



Next Steps for Medicaid Expansion: Frequently Asked Questions About the 1115 Waiver

July 2019

What is an 1115 Waiver, and what is the goal of the waiver?

An 1115 Waiver is an application to the federal Centers for Medicare and Medicaid Services (CMS), outlining a proposed experimental, pilot, or demonstration project that the state seeks to test and show that it will promote the objectives of Medicaid, namely, to keep families living on low-incomes healthy.

Did Montana submit a waiver previously for Medicaid expansion?

In 2015, Montana submitted an 1115 Waiver to CMS in its efforts to expand Medicaid coverage for adults with incomes at or below 138 percent of the federal poverty line (FPL). Montana's 2015 waiver, approved by CMS, included new requirements that some Medicaid expansion enrollees pay premiums, up to 2 percent of the enrollee's income and loss of coverage for some enrollees for failure to pay premiums.

How does this draft 1115 Waiver compare to the 2015 waiver?

The draft waiver amendment/extension largely reflects the language within HB 658, passed by the 2019 Legislature. The waiver does two main things:

- **Extends the current HELP provisions in the 2015 waiver, including the current exemptions from the demonstration.** The waiver continues Medicaid coverage for adults with incomes at or below 138 percent FPL, as well as current requirements that some enrollees pay premiums. The waiver continues to exempt populations that were exempt from the first Medicaid expansion waiver. These exemptions include those who:
 - are medically frail;
 - have incomes below 50 percent FPL;
 - live in a region (including an Indian reservation) that would not be effectively or efficiently served through the waiver demonstration; or
 - require a continuity of coverage not available through the waiver demonstration.

The waiver will also extend the state's 12-month continuous eligibility, providing enrollees continued benefits during a 12-month period.

- **Amends the current waiver to seek authority to implement new community engagement/work requirements and increased premiums reflected in HB 658.** The waiver amendment largely mirrors the language within HB 658, as it relates to allowable activities, exemptions, and process for determining exemptions and compliance.

What is the timeline for the waiver process?

The state has opened the state comment period on the draft waiver, and the Department of Public Health and Human Services (DPHHS) will accept comments until midnight, August 15, 2019. DPHHS is required to submit the waiver to CMS by August 30. From there, CMS will also hold a federal comment period (likely 30 days). We do not know when CMS will approve the waiver, but it could take nine months to over a year before a waiver is approved.

What happens to Medicaid expansion coverage for current enrollees in the meantime?

Medicaid expansion coverage will stay in effect, in its current form, until CMS approves and the state implements the new requirements.

What does the new community engagement/work requirements mean?

After CMS approval and state implementation goes into effect, affected individuals will be required to work or perform some other approved activity (e.g., workforce training; secondary, postsecondary, or vocational education; substance abuse education or treatment; community service or volunteering) for a total of 80 hours per month.

Who will be subject to the work requirements?

Non-exempt enrollees between age 19 and 55 will be required to meet the requirements. Those who are already working and receive income that exceeds an amount equal to the average of 80 hours per month multiplied by the minimum wage will be exempt from the reporting requirements. HB 658 and the draft waiver also set out exemptions from these requirements, including those who are:

- medically frail;
- blind or disabled;
- pregnant;
- experiencing an acute medical condition requiring immediate medical treatment;
- mentally or physically unable to work;
- a primary caregiver for a person unable to provide self-care;
- a foster parent;
- a full-time student in secondary school or enrolled in at least six credits of postsecondary or vocational education;
- participating in or exempt from work requirements of TANF or SNAP;
- under the supervision of the Department of Corrections;
- experiencing chronic homelessness;
- a victim of domestic violence; or
- living in an area with high-poverty designation.

Following approval from CMS, DPHHS will implement the new community engagement requirements, including reporting requirements and exemptions. DPHHS will notify an enrollee who is not in compliance that the enrollee has 180 days to come into compliance, and failure to comply within the 180-day period will result in suspension from the program. An enrollee who is suspended may be reinstated 180 days after the date of suspension or prior to that upon determination by DPHHS that the individual is back in compliance or meets an exemption.

Are there other new requirements in the waiver?

Some Medicaid expansion enrollees will be subject to increased premiums over time. Consistent with HB 658, the draft 1115 Waiver will require enrollees with income greater than 50 percent PL who are not otherwise exempt to pay monthly premiums. That premium level is set at 2 percent of the enrollee's income for the first two years of participation. The premium level will increase 0.5 percent in each subsequent year that an enrollee receives coverage, up to a maximum of 4 percent of the enrollee's income. DPHHS provided the below table on premium amounts for those subject to premiums.

Year of Participation in HELP Program	Premium Amount (percent of enrollee's income)
Year 1	2 percent
Year 2	2 percent
Year 3	2.5 percent
Year 4	3 percent
Year 5	3.5 percent
Year 6	4 percent

How might these new requirements impact coverage in Montana?

The waiver includes information to CMS on how many people the state expects could lose coverage as a result of new community engagement/work requirements, consistent with the HB 658 fiscal note. The state estimates that 8,163 enrollees will be required to comply with the work requirements. Of those, half (4,081) are projected to lose coverage. The waiver amendment does not appear to provide projections for loss of coverage as a result of the new premium requirements.

How can someone make a comment on the proposed 1115 Waiver?

DPHHS will be accepting comments until midnight on August 15, 2019. Comments can be submitted by:

- Mail: Medicaid Expansion Extension, Director's Office, PO Box 4210, Helena, MT 59604;
- Phone: (406) 444-2584; or
- Email: dphhscomments@mt.gov.

DPHHS will also hold two public meetings, where individuals can provide public comment. The first meeting will be held in Billings on Wednesday, July 31, 2019, and the second will be in Helena on Thursday, August 1, 2019. More detail on the public meetings and comment period can be found at <https://dphhs.mt.gov/medicaidexpept>.

Individuals will also have the opportunity to provide comments on the federal level, once the state submits the waiver to CMS.

Timeline of the 1115 Waiver Process

June 14, 2019	DPHHS released the draft waiver, which can be found at https://dphhs.mt.gov/medicaidexpept .
June 14 – August 15, 2019	State comment period for the draft waiver. Comments can be submitted by mail, phone, or email.
July 16, 2019	Tribal consultation to be held in Helena.
July 30, 2019	Children, Families, Health & Human Services Interim Committee will meet, where DPHHS will present the draft waiver.
July 31, 2019	Public meeting to be held in Billings.
August 1, 2019	Public meeting to be held in Helena.
August 15, 2019	Deadline for public comment to DPHHS.
August 30, 2019	DPHHS required to submit waiver to Centers for Medicare & Medicaid Services (CMS).
September 2019 (TBD)	Federal comment period for comments to CMS (likely 30 days).
October 2019 through 2020	Negotiations between Montana and CMS on the waiver. It could take CMS somewhere between nine months to two years to approve the waiver.
Following CMS approval	DPHHS will conduct rulemaking to implement the new requirements within HB 658.