Whereas, Under Section 1115 of the Social Security Act, the Secretary of Health and Human Services may approve state waivers for demonstration projects that are experimental in nature;¹ and

Whereas, Section 1115 demonstrations allow states to use federal Medicaid funds for costs that would not otherwise be covered, amounting to approximately one-third (over $100 billion) of Medicaid spending in 2015;¹,² and

Whereas, States have used these waivers to expand coverage, change delivery systems, alter benefits and cost sharing, modify provider payments, and extend coverage in emergency situations;³ and

Whereas, Final evaluations of demonstrations have historically been required by the Centers for Medicare & Medicaid Services (CMS) only after the final expiration of the demonstration, rather than at the end of each three-to five-year demonstration cycle;³ and

Whereas, Demonstrations may be renewed for multiple three-to five-year demonstration cycles, resulting in demonstrations running for decades without proper analyses and data reporting;³ and

Whereas, An interim report submitted by the state of Massachusetts to CMS in 2016 regarding a demonstration initially approved in 1997 lacked data measuring the effectiveness of nearly $700 million used to create and fund new hospital Medicaid payment delivery systems;³ and

Whereas, Massachusetts currently spends approximately 40% of its state budget on Medicaid services, and CMS has previously encouraged the state to move to more aggressive accountability measures;⁴,⁵ and

Whereas, Recent interim evaluations of demonstrations in Arkansas and Arizona lacked important information necessary for proper assessment of those demonstrations as well;³ and


Whereas, In ten states, including Arizona, over 75% of the Federal Medicaid Expenditures go towards Section 1115 demonstrations; and

Whereas, The U.S Government Accountability Office (GAO) published a study in January 2018 showing that state-led evaluations of demonstrations had limited usefulness for federal decision-making due to the temporal gaps in comprehensive results, and CMS officials acknowledge this fact; and

Whereas, The GAO has made the following recommendations to CMS: (1) establish written procedures for requiring final evaluation reports at the end of each demonstration cycle, (2) issue criteria for when it will allow limited evaluations of demonstrations, and (3) establish a policy for publicly releasing findings from federal evaluations of demonstrations; and

Whereas, CMS officials have said that the agency plans to require appropriate evaluation at the end of each demonstration cycle, but still lacks any written procedures for implementing these requirements; therefore be it

RESOLVED, That our American Medical Association encourage the Centers for Medicare & Medicaid Services to establish written procedures that require final evaluation reports of Section 1115 Demonstrations at the end of each demonstration cycle, regardless of renewal status.

Fiscal Note: not yet determined

Date Received: 9/21/18

RELEVANT AMA POLICY:

Medicaid Waivers for Managed Care Demonstration Projects H-290.987
(1) Our AMA adopts the position that the Secretary of Health and Human Services should determine as a condition for granting waivers for demonstration projects under Section 1115(a) of the Medicaid Act that the proposed project: (i) assist in promoting the Medicaid Act’s objective of improving access to quality medical care, (ii) has been preceded by a fair and open process for receiving public comment on the program, (iii) is properly funded, (iv) has sufficient provider reimbursement levels to secure adequate access to providers, (v) does not include provisions designed to coerce physicians and other providers into participation, such as those that link participation in private health plans with participation in Medicaid, and (vi) maintains adequate funding for graduate medical education. (2) Our AMA advocates that CMS establish a procedure which state Medicaid agencies can implement to monitor managed care plans to ensure that (a) they are aware of their responsibilities under EPSDT, (b) they inform patients of entitlement to these services, and (c) they institute internal review mechanisms to ensure that children have access to medically necessary services not specified in the plan’s benefit package.

Opposition to Medicaid Work Requirements H-290.961
Our AMA opposes work requirements as a criterion for Medicaid eligibility.

Medicaid Expansion Options and Alternatives H-290.966
1. Our AMA encourages policymakers at all levels to focus their efforts on working together to identify realistic coverage options for adults currently in the coverage gap.
2. Our AMA encourages states that are not participating in the Medicaid expansion to develop waivers that support expansion plans that best meet the needs and priorities of their low income adult populations.
3. Our AMA encourages the Centers for Medicare & Medicaid Services to review Medicaid expansion waiver requests in a timely manner, and to exercise broad authority in approving such waivers, provided that the waivers are consistent with the goals and spirit of expanding health insurance coverage and eliminating the coverage gap for low-income adults.
4. Our AMA advocates that states be required to develop a transparent process for monitoring and evaluating the effects of their Medicaid expansion plans on health insurance coverage levels and access to care, and to report the results annually on the state Medicaid web site.

Citation: (BOT Rep. 24, A-95; Reaffirmation A-99; Reaffirmation A-00; Reaffirmation I-04; Modified: CMS Rep. 1, A-14)

Citation: (BOT Rep. 24, A-95; Reaffirmation A-99; Reaffirmation A-00; Reaffirmation I-04; Modified: CMS Rep. 1, A-14)

Citation: Res. 802, I-17; Reaffirmation: A-18