

## Waiver basics: Frequently asked questions

Oregon is working to renew its Medicaid Demonstration, or waiver, with the Centers for Medicare and Medicaid Services (CMS). This waiver allows for Oregon's health system transformation.

Oregon's vision for the waiver renewal is to build on the foundation of Oregon's existing health system transformation. This will include:

1. Expanded focus on integration of physical, behavioral, and oral health care through a performance-driven system that makes continual improvements to health outcomes and continues to bend the cost curve.
2. Focus on social determinants of health and health equity across all low-income, vulnerable Oregonians with the goal of improving population health outcomes.
3. Commit to continuing to hold down costs through an integrated budget that grows at a sustainable rate and promotes improved value and outcomes, with additional federal investments at risk for not hitting the target for bending the cost curve.
4. Continue to expand the coordinated care model, including innovative strategies for ensuring better outcomes for Medicaid and Medicare dual-eligible members.

## What is a state plan?

A state plan is an agreement between a state and the federal government that describes how that state administers its Medicaid and Children's Health Insurance Program. A state plan specifies what groups will be covered, services provided, and how providers will be reimbursed.

## Can the state plans be changed?

Yes, state plans can be amended, within the confines of the plans themselves. The state may ask CMS to approve a state plan amendment to:

- Make permissible program changes;
- Make corrections; or
- Update the Medicaid or CHIP state plan with new information.

## What is an 1115 demonstration waiver?

An 1115 waiver with CMS allows states to conduct demonstration projects, outside of some of the parameters of their approved state plans. Section 1115 of the Social Security Act gives the federal Secretary of Health and Human Services authority to approve experimental, pilot, or demonstration projects that promote the objectives of the Medicaid and CHIP programs. The purpose of these demonstrations is to give states additional flexibility to expand eligibility to individuals not otherwise eligible for Medicaid or CHIP; provide new services not typically covered by Medicaid; and use innovative service delivery systems that improve care, increase efficiency, and reduce costs.

## What does a demonstration allow?

Under 1115 authority, CMS may *wave* certain federal regulations, or pieces of law, in order to approve experimental, pilot, or demonstration projects outside of the parameters of state plans. A demonstration may allow the state to:

- Test new approaches to financing and delivering Medicaid-funded services;
- Test new approaches to defining and limiting benefit packages;
- Provide services not typically covered by Medicaid or CHIP;
- Expand eligibility to individuals not otherwise covered;
- Offer incentives to providers to develop new models of care; and
- Implement other changes or innovations the state may request and have approved.

## A demonstration:

- Must also be “budget neutral” to the federal government, which means that during the course of the project federal Medicaid expenditures will not be more than federal spending without the waiver;
- Will generally last three or five years, and may be renewed and amended; and
- Requires formal evaluation of the waiver’s outcomes and periodic reports to CMS.

### What are some examples of innovation that CMS has allowed Oregon in our current demonstration?

Some examples include CCO enrollment and disenrollment; chemical dependency treatment services; designated state health programs (DSHPs); uncompensated care payments to tribal health programs; and the Hospital Transformation Performance Program.

### What's the timeline?

The Oregon Health Authority is taking public comment on the waiver renewal through June 1, 2016. Learn more about how to submit comments [here](#).

The public input collected will help shape the details of the renewal application.

### Is Oregon going to make major revisions like it did for the 2012-2017 waiver, which paved the way for health system transformation?

Oregon plans to build on the foundation laid by the 2012-2017 waiver. This waiver will simply renew the prior waiver and build on the existing foundation of health system transformation by focusing on key areas and building from lessons learned.

### What's the timeline?

**May 2:** Draft renewal application will be posted on the Waiver Renewal web page at: [www.oregon.gov/oha/OHPB/Pages/health-reform/cms-waiver.aspx](http://www.oregon.gov/oha/OHPB/Pages/health-reform/cms-waiver.aspx)

**June 1:** Deadline for submitting public comments on the waiver. Read more about the process here:

[www.oregon.gov/oha/OHPB/Documents/Oregon%20Bulletin%20-%20Request%20for%20Comments.pdf](http://www.oregon.gov/oha/OHPB/Documents/Oregon%20Bulletin%20-%20Request%20for%20Comments.pdf)

**June 16:** Renewal applications submitted to the Centers for Medicare and Medicaid Services. The application will be posted here:

<http://www.oregon.gov/oha/OHPB/Pages/health-reform/cms-waiver.aspx>

### When would the renewed waiver take affect?

If approved, the renewal would be effective from July 1, 2017, through June 30, 2022.