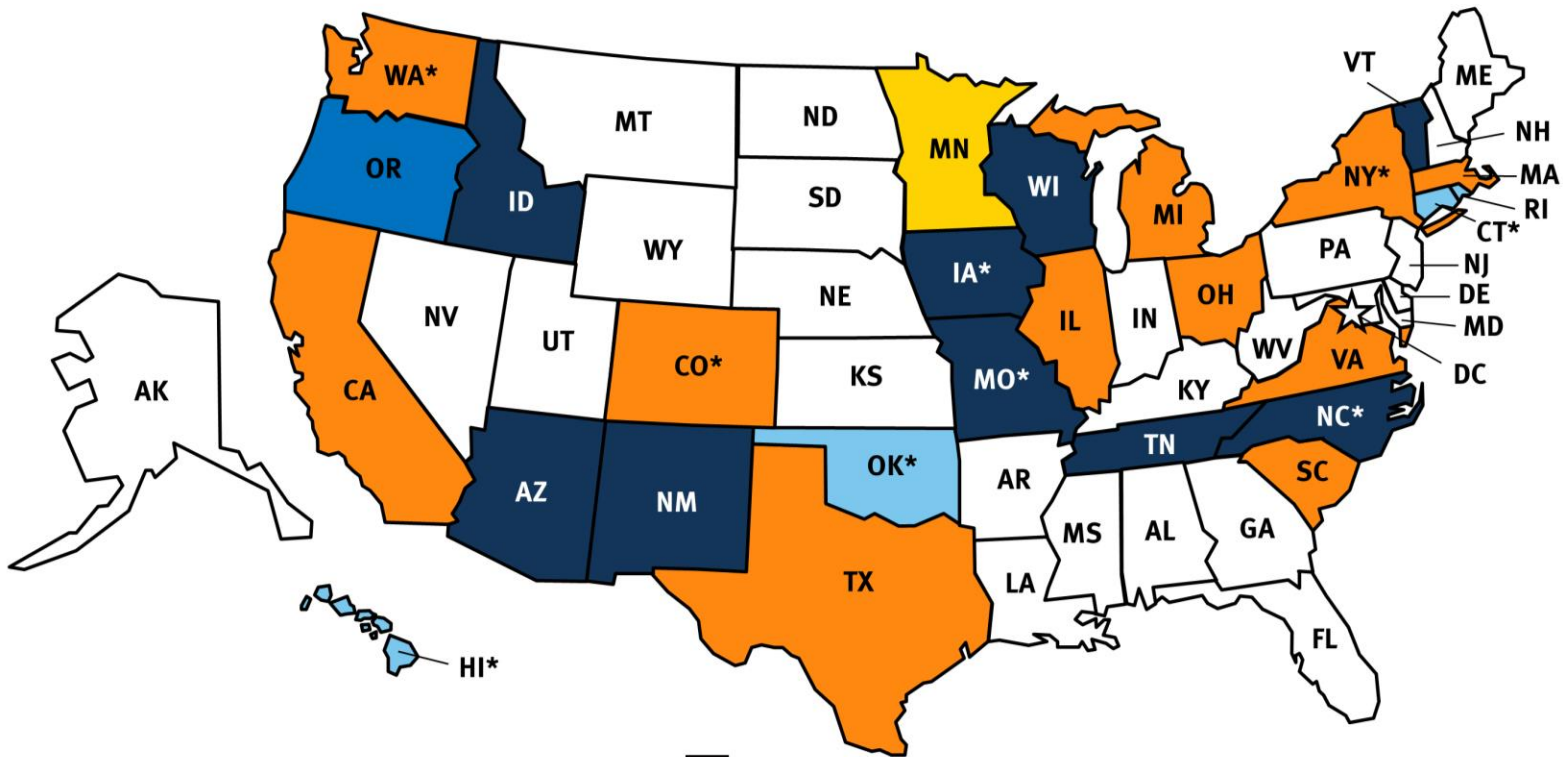


SOURCE: Colorado Department of Health Care Policy and Financing Budget Request, FY 2013-2014

# Current Status of State Participation in 1915(k) and 1915(i) HCBS Options



# State Demonstration Proposals to Align Financing and/or Administration for Dual Eligible Beneficiaries, February, 2015



NOTES: \*CO, CT, IA, MO, and NC proposed managed FFS models. NY, OK, and WA proposed both capitated and managed FFS models; WA received approval for both demonstrations, but subsequently withdrew its capitated model; NY withdrew its managed FFS proposal. All other states proposed capitated models. SOURCE: [CMS Financial Alignment Initiative. State Financial Alignment Proposals](#) and state websites.

- MOU signed with CMS to implement financial alignment demonstration (11 states)
- MOU signed with CMS to implement administrative alignment demonstration (1 state)
- Proposal pending with CMS (4 states plus NY's capitated DD proposal)
- Proposal submitted, will not pursue financial alignment but may pursue administrative alignment (1 state)
- Proposal withdrawn (9 states plus NY managed FFS and WA capitated)
- Not participating in demonstration (24 states and DC)



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Think the King vs. Burwell case  
won't affect Colorado?

Think Again.

*The Affordable Care Act is once again fighting for its life at the Supreme Court. Join the Colorado Health Institute on Thursday afternoon for a panel discussion at the Denver Beer Company to find out how Colorado could be affected. Bring your questions and your thirst for knowledge.*

- **Where:** Denver Beer Company's Barrel Room, 1695 Platte Street, Denver CO 80202
- **When:** March 5. Doors open at 3:30 p.m. The discussion will begin at 4 p.m.
- **RSVP:** Joe Hanel, [hanelj@coloradohealthinstitute.org](mailto:hanelj@coloradohealthinstitute.org)



Health Policy Discussions  
With a Colorado Flavor



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